2019 half-year financial report

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A. Activity Report

A.1 Distribution in kind of 23.5% of Worldline share capital to Atos' shareholders out of the 50.8% owned by the Group

On January 30, 2019, Atos SE announced during its Investor Day a project to distribute in kind 23.5% of Worldline share capital to Atos' shareholders, out of the 50.8% owned by the Group.

This project was approved unanimously by the Board of Directors upon the recommendation of an ad hoc committee comprising the independent directors and the Chairman of the Board.

During the Annual General Meeting held on April 30, 2019, Atos shareholders approved this exceptional distribution in kind at 99.94%, with a distribution ratio of Worldline shares to Atos shareholders equal to 2 Worldline shares for 5 Atos shares held. Atos' shareholders also approved under the 15th resolution the Global Alliance Agreement (the "Alliance"), which was entered into between the Company and Worldline on March 25, 2019 in light of the parties' willingness to maintain a strong industrial and commercial partnership. The Alliance governs four main domains: Sales, Research and Development (R&D), Human Resources and Procurement, and includes in particular a mutual general cooperation clause and governance provisions relating to the implementation of an Alliance Board. The Alliance came into force upon the distribution of the Worldline shares and shall remain valid for five years.

Following the transaction effective on May 7, 2019, Atos holds 27.3% of the share capital and 35.0% of the voting rights of Worldline. As from that date, this stake has been accounted for under the equity method in Atos' financial statements.

On May 6, 2019, Atos and Worldline entered into a separation agreement whereby they assigned the separation activities to the parties in a coordinated manner, notably in the areas of intellectual property rights, group processes and policies, IT systems migration and integration, security, IT support, offshore resources, insurance, subleasing of premises, parental guarantees and data protection.

The loss of control of Worldline resulting from the distribution in kind caused a capital gain (net of taxes) recorded in the Atos consolidated financial statements as of June 30, 2019, as a consequence of the revaluation at market value of all the Worldline shares held by Atos before the distribution in kind. This gain was recognized in the consolidated income statement in "Net income from discontinued operation" (see in note 1 – Changes in the scope of consolidation).

This transaction came at a time when Atos had completed its global profile, capabilities and geographical footprint with the acquisition of Syntel. Consistent with the priorities highlighted in the 2019-2021 strategic plan, the distribution in kind of Worldline shares reinforced the Group's focus as a leading listed digital player and increased its strategic flexibility, thereby allowing Atos to further amplify growth and value creation as the digital landscape accelerates. Atos' shareholders also directly benefited from the value creation potential of Worldline shares distributed as part of this project.

Similarly, Worldline had also scaled up significantly over the course of 2018. With the acquisition of SIX Payment Services, Worldline can pursue an independent standalone strategy as the undisputed payment leader in Europe, delivering strong revenue growth, profitability and sustainable cash flow generation. In a backdrop of continued consolidation in the European payment market, the transaction increases Worldline's strategic flexibility. Worldline also benefits from a strengthened equity capital markets profile as a result of its increased free float and liquidity.

The relationship between the two groups remains strong. Indeed, Atos reinforced its industrial and commercial partnership with Worldline and maintained all the existing partnerships on an arm's length basis through the creation of the Alliance. This Alliance notably comprises a joint go-to-market strategy and R&D cooperation and also combines innovation in digital and payment services as well as talent pools and networks.

Atos also continues to participate in Worldline's governance, with reduced representation of Atos from 5 to 3 Board members consistent with its reduced ownership level. Thierry Breton continues to serve as non-executive Chairman of Worldline's Board of Directors and Gilles Grapinet remains Chief Executive Officer of Worldline.

The shareholders' agreement between Atos and SIX was amended with effect on May 7, 2019 to reflect the continued partnership between the two groups post distribution. The main modifications to the shareholders' agreement, which was described in the information document (Document E) filed on October 31, 2018 with the AMF under registration number E-18-070 and in the Worldline 2018 registration document filed on March 21, 2019 with the AMF under number D.19-0185, are the following:

- Worldline's Board of Directors, on May 7, 2019, shall comprise 12 directors and be composed as follows (i) 3 directors designated by Atos, including the Chairman (compared to 6 in the previous version of the shareholders' agreement), (ii) 2 directors designated by SIX Group (in line with the previous version of the shareholders' agreement), (iii) the Chief Executive Officer of Worldline and (iv) 6 independent directors (compared to 4 in the previous version of the shareholders' agreement);

- Atos shall be entitled to designate (i) 3 directors at Worldline's Board of Directors for so long as it owns a number of shares representing more than 30% of Worldline's voting rights and provided that Atos holds 10 percentage points more than SIX Group in voting rights during a period of 7 months following the Annual General meeting held on April 30, 2019, (ii) 2 directors and 1 censor if Atos owns a number of shares representing more than 16% of Worldline's share capital or voting rights and (iii) 1 director and 1 censor if Atos owns a number of shares representing more than 8% of Worldline's share capital or voting rights;

- in the event where Atos would come to own a number of shares between 8% and 16% of Worldline's share capital or voting rights and SIX Group holds a number of shares representing more than 8% of Worldline's share capital and voting rights, neither Worldline nor its subsidiaries could take certain significant decisions without the prior approval of the Board of Directors including the affirmative vote of at least one of the directors designated by Atos, the list of such significant decisions, as described in aforementioned Document E, being identical to the one presented in the shareholders' agreement for the prior approval of SIX Group. Pursuant to the provisions of the shareholders' agreement, SIX Group's right of prior authorization has taken effect upon payment of the distribution in kind;

- the obligations under the shareholders' agreement related to the orderly market sell-down of Worldline shares shall be applicable, except for certain provisions, for any of Worldline shares sell-down representing on a given day more than 10% of the average daily trading volumes for a period of 30 trading days (compared to 20% in the previous version of the shareholders' agreement) and shall also be applicable for a distribution in kind of Worldline shares;

- Atos and SIX Group shall have the option to participate in any significant sell-down (defined as the transfer of Worldline shares representing more than 10% of the average daily trading volumes for a period of 30 trading days) contemplated by the other party which would be carried out through a private placement or a secondary public offering of Atos' or SIX Group's shares, pro rata to their respective shareholding in Worldline on a share capital basis; and

- the shareholders' agreement will remain in force until the earlier of (i) October 18, 2028, unless SIX Group requests a ten-year period renewal, (ii) its termination by mutual agreement of Atos and SIX Group, and (iii) the holding by SIX Group or Atos of a number of Worldline shares representing less than 4% of the share capital or voting rights of Worldline.

Atos and SIX Group also committed to retain, subject to certain exceptions, their respective shareholding in Worldline during a six-month lock-up period, starting from April 30, 2019.

A.2 Atos in the first half of 2019

January

Atos announced on **January 16**, it has been named for the third year running, as a global Leader in IoT services by Everest Group. The report assesses the relative capabilities of 19 global IT service providers offering IoT services. Atos has been recognized for its Atos Codex IoT Services built in-house and via partnerships with major technology providers and niche startups.

On **January 21**, Atos launched its new Evidian Safekit software solution to ensure high availability of enterprise business-critical services hosted in the Cloud. It is fully comprehensive and includes real-time replication, load balancing and failover all within the same one software product. It also announced its the release of its new Horus security suite for Intelligent Transportation Systems (ITS), a solution which provides security to communications in connected vehicles.

On **January 30**, Atos announced its project to distribute 23.5% of Worldline's share capital to Atos' shareholders leading to the creation of 2 listed global pure play leaders. As a consequence, while continuing their industrial and commercial partnership, Atos will reinforce its focus as a leading digital pure player and Worldline will benefit from a strengthened equity profile and enhanced ability to pursue consolidation opportunities.

At the occasion of an Investor Day held on **January 30** in its Headquarters in Bezons (France) the Group launched ADVANCE 2021, its new three-year plan, building on its reinforced global profile in digital services.

Atos announced on **31 January**, that it has been positioned as a Leader by Gartner in both its Magic Quadrant for Managed Workplace Services for Europe and for North America, based on its ability to execute and its completeness of vision. This is the third consecutive year Atos has been named a Leader in the Europe report, and the second year in the North America report.

February

Atos announced on **February 5**, an agreement with the Science and Technology Facilities Council's (STFC) Hartree Centre that will see one of the UK's leading high-performance computing research facility take the first UK delivery of an Atos Quantum Learning Machine, the highest performing quantum simulator in the world. This Quantum Learning Machine will be one of the highest-performing ever deployed by Atos and will be used to develop new quantum-based services designed to help researchers and industry prepare for the coming quantum computing revolution.

On **7 February**, Atos and Worldline, the European leader in the payments and transactional services industry, announced the signature of the United Nations' Standards of Conduct for Business and the L'Autre Cercle Charter of LGBT+ Commitment – pledging their support to LGBT+ (Lesbian, Gay, Bisexual, Transgender, Intersex and others) people at work worldwide.

On **February 12**, Atos announced that is had been recognized as a global leader within the IT sector by international non-profit organization CDP on the 2018 CDP Climate Performance Leadership Index. Atos was awarded an "A-" grade worldwide for various items (Disclosure, Awareness, Management, Leadership) demonstrating the high level of its environmental stewardship. This grade highlights the quality of Atos' actions and approaches in managing climate change.

On **February 15** Atos, together with fifteen other organizations, including Siemens, AES, Airbus, Allianz, Cisco, Daimler, Dell Technologies, Deutsche Telekom, Enel, IBM, MSC, NXP, SGS, Total and TÜV Süd welcome three new partners in The Charter of Trust, the world's first joint charter for greater cybersecurity. These are BSI German Federal Office for Information Security, CCN National Cryptologic Center and Graz University of Technology in Austria.

On **February 21**, Atos announced its Full Year 2018 results. **Revenue was € 12,258 million**, **+4.2% at constant exchange rates**, and **+1.2% organically**, particularly led by the Atos Digital Transformation Factory which represented 30% of 2018 revenue (vs. 23% in 2017) benefitting from the strong demand of large organizations implementing their digital transformation. **Operating margin was € 1,260 million**, representing **10.3% of revenue**, compared to 10.8% in 2017 at constant scope and exchange rates. In 2018, the Group did not record one off related to pension schemes optimization plan in operating margin while in 2017 it had a positive effect of € 28 million representing 20 basis points on operating margin. The commercial dynamism of the Group was particularly high in 2018 with **order entry reaching € 13.7 billion**, representing a **book to bill ratio of 112%** in 2018 compared to 109% in 2017 at constant rate. During the fourth quarter, the book to bill reached 124%. **Net income was € 703 million**, **+5.8% compared to 2017** and net income Group share reached **€ 630 million**, **+5.0% compared to 2017**. Therefore, **basic and diluted EPS reached respectively € 5.95** (€ 5.72 in 2017) **and € 5.95** (€ 5.70 in 2017). **Normalized basic and diluted EPS reached respectively € 8.56** (€ 8.24 in 2017) **and € 8.56** (€ 8.21 in 2017). **Free cash flow reached € 720 million** in 2018, excluding 62 million of acquisition costs on Syntel and SIX Payment Services and upfront financing fees on Syntel, representing a cash conversion of 57.1%. **Net debt was -€ 2.9 billion** at the end of 2018 reflecting the amount paid for the acquisition of Syntel during the year, the cash component and the contingent consideration related to the acquisition of SIX Payment Services.

On **February 25**, Atos announced together with its partner Google Cloud a new contract with T-Mobile Netherlands to deliver a new scalable chatbot, which uses Artificial Intelligence (AI), as part of the telecommunications company's digital transformation plan. Bringing together Atos' industry knowledge and expertise with the latest AI and ML technologies from Google Cloud, this multi-channel chatbot will streamline customer queries, increase customer satisfaction and reduce costs.

March

On **March 4**, Atos and Ooredoo, the region's leading enabler of digital business innovation, announced at Mobile World Congress, a partnership for enterprises to accelerate their digital business competitiveness. Thanks to this new partnership, Ooredoo's customers can now benefit from Atos' industry leading experience and solutions in Infrastructure as a Service (IaaS), Cloud Transformation and also cybersecurity services.

On **March 13**, Atos announced a contract with the Western Australian Department of Health to support the transition and transformation of its ICT infrastructure into a fully managed Hybrid Digital Cloud Service. As part of this AUD$124m (~EUR €78.2 million) five-year contract Atos will work with the WA health system's ICT service provider, Health Support Services (HSS), to transition the current legacy infrastructure from the incumbent provider to Atos Cloud platforms.

Atos announced on **March 14** that it has developed the Advanced Access Control System (AACS) for the Olympic Games Tokyo 2020. As the Worldwide IT Partner of the International Olympic Committee (IOC), Atos will manage the Advanced Access Control System with the support of Panasonic's solutions and equipment and NEC's facial recognition system as key partners in this project.

On **March 19**, Atos announced that **Elie Girard has been appointed as Group Deputy CEO**.

April

On **April 2** Atos announced that it had successfully digitally transformed, in just 15 months, Illumia, the first Italian family business in the energy sector, using Atos' digital energy platform "DORA" (Digital Operations for Retailers by Atos). Through this contract, Illumia saw immediate cost and financial benefits, as well as a better user experience and optimized control processes.

Atos and Google Cloud inaugurated on **April 4** a joint artificial intelligence (AI) laboratory in the presence of Bruno Le Maire, French Minister of Economy and Finance. Set up as part of the global partnership between Atos and Google Cloud, this laboratory, which is unique in France, enables clients, businesses and public organizations to identify practical cases, for which AI could provide innovative and effective solutions.

On **April 10** Atos announced that it was awarded the Google Cloud Global Breakthrough Partner of the Year Award. Atos was recognized for its outstanding growth in its customer base over the last year to extend the reach of the Google Cloud ecosystem. Through Atos's expertise in cloud orchestration, migration and management, joint customers have been able to use the cloud to power transformation and innovation and respond faster to customer needs.

Atos announced on **April 10** Open Hybrid Cloud, a fully-managed, on-premise solution that smoothly transitions businesses from traditional to cloud-native operations, as well as accelerates enterprises' move to a hybrid cloud strategy as the solution incorporates key components of Google Cloud's Anthos.

On **April 10** Atos and CloudBees announced a partnership to offer a joint solution to help customers modernize their application development practices on Google Cloud Platform (GCP). The solution is an integrated service that makes oversight of the software development environment easy and provides a managed platform for the software delivery process.

On **April 18**, Atos announced that it has offset 100% of its 2018 CO_2 emissions worldwide, through a dedicated wind farm program. In addition to offsetting emissions from its data centers, which it has done since 2014, Atos now ensures that this program also includes the offsetting of carbon emissions[1] produced by its offices and business travel. This initiative is part of Atos' global environmental program supporting Advance 2021 strategic plan.

Atos announced on **April 24** that it has been identified as a 'Leader' by global research and advisory firm NelsonHall in its latest Vendor Evaluation & Assessment Tool (NEAT) for SAP HANA and S/4HANA services. The report cites Atos' strengths, including a significant organizational focus on growing HANA and S/4HANA, broad geographic delivery footprint, clearly defined target verticals and geographies, assets incorporating innovative offerings like SAP Leonardo and SAP Cloud Platform and its Breakthrough Partnership with Google Cloud to drive S/4HANA on the cloud.

Atos announced on **April 25** the revenue of its first quarter of 2019. **Q1 2019 revenue** was **€ 2,818 million**, up **+0.4% organically**. The Group strategy focused on digital projects and on data management and security drove organic growth in Business & Platform Solutions at +3.5% and in Big Data & Cybersecurity at +11.4%. Alongside, Infrastructure & Data Management showed signs of improvement thanks to North America starting its recovery. The Group pursued its good commercial dynamism with **order entry** at **€ 2,428 million** leading to a **book to bill** ratio of **86%**.

On **April 30** Atos SE held its Annual General Meeting chaired by Mr. Thierry Breton, Chairman and Chief Executive Officer. The shareholders widely approved the renewal of the terms of office of Mr. Thierry Breton, Chairman and Chief Executive Officer for a period of three years as well as they approved the three-year strategic plan. Exceptional distribution in kind of 23.5% of the share capital of Worldline and the Company's sense of purpose were also overwhelmingly approved by the shareholders as follow:
"At Atos, our mission is to help design the future of the information technology space.
Our expertise and services support the development of knowledge, education as well as multicultural and pluralistic approaches to research that contribute to scientific and technological excellence.
Across the world, we enable our customers, employees and collaborators, and members of societies at large to live, work and develop sustainably and confidently in the information technology space"

Atos announced on **April 30** that it has been recognized as part of Dell EMC's exclusive President's Circle with an award for Global Alliances EMEA Systems Integrator and Strategic Outsourcer Partner of the Year. This year's awards were presented at Dell Technologies World 2019, during Dell EMC's Global Partner Summit, which took place in Las Vegas on April 29. During the event, Atos also received an award for Global Alliances Growth Partner of the Year in recognition of an exceptional year-on-year revenue growth.

May

Atos published its 2018 Integrated Report on **May 7,** which presents a global vision of the group. For the first time, all of the most relevant information in terms of financial and non-financial performance, strategy and achievements are consolidated in an integrated and consistent way in a single report. The report addresses the Group's risks and opportunities, challenges and initiatives in Corporate Social Responsibility (CSR). It was prepared in accordance with the 2018 Registration Document and successfully fulfils the recommendations of the Global Reporting Initiative (GRI) Standard option "Comprehensive".

On **May 7**, following the approval of the transaction by Atos shareholders at the Combined General Meeting held on April 30, 2019, Atos announced that the distribution in kind of Worldline shares to Atos shareholders is effective as from May 7, the payment date.

Atos launched a new unified cloud identity and access management solution for ultimate security on **May 13**. Acting as a single identity provider and management system for all platforms, cloud and on-premise, this new solution, based on Evidian software from Atos, enables organizations to keep control of all identities that need access to their business systems, providing them with ultimate security.

On **May 14** Atos announced that it has been selected as a major Google Cloud high performance computing services partner, expanding the global partnership with new services for enterprise customers. Leveraging Atos' Center for Excellence in Performance Programming (CEPP), customers will have the computing power needed to get the most out of their data when addressing large issues in science, engineering and business.

On **May 15**, Atos announced that it has joined forces with the startup Rcup to address musculoskeletal disorders (MSDs) for operators working in industrial environments or medical personnel, with intelligent morphological insoles. Developed as part of a project called 'Mission Zero Accident', these morphological insoles, inserted into safety shoes, are tailor-made for each operator, and reduce back strain. They are also equipped with integrated sensors that collect anonymously, on a daily basis, a large amount of data (loads carried by operators, movements in the factory) which are then transmitted to a secure platform hosted by Atos. They are then analyzed by Machine Learning algorithms.

Atos unveiled on **May 15** the Top 30 energy consumption of the world's most popular mobile applications in a study conducted by startup Greenspector. Increasingly demanding in terms of technical resources (RAM, CPU, Data, etc.), mobile applications used by 5 billion mobile users worldwide have a booming impact on energy consumption and the environment.

On **May 16** Atos announced the launch of its new Hardware Security Module (HSM) for IoT, a high-performance security device designed to protect IoT ecosystems through cryptographic features. The new HSM, part of the Horus portfolio, combines 'as-a-Service' access, centralized key management system and IoT security services for a fully-integrated solution.

Atos announced on **May 16** that it has delivered its Atos Quantum Learning Machine, the world's highest-performing commercially available quantum simulator, to French multinational energy company Total. As part of an ambitious cross-functional research project, the Total group intends to use the Atos QLM to support all of its businesses.

On **May 16** Atos announced the launch of BullSequana Edge, the highest-performing edge computing server on the market worldwide to manage data at the edge. The BullSequana Edge has been designed to be used securely for the Internet of Things (IoT), in environments in which fast response times are critical - such as manufacturing 4.0, autonomous vehicles, healthcare and retail/airport security – where data needs to be processed and analyzed at the edge in real-time.

Atos announced on **May 16** that it has been chosen by Veolia, the world leader in utilities, to develop its secure collaborative environment with G Suite from Google Cloud.

On **May 16** Atos announced myQLM, a new program providing researchers, students and developers quantum programming tools for free, in order to democratize access to quantum simulation and encourage innovation in quantum computing. Eighteen months after disclosing the world's highest-performing quantum simulator in the world - the Atos Quantum Learning Machine, capable of simulating up to 41 quantum bits (Qubits) - Atos continues to innovate in the field of quantum computing by allowing the Atos QLM user ecosystems to develop quantum algorithms autonomously.

On **May 17** Atos announced that it is now an official Microsoft Partner for Mixed Reality and joins prestigious Microsoft Mixed Reality Partner Program (MRPP). This confirms Atos' expertise and success in building Mixed Reality innovative solutions, combining the benefits of both virtual and augmented reality – using Microsoft HoloLens technologies.

Atos announced on **May 17** the signature of a partnership agreement with the Public Hospitals of Paris *(AP-HP, Hôpitaux de Paris)* and Nantes *(University Hospital Center, CHU)* for the launch of a delivery drone project for the hospital of the future. As part of this agreement, Atos will design a software platform to optimize and automate the delivery of medical products between and within facilities through air and river drones - enabling healthcare professionals to control the delivery times of medical goods and products in emergency situations, and at any time.

On **May 22** Atos announced it has been positioned as a leader in Robotic Process Automation (RPA) and Artificial Intelligence (AI) services in banking by global research firm NelsonHall. The vendor profile highlighted Atos' strengths in the space, including its portfolio of proprietary IP and BPS (Business & Platform Services) delivery in North America acquired with Syntel, Atos' relationships with leading product vendors, particularly its Google delivery partnership, and the company's existing client base of tier-one banks.

On **May 23** Atos announced that it was selected, alongside its strategic partners – Capgemini and the CEA – to deliver a prototype of a Big Data platform to the French Defense Procurement Agency (Direction Générale de l'Armement, DGA). Project Artemis aims to provide the French Ministry of the Armed Forces with a sovereign « infostructure » for massive data storage and management.

June

On **June 3,** Atos announced, that the Joliot-Curie supercomputer designed by Atos for French national high-performance computing organization GENCI and based on Atos' BullSequana architecture, is set to become the most powerful French research supercomputer when it reaches 22 petaflops in 2020. The new supercomputer is located at the CEA's Very Large Computing Centre (TGCC) was inaugurated on 3 June 2019 by François Jacq, CEA Chairman, Thierry Breton, Atos CEO, and Philippe Lavocat, GENCI CEO.

Atos announced on **June 6** a new 4-year contract to deliver its latest supercomputer, the BullSequana XH2000, to Uninett Sigma2, the national e-infrastructure provider in Norway. The supercomputer will be Norway's most powerful supercomputer and provide Norwegian researchers with an enhanced computing capacity to enable new innovation breakthroughs**.**

On **June 13** Atos announced that it has signed a multi-year $150 million USD contract to deliver Digital Managed Workplace Services for National Grid's core business, spanning the UK and northeastern United States. National Grid is a British multi-national electricity and gas utility company headquartered in the UK.

On **June 13** Atos announced a strategic partnership with Virtru, a leading data protection platform provider that stands at the intersection of security and privacy. The partnership will provide global organizations with a joint encryption solution for Digital Workplace, protecting customer data across cloud-based platforms. This solution combines Atos hardware encryption with Virtru's encryption software and is aimed at organizations which are looking for easy-to-use data encryption solutions to protect data in both cloud and hybrid environments.

Atos announced on **June 14** that it has tied 3rd highest global rank in Managed Security Services (MSS) in terms of 2018 market share revenue, according to the latest Gartner report.

On **June 18** Atos announced that it has been selected by Ørsted, a global leader in offshore wind, to supply critical communications solutions based on TETRA (Terrestrial Trunked radio) technology for two offshore wind farms, off the coast of Changhua County in Taiwan.

Atos announced on **June 18** a new 6-year contract with Damart, the international fashion and home-shopping retailer and brand of Damartex Group, to digitally transform its business by moving its infrastructure to the cloud. Damart will use a cloud solution combining Google Cloud Platform (GCP) and Atos' Digital Private Cloud platform.

On **June 26** Atos announced that Gartner, Inc. has positioned Atos as a Leader in its Magic Quadrant for Data Center Outsourcing and Hybrid Infrastructure Managed Services for both Europe and for North America. This is the 8th consecutive year that Atos has been named a Leader in the Europe-focused report, and the third consecutive year in the North America-focused report.

July

Atos announced on **July 1** that it has strengthened its strategic partnership with Google Cloud with two high-performance regional extensions of existing Google Cloud data centers in Frankfurt (Germany) and Ashburn VA (North America), to support Oracle database customers. These two regional extensions will be equipped with Atos' high-performance BullSequana S servers and will enable Oracle database customers to run their workloads efficiently and effectively and benefit from Google Cloud Platform (GCP).

On **July 3** Atos together with GENCI (Grand Équipement National de Calcul Intensif), announced the winners of its scientific competition, the Atos Joseph Fourier Award 2019. The award aims to accelerate research and innovation by rewarding projects in the fields of numerical simulation and Artificial Intelligence (AI).

Atos announced on **July 3** the winners of its international student competition, the Atos IT Challenge, which were presented with their awards at a ceremony presided over by Thierry Breton, Chairman and CEO of the Group, held at Atos' global headquarters. Now in its eight year, the competition saw teams from 20 countries around the world compete on the theme of 'Machine Learning for Sustainability'.

On, **July 25**, Atos announced its financial results for the first half of 2019. **Revenue** was **€ 5,744 million**, up **+0.8% organically**, thanks to a strong performance recorded in Big Data & Cybersecurity, and growth in Business & Platform Solutions. The decrease of Infrastructure & Data Management reduced from Q1 at -3.0% to Q2 at -0.6% further to the improvement of the situation in North America.
Operating margin was **€ 529 million**, representing **9.2% of revenue**, an improvement by **+20 basis points** mainly fueled by the good performance in Business & Platform Solutions (+80 basis points), while Infrastructure & Data Management achieved stabilization. Operating profitability of Big Data & Cybersecurity reflected specific R&D and offering investments in both Cybersecurity and Big Data solutions. **Order entry** reached **€ 5,742 million**, representing a **book to bill ratio of 100%**, of which **113% in the second quarter**. **Free cash flow** was at **€ 23 million** at the end of June 2019.

A.3 Operational review

A.3.1 Statutory to constant scope and exchange rates reconciliation

Revenue in H1 2019 reached € 5,744 million, -5.4% at constant exchange rates and +0.8% organically. Operating margin reached € 529 million, representing 9.2% of revenue, an improvement of +20 basis points at constant scope and exchange rates.

In €million	H1 2019	H1 2018	% change
Statutory revenue	5,744	6,005	-4.3%
Exchange rates effect		68	
Revenue at constant exchange rates	**5,744**	**6,074**	**-5.4%**
Scope effect		-395	
Exchange rates effect on acquired/disposed perimeters		23	
Revenue at constant scope and exchange rates	**5,744**	**5,701**	**+0.8%**
Statutory operating margin	529	545	-2.9%
Scope effect		-41	
Exchange rates effect		9	
Operating margin at constant scope and exchange rates	**529**	**513**	**+3.1%**
as % of revenue	*9.2%*	*9.0%*	

The table below presents the effects on H1 2018 revenue of acquisitions and disposals, internal transfers, reflecting the Group's new organization, and change in exchange rates.

	H1 2018 revenue				
In € million	H1 2018 statutory	Scope effects	Internal transfers	Exchange rates effects*	H1 2018 at constant scope and exchange rates
North America	967	363		91	1,420
Germany	1,057	-5			1,052
UK & Ireland	826	27		7	860
France	841	6			847
Benelux & The Nordics	510	1		-1	510
Other Business Units	1,008	10		-6	1,012
Worldline	797	-797			
TOTAL GROUP	**6,005**	**-395**		**91**	**5,701**
Infrastructure & Data Management	3,163	-3	-27	60	3,193
Business & Platform Solutions	1,617	424	21	26	2,087
Big Data & Cybersecurity	429	-19	6	5	421
Worldline	797	-797			
TOTAL GROUP	**6,005**	**-395**		**91**	**5,701**

* *At H1 2019 exchange rates*

Scope effects amounted to € -395 million for revenue, of which:

- € -797 million related to the restatement of the contribution of Worldline to the Group revenue in H1 2018. As a reminder, on January 30, 2019, Atos SE announced during its Investor Day a project to distribute in kind 23.5% of Worldline share capital to Atos' shareholders, out of the 50.8% owned by the Group. During the Annual General Meeting held on April 30, 2019, Atos shareholders approved this exceptional distribution in kind. It was thereafter implemented on May 7, 2019, with a distribution ratio of Worldline shares to Atos shareholders equal to 2 Worldline shares for 5 Atos shares held. Following the transaction, Atos holds 27.3% of the share capital. From an accounting standpoint, Worldline was recorded as a discontinued operation according to IFRS 5 from January 1, 2019 to April 30, 2019 (instead of May 7, 2019 for practical reasons) and then under the equity method in Atos' financial statements, implying that the revenue realized by Worldline in H1 2019 is no more part of the Group revenue;

- Alongside, the revenue realized by Atos' entities with Worldline in H1 2019 is no more neutralized in the Group consolidation but recognized as Group revenue, and represented € 33 million in H1 2018;

- The remaining net positive amount of € +369 million was mostly related to Syntel acquisition (6 months for € 410 million), the disposal of some specific Unified Communication & Collaboration activities, and the disposal and decommissioning of non-strategic activities within CVC.

The following internal transfers occurred as of January 1, 2019: (i) healthcare contracts in NAO transferred to Atos Syntel, previously reported within Infrastructure & Data Management and now reported within Business & Platform Solutions as of January 1, 2019, (ii) Escala offering transferred from Infrastructure & Data Management to Big Data & Cybersecurity, (iii) a Telecom contract transferred to Infrastructure & Data Management.

From H1 2018 statutory, currency exchange rates positively contributed to revenue for a total of €+91 million, mainly coming from the American dollar.

The impacts described above are reflected in the operating margin at constant scope and exchange rates. In particular, scope effect amounted to € -41 million, mainly coming from Worldline contribution restatement impacting the Group margin by € -129 million, compensated by € +88 million for the rest of the Group, mainly coming from the contribution of Syntel. These effects are detailed below:

	H1 2018 operating margin				
In € million	**H1 2018 statutory**	**Scope effects**	**Internal transfers**	**Exchange rates effects***	**H1 2018 at constant scope and exchange rates**
North America	89	42		9	140
UK & Ireland	89	3		1	93
France	61	0			61
Germany	68	-5			62
Benelux & The Nordics	39	-2		-0	37
Other Business Units	111	50		-0	160
Global structures**	-41			0	-40
Worldline	129	-129			
TOTAL GROUP	**545**	**-41**		**9**	**513**
Infrastructure & Data Management	282	-8	-2	5	277
Business & Platform Solutions	119	101	2	3	224
Big Data & Cybersecurity	52	-5	1	1	49
Corporate costs	-37			-0	-37
Worldline	129	-129			
TOTAL GROUP	**545**	**-41**		**9**	**513**

** At H1 2019 exchange rates*

*** Global structures include the Global Divisions costs not allocated to the Group Business Units and Corporate costs*

A.3.2 Performance by Division

Revenue in H1 2019 was € 5,744 million, up +0.8% organically, thanks to a strong performance recorded in Big Data & Cybersecurity, and growth in Business & Platform Solutions. The decrease of Infrastructure & Data Management reduced from Q1 at -3.0% to Q2 at -0.6% further to the improvement of the situation in North America.
Operating margin was € 529 million, representing 9.2% of revenue, an improvement of +20 basis points mainly fueled by the good performance in Business & Platform Solutions (+80 basis points), while Infrastructure & Data Management achieved stabilization. Operating profitability of Big Data & Cybersecurity reflected specific R&D and offering investments in both Cybersecurity and Big Data solutions.

In €million	Revenue			Operating margin		Operating margin %	
	H1 2019	H1 2018*	Organic evolution	H1 2019	H1 2018*	H1 2019	H1 2018*
Infrastructure & Data Management	3,137	3,193	-1.8%	274	277	8.7%	8.7%
Business & Platform Solutions	2,135	2,087	+2.3%	247	224	11.6%	10.8%
Big Data & Cybersecurity	473	421	+12.4%	48	49	10.2%	11.7%
Corporate costs	-	-	-	-40	-37	-0.7%	-0.7%
Total	**5,744**	**5,701**	**+0.8%**	**529**	**513**	**9.2%**	**9.0%**

** At constant scope and exchange rates*

A.3.2.1 Infrastructure & Data Management

Infrastructure & Data Management

En millions d'euros	H1 2019	H1 2018*	Organic evolution
Revenue	3,137	3,193	-1.8%
Operating margin	274	277	
Operating margin rate	8.7%	8.7%	

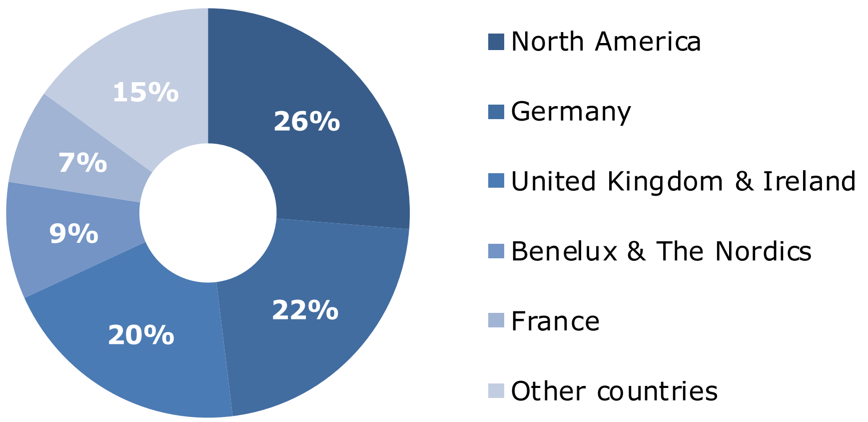
**At constant scope and exchange rates*

Infrastructure & Data Management **revenue** was € 3,137 million in H1 2019, down -1.8% at constant scope and exchange rates. The Division pursued its business model transformation by increasing the share of revenue in Hybrid Cloud Orchestration and in projects in Technology Transformation Services. The Division continued the digital transformation of its main clients through automation and robotization and managed to close several new deals in strategic areas, notably in Germany, North America, the United Kingdom, France and Benelux & The Nordics.

Growth materialized in Financial Services, mainly fueled by the ramp-up of the significant contracts in the United States with CNA Financial Corporation over compensating the Standard & Poor's contract which was not renewed last year, and in the United Kingdom with Aviva, coupled with increased activities with NS&I and Aegon. Telcos, Media & Utilities benefitted from additional sales achieved with BBC and the ramp-up of the contracts with Scottish Water in the United Kingdom and with a Spanish mobile telco operator. The situation in Public sector and in Manufacturing, Retail & Transportation remained challenging, notably in the United Kingdom suffering from the base effect of transitions completed with Ministry of Justice in H1 2018, and in the United States due in particular to the termination of Marriott International contract end of H1 2018. This was partly offset by increased business in Other Business Units.

After a first quarter at -3.0%, the Division achieved -0.6% organically during the second quarter of 2019 thanks notably to the improvement of the situation in North America.

Infrastructure & Data Management revenue profile by geographies



Operating margin in Infrastructure & Data Management was € 274 million in the first half of 2019, representing 8.7% of revenue, achieving stability compared to last year. Indeed, all geographies pursued strong cost saving actions including the RACE program to adjust their cost base to the revenue evolution.

A.3.2.2 Business & Platform Solutions

Business & Platform Solutions

En millions d'euros	H1 2019	H1 2018*	Organic evolution
Revenue	2,135	2,087	+2.3%
Operating margin	247	224	
Operating margin rate	11.6%	10.8%	

**At constant scope and exchange rates*

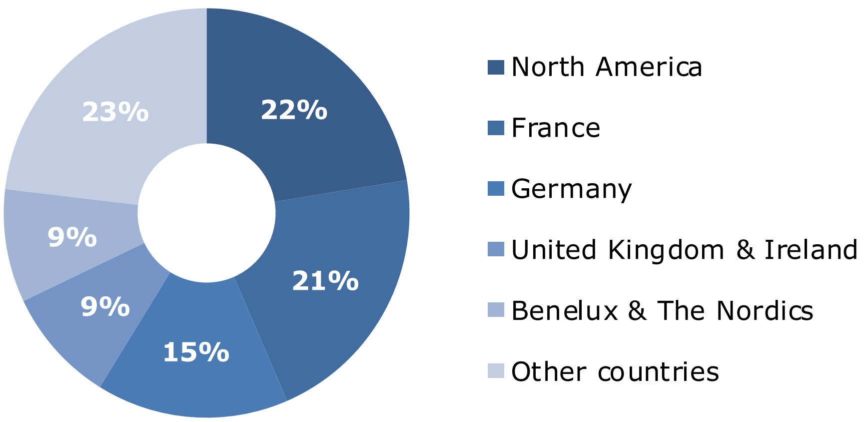
Business & Platform Solutions **revenue** during the first half of 2019 reached € 2,135 million, +2.3% at constant scope and exchange rates.

Growth was strong in Manufacturing, Retail & Transportation, which benefitted from good performance in almost all geographies and particularly in Germany, thanks to new application management services with Siemens, as well as new SAP engagement in Austria and the contribution from Syntel activities in North America, while new business recently won in the Benelux & The Nordics also contributed positively. Telcos, Media & Utilities sector showed a growth largely fueled by Other Business Units through higher volumes with Italian and Spanish utilities coupled with higher activity through Worldgrid contracts in France, partly offset by lower volumes in application management contracts in Germany and in Benelux & The Nordics.

The Division posted a resilient growth in Financial Services. Syntel activities strongly supported the performance in this market in North America and materialized synergies on existing accounts in the United Kingdom, while the situation was more challenging in the banking sector in France, Iberia and Central Europe. In Public & Health market, higher volumes achieved in Germany and in France could not compensate volume reductions in legacy contracts in North America and contracts terminated last year in Benelux & The Nordics and project completions in the United Kingdom.

Revenue growth reached +1.1% organically in Q2 2019. The Division management reduced the number of low margin contracts within Atos legacy activities in Q1 2019, and further in Q2 2019.

Business & Platform Solutions revenue profile by geographies



Operating margin was € 247 million, representing 11.6% of revenue. The strong improvement of +80 basis points was mainly led by North America, Germany and the United Kingdom. This was primarily attributable to the cost synergies from Syntel integration combined with a reduction of some low margin contracts at the occasion of transfer of contracts to Atos Syntel. The improvement also came from increasing revenue from digital offerings combined with continued cost saving effects in most geographies, notably through the industrialization of global delivery and a more efficient workforce management.

A.3.2.3 Big Data & Cybersecurity

Big Data & Cybersecurity

En millions d'euros	H1 2019	H1 2018*	Organic evolution
Revenue	473	421	+12.4%
Operating margin	48	49	
Operating margin rate	10.2%	11.7%	

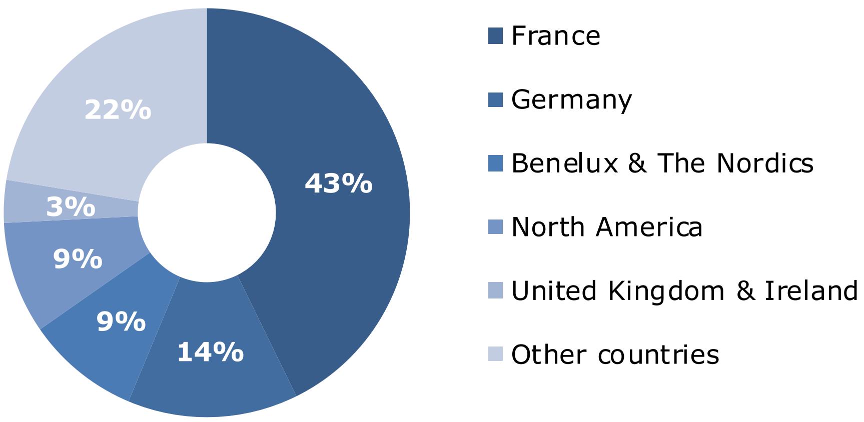
**At constant scope and exchange rates*

Revenue in Big Data & Cybersecurity was € 473 million, with a continued double-digit growth led by a strong performance largely driven by France and Benelux & The Nordics.

In particular, growth was notably sustained by Big Data activity, mainly coming from new business in France, combined with a strong performance posted in Benelux & The Nordics with CSC in Finland, as well as in Brazil with a petroleum company. Cybersecurity activities also posted a double-digit growth led by new business opportunities with CNA Financial Corporation in North America, combined with good performance in Benelux & the Nordics and Germany which largely offset revenue from licenses not repeated this year in the United Kingdom. Mission Critical Systems sales posted a solid growth largely coming from the ramp-up of the National Police contract in Central & Eastern Europe.

In Q2 2019, Big Data & Cybersecurity Division recorded a revenue organic growth at +13.2%.

Big Data & Cybersecurity revenue profile by geographies



Operating margin was € 48 million, representing 10.2% of revenue and a reduction of -150 basis points compared to last year on a like for like basis. Operating profitability in H1 2019 reflected specific R&D and offering investments in both Cybersecurity and Big Data solutions.

A.3.3 Performance by Business Units

	Revenue			Operating margin		Operating margin %	
In €million	H1 2019	H1 2018*	Organic evolution	H1 2019	H1 2018*	H1 2019	H1 2018*
North America	1,345	1,420	-5.3%	148	140	11.0%	9.9%
Germany	1,074	1,052	+2.2%	68	62	6.3%	5.9%
France	887	847	+4.6%	59	61	6.7%	7.2%
United Kingdom & Ireland	842	860	-2.1%	87	93	10.3%	10.8%
Benelux & The Nordics	524	510	+2.6%	39	37	7.4%	7.3%
Other Business Units	1,073	1,012	+6.1%	168	160	15.6%	15.8%
Global structures**	-	-	-	-38	-40	-0.7%	-0.7%
Total	**5,744**	**5,701**	**+0.8%**	**529**	**513**	**9.2%**	**9.0%**

** At constant scope and exchange rates*
*** Global structures include the IT Services Divisions global costs not allocated to the Business Units and Corporate costs*

A.3.3.1 North America

North America

In €million	H1 2019	H1 2018*	Organic evolution
Revenue	1,345	1,420	-5.3%
Operating margin	148	140	
Operating margin rate	11.0%	9.9%	

**At constant scope and exchange rates*

Revenue reached € 1,345 million, decreasing by € -76 million or -5.3% organically. The Business Unit was affected by off-boarding contracts and reduced scope with legacy customers notably within Infrastructure & Data Management unit.

Revenue in Infrastructure & Data Management was still impacted in H1 2019 by two contracts not renewed last year: Marriott International in Manufacturing, Retail & Transportation and Standard & Poor's in Financial Services. Manufacturing, Retail & Transportation benefitted from new logo business such as a conglomerate specialized in tourism retail and entertainment complexes. Financial Services recorded a good performance: it benefitted from the contribution of the new contract won with CNA Financial Corporation, which more than compensated Standard & Poor's contract. Telcos, Media & Utilities was mainly affected by the impact from decreased volume.

In Business & Platform Solutions, Financial Services and Manufacturing, Retail & Transportation benefitted from Syntel acquisition and recorded a good performance. Public & Health was impacted by lower volumes within Atos legacy activities.

In Big Data & Cybersecurity, the Division reached a good performance in Financial Services and Telcos, Media & Utilities, driven notably by new business opportunities with CNA Financial Corporation. However, this was not sufficient to compensate for the non-repeated high level of product sales performed last year in Manufacturing, Retail & Transportation and Public & Health sectors.

Operating margin reached € 148 million, representing 11.0% of revenue. It increased its profitability by +110 basis points compared to last year despite revenue erosion. In Business & Platform Solutions, the Business Unit increased its operating margin rate thanks to the contribution from Syntel, including the first effect of synergies. In addition, Big Data & Cybersecurity contributed as well on the improvement of the operating margin rate. Finally, in Infrastructure & Data Management, profitability slightly decreased due to revenue decline despite first benefits from workforce optimization initiatives and strong cost reduction actions.

A.3.3.2 Germany

Germany

In € million	H1 2019	H1 2018*	Organic evolution
Revenue	1,074	1,052	+2.2%
Operating margin	68	62	
Operating margin rate	6.3%	5.9%	

**At constant scope and exchange rates*

During the first half of 2019, the Business Unit achieved an organic growth of +2.2% compared to the same period last year at constant scope and exchange rates, leading to € 1,074 million **revenue**. Growth derived from the good performance in Business & Platform Solutions and Big Data & Cybersecurity, while the situation of Infrastructure & Data Management remained challenging.

In Infrastructure & Data Management, the revenue was roughly stable. The Business Unit benefitted from increased business within Public & Health sector. However, this could not compensate for negative growth reported within other sectors. Manufacturing, Retail & Transportation was largely impacted by lower volumes while Unified Communication activities were positive. Telcos, Media & Utilities faced reduced scope with Nokia and Financial Services contract termination within Unify activities. The Division continued its digital development and achieved new wins notably in the digital workplace area.

Business & Platform Solutions pursued its strong momentum over the semester. Manufacturing, Retail & Transportation benefitted from the new application management services with Siemens. Public & Health as well as Financial Services showed a strong performance from new services notably with a large German bank. These largely overcompensated for the ending Nokia application management contract terminated last year which impacted Telcos, Media & Utilities.

Big Data & Cybersecurity achieved a strong growth led by Manufacturing, Retail & Transportation with new business notably in the Automotive sector. This largely compensated for lower volumes recorded within Financial Services and Public & Health sectors.

Operating margin reached € 68 million or 6.3% of revenue, above last year by +40 bps at constant scope and exchange rates. Profitability grew significantly in Business & Platform Solutions, driven by the strong revenue growth and continued workforce optimization, over compensating declines both in Infrastructure & Data Management notably caused by difficulties with a legacy contract with a telecommunication provider as well as in Big Data & Cybersecurity.

A.3.3.3 France

France

In €million	H1 2019	H1 2018*	Organic evolution
Revenue	887	847	+4.6%
Operating margin	59	61	
Operating margin rate	6.7%	7.2%	

**At constant scope and exchange rates*

At € 887 million, **revenue** was improving by +4.6% organically, confirming the positive trend recorded last year, fueled by Big Data & Cybersecurity and Business & Platform Solutions activities.

Infrastructure & Data Management was decreasing organically. From a market point of view, growth was posted mainly in Financial Services notably coming from higher volumes within Insurance sector through hybrid cloud activities, while Public & Health was stable thanks to higher volumes and increasing hybrid cloud business with a large public company, offset by several ramp-down contracts. This was not enough to compensate for Telcos, Media & Utilities and Manufacturing, Retail & Transportation sectors notably impacted by several contracts ending.

Business & Platform Solutions posted an increase organically, showing an improvement in almost all markets. The growth came primarily from Telcos, Media & Utilities, mainly driven by new business from Worldgrid activities, while Public & Health benefitted from new contracts such as with a large Group of private hospitals. The Manufacturing, Retail & Transportation sector showed a sustained activity as well, combined with increased demand on SAP HANA implementations. Conversely, the Business Unit was affected by the performance in Financial Services mainly due to the base effect from projects delivered last year and not repeated this year.

Big Data & Cybersecurity achieved double-digit growth benefitting from the strong performance in almost all markets, thanks to new business within High Performance Computer and Big Data contracts. Telcos, Media & Utilities market was affected by the base effect from High Performance Computer delivery, successfully achieved with a large national energy provider last year.

Operating margin reached € 59 million, representing 6.7% of revenue, -50 basis points at constant scope and exchange rates. In Infrastructure & Data Management as well as in Business & Platform Solutions, the monitoring of the actions on costs and on productivity did not fully materialize. Big Data & Cybersecurity increased its operating margin, supported by strong revenue growth.

A.3.3.4 United Kingdom & Ireland

United Kingdom & Ireland

In €million	H1 2019	H1 2018*	Organic evolution
Revenue	842	860	-2.1%
Operating margin	87	93	
Operating margin rate	10.3%	10.8%	

**At constant scope and exchange rates*

Revenue was € 842 million, down -2.1% at constant scope and exchange rates. Despite strong business growth in Business & Platform Solutions, the business unit could not compensate for the base effect of sales achieved in the first semester 2018 in Big Data & Cybersecurity and the completion of transitions and transormations as well as volume reductions in Infrastructure & Data Management.

Infrastructure & Data Management decreased compared to last year. Financial Services achieved a strong performance, notably thanks to the increased revenue with NS&I and Aegon, coupled with the ramp-up on Aviva contract. Telcos, Media & Utilities market was mainly driven by additional sales achieved with BBC and the ramp-up of the hybrid cloud contract with Scottish Water. Manufacturing, Retail & Transportation also increased, thanks to the cloud deliveries on contract extension with a UK postal service company. However, this could not fully compensate for the decline in Public Sector impacted by the transition completion of Ministry of Justice.

Business & Platform Solutions closed the semester with strong organic growth. In Financial Services, the performance was supported by the ramp-up of Aegon and Coventry Building Society contracts. Within Manufacturing, Retail & Transportation market, growth was essentially derived from increased projects on intelligent infrastructure with a rail infrastructure company in Europe. Telcos, Media & Utilities remained broadly stable while Public & Health was impacted by end of projects.

Big Data & Cybersecurity was down due to lower sales of licenses in Cybersecurity compared to last year. This effect was only partly mitigated by Bullion deliveries to the UK postal service company and the ramp-up of cybersecurity contract with Aegon.

Operating margin was € 87 million and represented 10.3% of the revenue, a decrease of -40 basis points compared to last year at constant scope and exchange rate, mainly resulting from volume reduction in BPO contracts. Business & Platform Solutions managed to improve the profitability thanks to continued tight project management and strong actions to optimize the cost base. Big Data & Cybersecurity managed to keep profitability roughly stable.

A.3.3.5 Benelux & The Nordics

Benelux & The Nordics

In €million	H1 2019	H1 2018*	Organic evolution
Revenue	524	510	+2.6%
Operating margin	39	37	
Operating margin rate	7.4%	7.3%	

**At constant scope and exchange rates*

At € 524 million, **revenue** was up by +2.6% organically.

Infrastructure & Data Management remained nearly stable year-on-year showing a strong performance achieved within Telco, Media & Utilities while Manufacturing, Retail & Transportation sector was stable, benefitting from the recently signed extended Philips contract as well as higher volumes achieved with Philip Morris International which were compensated by the base effect on activities achieved last year within Siemens Windpower in the Nordics. Public & Health and Financial Services sectors were affected by ended contracts, notably with Public Institutions, as well as volume reductions with Achmea, partly compensated by the ramp-up of the contract signed with Dutch University Hospitals.

Business & Platform Solutions revenue posted a decrease organically. Manufacturing, Retail & Transportation market growth was driven by the ramp-up of the contract with Philips. The situation was more challenging in other sectors: within Public & Health the new business with a Dutch Ministry was not enough to compensate for the decline from the ended contract with a Public Institution while Financial Services declined mainly in the Netherlands. Telcos, Media & Utilities sector was affected by the ramp down with KPN, partly compensated by recent won deal with a major Dutch telecom firm.

Big Data & Cybersecurity recorded a strong organic growth, primarily driven by a sustained demand through HPC area with CSC in Finland, as well as higher product sales notably with a large IT Group in Belgium. Additionally, the Division benefitted from a good performance in several countries such as Poland, Sweden or Denmark.

Operating margin reached € 39 million, representing 7.4% of revenue, an improvement of +10 basis points compared to last year at constant scope and exchange rates. The profitability increased in Big Data & Cybersecurity and Business & Platform Solutions driven by improved revenue mix combined with increased operational efficiency through continued tight project management and strong actions to optimize the cost base. Infrastructure & Data Management margin decreased compared to last year but managed to keep a high level of profitability.

A.3.3.6 Other Business Units

Other Business Units

In € million	H1 2019	H1 2018*	Organic evolution
Revenue	1,073	1,012	+6.1%
Operating margin	168	160	
Operating margin rate	15.6%	15.8%	

** At constant scope and exchange rates*

Revenue in "Other Business Units" reached € 1,073 million, up +6.1% organically, fueled by strong activity in all Divisions and especially in Big Data & Cybersecurity and in Business & Platform Solutions.

Infrastructure & Data Management grew strongly, showing an acceleration in all markets. In particular, Public Sector posted a double-digit growth, thanks notably to the ramp-up of projects with the Western Australian Department of Health and coupled with the sales achieved in Central & Eastern Europe. The new cloud contract with a Spanish mobile telco operator contributed to growth recorded by Telcos, Media & Utilities. Financial Services benefitted from the ramp-up of a contract with a large private bank in Morocco and higher activity in Central Europe and India. Manufacturing, Retail & Transportation remained broadly stable, thanks to increased business in China and Spain.

Business & Platform Solutions continued to grow in most markets. Telcos, Media & Utilities market was fueled by increased volumes, notably with Italian and Spanish clients and by new projects in Middle East & Africa. Growth in Manufacturing, Retail & Transportation was mainly driven by the ramp-up of new contracts and spread over Central & Eastern Europe and South America. Public & Health was also dynamic, thanks to new projects with governmental institutions, essentially in Central & Eastern Europe and South America.

Big Data & Cybersecurity posted a double-digit growth, fueled by new Cybersecurity projects and fertilization in Central Europe, notably with a National Police in Central & Eastern Europe and Armasuisse, coupled with HPC deliveries in Brazil.

Operating margin was € 168 million, representing 15.6% of revenue. While margin in Business & Platform Solutions decreased, Infrastructure & Data Management as well as Big Data & Cybersecurity managed to improve the profitability. As a reminder, Global Delivery Centers margin is included in that of Other Business Units.

A.3.3.7 Global structures

Global structures costs were nearly stable compared to the first half of 2018, reflecting the continued internal costs optimization in most functions.

A.3.4 Revenue by Market

In €million	H1 2019	H1 2018*	Organic evolution
Manufacturing, Retail & Transportation	2,063	2,058	+0.2%
Public & Health	1,697	1,717	-1.2%
Financial Services	1,041	989	+5.2%
Telcos, Media & Utilities	943	937	+0.7%
Total	**5,744**	**5,701**	**+0.8%**

** At constant scope and exchange rates*

A.3.4.1 Manufacturing, Retail & Transportation

Manufacturing, Retail & Transportation was the largest market segment of the Group (36%) and reached € 2,063 million in the first semester of 2019, growing by +0.2 % compared to the first semester of 2018 at constant scope and exchange rates. Revenue increase mainly came from Germany thanks notably to Siemens and Unified Communications, offset by a decline in North America due to Marriott International.

In this market, the top 10 clients (excluding Siemens) represented 20% of revenue with a leading North American logistics company, Conduent, Daimler, Philips, a conglomerate specialized in tourism retail and entertainment complexes, a global leader in Aerospace & Defense Group, Johnson & Johnson, a UK postal company, Rheinmetall, and a large German pharmaceutical Company.

A.3.4.2 Public & Health

Public & Health was the second market of the Group (30%) with total revenue of € 1,697 million, representing a decrease of -1.2% compared to the first semester of 2018 at constant scope and exchange rates. Revenue decrease mainly came from the United Kingdom however partially compensated by good performance in France within Big Data & Cybersecurity Division and in Germany within Infrastructure & Data Management Division.

35% of the revenue in this market was realized with 10 main clients: Texas Department of Information Resources, UK Department for Work & Pensions (DWP), European Union Institutions, AllScripts, McLaren Health Care Corporation, UK Nuclear Decommissioning Authority, a French Ministry, UK Ministry of Justice, a governemental ageny in Germany, and Bundesagentur für Arbeit.

A.3.4.3 Financial Services

Financial Services was the third Market of the Group and represented 18% of the total revenue at € 1,041 million, representing an increase of +5.2% compared to the first semester of 2018 at constant scope and exchange rates. A good performance was recorded in the United Kingdom thanks to Aegon and NS&I. The market was also benefiting from contract ramp-up in North America Operations with CNA Financial Corporation.

In this market, 51% of the revenue was generated with the 10 main clients: NS&I, Standard Chartered Bank, American Express, State Street Corporation, CNA Financial Corporation, Deutsche Bank, Aegon, Aviva, Achmea and BNP Paribas.

A.3.4.4 Telcos, Media & Utilities

Telcos, Media & Utilities represented 16% of the Group revenue and reached € 943 million, representing an increase of +0.7% compared to the first semester of 2018 at constant scope and exchange rates. Revenue increase was mainly coming from BBC in the United Kingdom combined with a strong performance within Iberia and Benelux & The Nordics.

Main clients were EDF, BBC, Orange, Telefonica/O2, Worldline, Deutsche Telekom, The Walt Disney Company, Enel, Telecom Italia and Nokia. The top 10 main clients represented 49% of the total Telcos, Media & Utilities Market revenue.

A.3.5 Portfolio

A.3.5.1 Order entry and book to bill

During the first semester of 2019, the **Group order entry** reached **€ 5,742 million**, representing a **book to bill ratio of 100%**, of which 113% in the second quarter.

Order entry and book to bill by Division was as follows:

	Order entry			Book to bill		
In €million	Q1 2019	Q2 2019	H1 2019	Q1 2019	Q2 2019	H1 2019
Infrastructure & Data Management	1,076	1,791	2,867	70%	112%	91%
Business & Platform Solutions	1,112	1,116	2,228	104%	104%	104%
Big Data & Cybersecurity	241	406	647	112%	158%	137%
Total	**2,428**	**3,313**	**5,742**	**86%**	**113%**	**100%**

Book to Bill ratio was particularly high for Big Data & Cybersecurity with 137%. Business & Platform Solutions recorded a healthy 104%, while Infrastructure & Data Management reported 91%, reflecting a high level of new signatures in a year with only a few contracts up for renewal.

New contracts in Q2 benefitted to Infrastructure & Data Management thanks to a strong commercial dynamism in particular in Manufacturing, Retail & Transportation with notably a new contract in North America. Still in Infrastructure & Data Management, the Benelux & The Nordics as well as the United Kingdom signed large contracts through the Public & Health sector. Business & Platform Solutions signed new contracts notably in Benelux & The Nordics and in Germany. Big Data & Cybersecurity pursued its solid commercial dynamic reaching +158% book to bill ratio in Q2.

Renewals in Q2 included several contracts in Infrastructure & Data Management such as in the United Kingdom within the Public & Health sector as well as with Philips in Benelux & The Nordics and several other deals in North America and France. Big Data & Cybersecurity managed to renew two important deals in Public sector in France.

Order entry and book to bill by Market were as follows:

	Order entry			Book to bill		
In €million	Q1 2019	Q2 2019	H1 2019	Q1 2019	Q2 2019	H1 2019
Manufacturing, Retail & Transportation	708	1,424	2,132	71%	133%	103%
Public & Health	741	931	1,672	87%	110%	99%
Telcos, Media & Utilities	561	591	1,151	119%	125%	122%
Financial Services	418	368	787	83%	68%	76%
Total	**2,428**	**3,313**	**5,742**	**86%**	**113%**	**100%**

A.3.5.2 Full backlog

In line with the commercial activity, the **full backlog** at the end of June 2019 amounted to **€ 21.3 billion**, stable compared to the end of December 2018, representing **1.9 year of revenue**.

A.3.5.3 Full qualified pipeline

The **full qualified pipeline** was **€ 7.1 billion**, compared to € 6.8 billion at the end of December 2018 and representing **7.4 months of revenue**.

A.3.6 Human Resources

The total headcount of the Group was 108,851 at the end of June 2019 compared to 122,110 at the end of December 2018. This evolution is strongly impacted by a -11,678 headcounts scope impact mostly related to the deconsolidation of Worldline as of April 30, 2019.

Excluding this scope effect, the staff decreased by -1.5% accompanying and anticipating the effect of automation and robotization.

During the first semester of 2019, the Group hired 9,165 staff (of which 94% direct employees), compared to 4,955 in H1 2018. Hiring have been mainly achieved in “Other Business Units”, notably in offshore/nearshore countries such as India and Poland.

Attrition rate was 15.4% at Group level, of which 21.4% in offshore/nearshore countries.

Headcount evolution in H1 2019 by Business Unit and by Division was as follows:

	End of December 2018	Scope	Hiring	Leavers, dismissals & restructuring	End of June 2019
Infrastructure & Data Management	44,530	-11	3,757	-3,406	44,871
Business & Platform Solutions	52,954	0	4,472	-7,234	50,192
Big Data & Cybersecurity	5,186	-91	417	-232	5,280
Functions	156	0	1	3	160
Total Direct	**102,826**	**-102**	**8,648**	**-10,869**	**100,503**
Germany	8,503	-18	105	-214	8,376
North America	11,127	-10	859	-1,730	10,246
France	10,606	-11	540	-730	10,406
United Kingdom & Ireland	8,485	0	1,475	-710	9,250
Benelux & The Nordics	5,235	0	213	-405	5,043
Other Business Units	58,316	-63	5,424	-7,070	56,606
Global structures	554	0	32	-10	576
Total Direct	**102,826**	**-102**	**8,648**	**-10,869**	**100,503**
Total Indirect	**7,810**	**0**	**517**	**22**	**8,348**
Worldline	**11,474**	**-11,576**	**470**	**-368**	**0**
TOTAL GROUP	**122,110**	**-11,678**	**9,635**	**-11,216**	**108,851**

A.4 2019 objectives

In 2019, the Group targets the following objectives for its 3 key financial criteria in line with its ADVANCE 2021 3-year plan:

Revenue organic growth: +1% to +2%;

Operating margin: circa 10.5% of revenue;

Free cash flow: between € 0.6 billion to € 0.7 billion.

A.5 Related parties

This paragraph is aimed at ensuring transparency in the relationship between the Group and its Shareholders (and their representatives), as well as in the links between the Group and related companies that the Group does not exclusively control (i.e. joint ventures or investments in associates).

Significant related-party transactions are described in the Note 14 – Related party transactions on page 229 of the Atos 2018 registration document filed with the Autorité des Marchés Financiers (AMF) on February 22, 2019. Following the distribution in kind of 23.5% of Worldline share capital to Atos' shareholders on May 7, 2019, Atos holds 27.3% of the share capital and 35.0% of the voting rights of Worldline. As from May 1, 2019 (instead of May 7, 2019 for practical reasons), this stake has been accounted for under the equity method in Atos' financial statements. Consequently, the transactions between Atos and Worldline, over which the Group has a significant influence, are detailed below in the Note 13 – Related party transactions.

B. Financial statements

B.1 Financial review

Worldline Discontinued operation

Following the decision made on January 29, 2019 by Atos Board of Directors to submit to Annual General Meeting the project to distribute 23.5% of Worldline total shares to Atos shareholders and the approval of the transaction by Atos shareholders at the Annual General Meeting on April 30, 2019, this distribution of Worldline shares took effect on May 7, 2019, the payment date for the stock dividend. Thus, in accordance with IFRS 5, Worldline's results up to April 30, 2019 (instead of May 7, 2019 for practical reasons) have been reclassified to "Net income from discontinued operation". The gain resulting from this transaction was recognized in the consolidated income statement in "Net income from discontinued operation" (see in note 1 – Changes in the scope of consolidation).

Worldline 2018 contributions to the Group income statement and cash flow were restated accordingly.

B.1.1 Income statement

The Group reported a net income from continuing operations (attributable to owners of the parent) of € 180 million for the half year ended June 30, 2019, representing 3.1% of Group revenue. The normalized net income before unusual, abnormal and infrequent items (net of tax) for the period was € 343 million, representing 6.0% of Group revenue of the period.

(In €million)	6 months ended 30 June 2019	%	6 months ended 30 June 2018 *	%
Continuing operations				
Operating margin	**529**	**9.2%**	**416**	**7.9%**
Other operating income/(expenses)	-241		-169	
Operating income	**288**	**5.0%**	**247**	**4.7%**
Net financial income/(expenses)	-79		-23	
Tax charge	-38		-35	
Non-controlling interests	-2		-1	
Share of net profit/(loss) of associates	12		-	
Net income from continuing operations – Attributable to owners of the parent	**180**	**3.1%**	**188**	**3.6%**
Normalized net income from continuing operations – Attributable to owners of the parent **	**343**	**6.0%**	**302**	**5.8%**
Discontinued operation				
Net income from discontinued operation – Attributable to owners of the parent	**3,055**		**40**	

** Income and expense items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.*

*** The normalized net income is defined hereafter.*

The net income from discontinued operation is made of the contribution from Worldline net result from January 1, 2019 to April 30, 2019 and of the net gain on distribution of Worldline shares net of costs to distribute (after tax). This net gain was € 2,996 million (see in note 1 – Changes in the scope of consolidation).

B.1.1.1 Operating margin

Operating margin represents the underlying operational performance of the current business and is analyzed in the operational review.

B.1.1.2 Other operating income and expenses

Other operating income and expenses relate to income and expenses that are unusual, abnormal and infrequent and represented a net expense of € 241 million in the first half of 2019. The following table presents this amount by nature:

(In €million)	6 months ended 30 June 2019	6 months ended 30 June 2018 *
Staff reorganization	-63	-37
Rationalization and associated costs	-17	-13
Integration and acquisition costs	-24	-16
Amortization of intangible assets (PPA from acquisitions)	-79	-49
Equity based compensation	-34	-32
Other items	-24	-23
Total	**-241**	**-169**

** Income and expense items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.*

Staff reorganization increased to € 63 million, mainly due to the acceleration of the adaptation of the Group workforce in several countries, in particular in Germany and to a lesser extent in France, as well as the reorganization of the Global Infrastructure & Data Management Division.

The € 17 million **rationalization and associated costs** primarily resulted from the closure of office premises and data center consolidation, mainly in North America and France.

Integration and acquisition costs at € 24 million mainly related to the integration costs of Syntel to generate synergies while the other costs relate to the migration and standardization of internal IT platforms from earlier acquisitions.

In the first half of 2019, amortization of intangible assets recognized through **Purchase Price Allocation** (PPA) of € 79 million was mainly composed of:

- € 33 million of Syntel customer relationships and technologies amortized over 12 years starting November 1, 2018;
- € 11 million of SIS customer relationships amortized over 4 to 12 years starting July 1, 2011;
- € 10 million of Xerox ITO customer relationships amortized over 6 to 12 years starting July 1, 2015;
- € 9 million of Unify customer relationships and technologies amortized over 2 to 10 years starting February 1, 2016;
- € 8 million of Bull customer relationships and patents amortized over respectively 9 years and 7 to 10 years starting September 1, 2014.

The **equity-based compensation** expense amounted to € 34 million in the first half of 2019 compared to € 32 million in the first half of 2018.

In the first half of 2019, the € 24 million **other expenses** remained stable and corresponded mainly to semi-retirement scheme in Germany and break-up fees related to supplier contract terminations.

B.1.1.3 Net financial expense

Net financial expense amounted to € 79 million for the period (compared to € 23 million for the first half of 2018) and was composed of a net cost of financial debt of € 36 million and non-operational financial costs of € 43 million.

Net cost of financial debt increased from € 8 million in the first half of 2018 to € 36 million in the first half of 2019 of which € 32 million from interest expenses to finance Syntel acquisition.

Non-operational financial costs amounted to € 43 million compared to € 14 million in the first half of 2018, mainly coming from the interests on the lease liabilities following the first application of IFRS 16 and a net foreign exchange loss of € 3 million compared to a gain of € 7 million on the first half of 2018.

B.1.1.4 Corporate tax

The tax charge for the first half of 2019 was € 38 million with a profit before tax from continuing operations of € 209 million. The annualized Effective Tax Rate (ETR) was 18.3% compared to 15.5% for the first half of 2018. This increase related mostly to the integration in the Group scope of Syntel, which has a higher ETR than average. This effect was similar to the effect that Worldline used to have on Group ETR when it was consolidated as part of the continuing operations. Therefore the Group ETR remained stable compared to the situation before Worldline deconsolidation and Syntel acquisition.

B.1.1.5 Share of net profit/(loss) of associates

Associates accounted for under equity method amounted to € 12 million in the first half of 2019 coming from the contribution of Worldline since May 1, 2019.

B.1.1.6 Non-controlling interests

Due to the loss of control of Worldline, non-controlling interests are not significant for the Group anymore.

B.1.1.7 Normalized net income

The normalized net income excluding unusual, abnormal and infrequent items (net of tax) was € 343 million, representing 6.0% of Group revenue for the period.

(in €million)	**6 months ended 30 June 2019**	**6 months ended 30 June 2018 ***
Net income from continuing operations - Attributable to owners of the parent	**180**	**188**
Other operating income and expenses net of tax from continuing operations	-163	-115
Normalized net income from continuing operations - Attributable to owners of the parent	**343**	**302**

** Income and expense items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.*

B.1.1.8 Half year Earning Per Share

(In €million and shares)	6 months ended 30 June 2019	% Margin	6 months ended 30 June 2018 *	% Margin
Continuing operations				
Net income from continuing operations – Attributable to owners of the parent [a]	**180**	**3.1%**	**188**	**3.6%**
Impact of dilutive instruments	-		-	
Net income from continuing operations restated of dilutive instruments - Attributable to owners of the parent [b]	**180**	**3.1%**	**188**	**3.6%**
Average number of shares [e]	106,980,344		105,344,848	
Impact of dilutive instruments	8,730		125,413	
Diluted average number of shares [f]	106,989,074		105,470,261	
(In €)				
Basic EPS from continuing operations [a] / [e]	**1.68**		**1.78**	
Diluted EPS from continuing operations [b] / [f]	**1.68**		**1.78**	
Normalized basic EPS from continuing operations [c] / [e]	**3.21**		**2.87**	
Normalized diluted EPS from continuing operations [d] / [f]	**3.21**		**2.87**	

Discontinued operation				
Net income from discontinued operation – Attributable to owners of the parent [a]	**3,055**	**53.2%**	**40**	**0.8%**
Impact of dilutive instruments	-		-	
Net income from discontinued operation restated of dilutive instruments - Attributable to owners of the parent [b]	**3,055**	**53.2%**	**40**	**0.8%**
Average number of shares [e]	106,980,344		105,344,848	
Impact of dilutive instruments	8,730		125,413	
Diluted average number of shares [f]	106,989,074		105,470,261	
(In €)				
Basic EPS from discontinued operation [a] / [e]	**28.55**		**0.38**	
Diluted EPS from discontinued operation [b] / [f]	**28.55**		**0.38**	

** Income and expense items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.*

Potential dilutive instruments comprised vested stock options (equivalent to 8,730 options).

B.1.2 Cash Flow and net cash

The Group reported a net debt position of € 2,939 million at the end of June 2019 and a free cash flow generation of € 23 million in the first half of 2019.

(in € million)	**6 months ended 30 June 2019**	**6 months ended 30 June 2018 ***
Operating Margin before Depreciation and Amortization (OMDA)	**835**	**542**
Capital expenditures	-173	-177
Lease payments	-167	-
Change in working capital requirement	-269	-152
Cash from operation (CFO)	**227**	**213**
Tax paid	-48	-31
Net cost of financial debt paid	-36	-8
Reorganization in other operating income	-49	-52
Rationalization & associated costs in other operating income	-22	-2
Integration and acquisition costs	-24	-15
Other changes**	-26	-27
Free Cash Flow (FCF)	**23**	**78**
Net (acquisitions) / disposals	-11	-21
Capital increase / (decrease)	15	7
Share buy-back	-76	-50
Dividends paid	-58	-70
Change in net cash/(debt)	**-107**	**-57**
Opening net cash/(debt)	**-2,872**	**307**
Net (cash)/debt from (used in) discontinued operation	35	-309
Change in net cash/(debt)	-107	-57
Foreign exchange rate fluctuation on net cash/(debt)	5	-4
Closing net cash/(debt)	**-2,939**	**-62**

** Net debt from items relating to Worldline for 2018 have been reclassified to "Net debt from (used in) discontinued operation", in accordance with IFRS 5.*

*** "Other changes" include other operating income with cash impact (excluding reorganization, rationalization and associated costs, integration and acquisition costs) and other financial items with cash impact, net long term financial investments excluding acquisitions and disposals, and profit sharing amounts payable transferred to debt.*

Free cash flow represented by the change in net cash or net debt, excluding equity changes, dividends paid, impact of foreign exchange rate fluctuation on opening net cash balance, and net acquisitions and disposals, was € 23 million compared to € 78 million in the first half of 2018.

Cash From Operations (CFO) amounted to € 227 million compared to € 213 million in the first half of 2018, the evolution coming from the following items:

OMDA net of lease payments (€ +126 million);
Capital expenditures (€+4 million);
Change in working capital (€-117 million).

OMDA of € 835 million, representing an increase of €+293 million compared to June 2018, reached 14.5% of revenue compared to 10.3% of revenue in June 2018. The bridge from operating margin to OMDA was as follows:

(in € million)	**6 months ended 30 June 2019**	**6 months ended 30 June 2018 ***
Operating margin	**529**	**416**
+ Depreciation of fixed assets	171	173
+ Depreciation of right of use	164	-
+ Net book value of assets sold/written off	13	17
+/- Net charge/(release) of pension provisions	-39	-47
+/- Net charge/(release) of provisions	-3	-18
OMDA	**835**	**542**

** OMDA items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.*

In addition to the depreciation of right of use assets under IFRS16, the increase by € 293 million of OMDA is due to the Syntel scope effect as well as organic improvement from operations.

Capital expenditures totaled € 173 million, representing 3.0% of revenue, 40 bps less than the same period last year as the Group structure became less capital intensive.

The negative contribution from **change in working capital** was €-269 million (compared to €-152 million in the first half of 2018). The DSO has increased by 6 days (from 43 days at the end of December 2018 to 49 days at the end of June 2019), while the DPO has decreased by 2 days (from 97 days at the end of December 2018 to 95 days at the end of June 2019). DSO has been positively impacted by the sale of receivables with no recourse on large customer contracts by 23 days, stable compared to December 2018. As of June 30, 2019, € 858 million of trade receivables were sold, compared to € 894 million as of December 31, 2018, with no recourse to banks with transfer of risks as defined by IFRS 9 and were therefore derecognized in the Statement of Financial Position as of June 30, 2019.

Cash out related to **taxes paid** increased by € 17 million mainly due to Syntel scope effect.

Cost of net debt increased from € 8 million in the first half of 2018 to € 36 million in the first half of 2019 of which € 32 million from interest expenses to finance Syntel acquisition. This impact was partially reduced thanks to the average rate of 1.60% on the average gross cash compared to 0.98% in the first half of 2018.

Reorganization, rationalization and associated costs, and integration and acquisition costs reached € 95 million. A larger portion of reorganization costs was pulled forward into H1 to optimize the impact on the full year operating margin. The Group objective for the full year is confirmed at 1% of revenue plus Syntel integration costs and German transformation plan.

Other changes amounted to € -26 million, stable compared to last year same period.

As a result of the above evolutions as well as increase of the working capital requirement, the **Group free cash flow (FCF)** generated € 23 million during the first half of 2019, compared to € 78 million in the first half of 2018.

Capital increase totaled € 15 million in the first half of 2019 compared to € 7 million in the first half of 2018. This is mainly explained by the Group shareholding program SHARE 2018 for employees which occurred only in the first half of 2019.

Share buy-back reached € 76 million during the first half of 2019 compared to € 50 million in the first half of 2018. These share buy-back programs are related to managers performance shares delivery and aim at avoiding dilution effect for the shareholders.

In the first half of 2019, **dividends paid** mostly related to dividend paid to owners of the parent which amounted to € 55 million (€ 1.70 per share) compared to € 68 million in the first half of 2018 (€ 1.70 per share).

Foreign exchange rate fluctuation determined on debt or cash exposure by country represented a decrease in net debt of € 5 million.

B.1.3 Bank covenant

The Group achieved its borrowing covenant (leverage ratio) applicable to the multi-currency revolving credit facility, the $ 1.9 billion term loan and the securitization program, with a **leverage ratio** (net debt divided by OMDA) of 2.09 at the end of June 2019.

According to the credit documentation of the multi-currency revolving credit facility, the $ 1.9 billion term loan and the securitization program, the leverage ratio is calculated on a proforma basis, excluding IFRS16 impacts, taking into account 12 months rolling OMDA at the end of June 30, 2019.

The leverage ratio must not be greater than 2.5 times under the terms of the multi-currency revolving credit facility, the $ 1.9 billion term loan and the securization program.

B.2 Interim condensed consolidated financial statements

B.2.1 Interim condensed consolidated income statement

(in € million)	Notes	6 months ended 30 June 2019	6 months ended 30 June 2018 *
Revenue	**Note 2**	**5,744**	**5,241**
Personnel expenses	Note 4.1	-2,677	-2,435
Operating expenses	Note 4.2	-2,538	-2,390
Operating margin		**529**	**416**
% of revenue		**9.2%**	**7.9%**
Other operating income and expenses	Note 5	-241	-169
Operating income		**288**	**247**
% of revenue		**5.0%**	**4.7%**
Net cost of financial debt		-36	-8
Other financial expenses		-53	-24
Other financial income		10	10
Net financial income	Note 6.1	-79	-23
Net income before tax		**209**	**224**
Tax charge	Note 7	-38	-35
Share of net profit/(loss) of associates		12	-
Continuing operations			
Net income from continuing operations		**182**	**189**
Of which:			
- attributable to owners of the parent		**180**	**188**
- non-controlling interests		2	1
Discontinued operation			
Net income from discontinued operation		**3,143**	**73**
Of which:			
- attributable to owners of the parent		**3,055**	**40**
- non-controlling interests		89	33
Total Group			
Net income of consolidated companies		**3,326**	**262**
Of which:			
- attributable to owners of the parent		**3,235**	**228**
- non-controlling interests		91	35

** Income and expense items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.*

(In €million and shares)	Notes	6 months ended 30 June 2019	6 months ended 30 June 2018 *
Net income from continuing operations - Attributable to owners of the parent	**Note 12**	**180**	**188**
Weighted average number of shares		106,980,344	105,344,848
Basic earnings per share from continuing operations		**1.68**	**1.78**
Diluted weighted average number of shares		106,989,074	105,470,261
Diluted earnings per share from continuing operations		**1.68**	**1.78**
Net income from discontinued operation - Attributable to owners of the parent	**Note 12**	**3,055**	**40**
Weighted average number of shares		106,980,344	105,344,848
Basic earnings per share from discontinued operation		**28.55**	**0.38**
Diluted weighted average number of shares		106,989,074	105,470,261
Diluted earnings per share from discontinued operation		**28.55**	**0.38**
Net income of consolidated companies - Attributable to owners of the parent	**Note 12**	**3,235**	**228**
Weighted average number of shares		106,980,344	105,344,848
Basic earnings per share of consolidated companies		**30.23**	**2.16**
Diluted weighted average number of shares		106,989,074	105,470,261
Diluted earnings per share of consolidated companies		**30.23**	**2.16**

** Income and expense items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.*

B.2.2 Interim condensed consolidated statement of comprehensive income

(in €million)	6 months ended 30 June 2019	6 months ended 30 June 2018
Net income of consolidated companies	**3,326**	**262**
Other comprehensive income		
- to be reclassified subsequently to profit or loss (recyclable):	**47**	**-4**
Cash flow hedging	3	5
Exchange differences on translation of foreign operations	45	-7
Deferred tax on items recyclable recognized directly on equity	-1	-2
- not reclassified to profit or loss (non-recyclable):	**-113**	**59**
Actuarial gains and losses generated in the period on defined benefit plan	-156	74
Deferred tax on items non-recyclable recognized directly in equity	43	-16
Total other comprehensive income	**-66**	**55**
Total comprehensive income for the period	**3,260**	**317**
Of which:		
- attributable to owners of the parent	**3,169**	**284**
- non-controlling interests	91	34

B.2.3 Interim condensed consolidated statement of financial position

(in €million)	Notes	June 30, 2019	December 31, 2018
ASSETS			
Goodwill	Note 8	5,838	8,863
Intangible assets		1,709	2,813
Tangible assets		579	725
Right-of-use		1,101	-
Investments in associates accounted for under the equity method	Note 9	2,743	7
Non-current financial assets	Note 6.3	225	321
Deferred tax assets		426	459
Total non-current assets		**12,621**	**13,188**
Trade accounts and notes receivable	Note 3.2	2,808	2,965
Current taxes		2	74
Other current assets	Note 4.4	1,498	2,791
Current financial instruments		15	12
Cash and cash equivalents	Note 6.2	2,230	2,546
Total current assets		**6,553**	**8,388**
TOTAL ASSETS		**19,173**	**21,576**

(in €million)	Notes	June 30, 2019	December 31, 2018
LIABILITIES AND SHAREHOLDERS' EQUITY			
Common stock		109	107
Additional paid-in capital		1,441	2,862
Consolidated retained earnings		2,272	2,760
Translation adjustments		-240	-285
Net income attributable to the owners of the parent		3,235	630
Equity attributable to the owners of the parent		**6,817**	**6,074**
Non-controlling interests		8	2,027
Total shareholders' equity		**6,825**	**8,101**
Provisions for pensions and similar benefits	Note 10	1,388	1,385
Non-current provisions	Note 11	88	101
Borrowings		3,715	4,381
Deferred tax liabilities		298	421
Non-current financial instruments		4	-
Non current lease liabilities		858	-
Other non-current liabilities		1	5
Total non-current liabilities		**6,353**	**6,295**
Trade accounts and notes payables	Note 4.3	2,129	2,462
Current taxes		99	132
Current provisions	Note 11	125	146
Current financial instruments		0	2
Current portion of borrowings		1,454	1,037
Current lease liabilities		336	-
Other current liabilities	Note 4.5	1,852	3,400
Total current liabilities		**5,995**	**7,180**
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		**19,173**	**21,576**

B.2.4 Interim condensed consolidated cash flow statement

(in €million)	Notes	6 months ended 30 June 2019	6 months ended 30 June 2018 *
Profit before tax from continuing operations		**209**	**224**
Depreciation of assets	Note 4.2	171	173
Depreciation of right-of-use		164	-
Net charge / (release) to operating provisions		-33	-64
Net charge / (release) to financial provisions		15	12
Net charge / (release) to other operating provisions		6	-
Amortization of intangible assets (PPA from acquisitions)		79	49
Losses / (gains) on disposals of fixed assets		11	-
Net charge for equity-based compensation		34	32
Unrealized losses / (gains) on changes in fair value and other		-1	-4
Net cost of financial debt	Note 6.1	36	8
Interest on lease liability	Note 6.1	14	-
Cash from operating activities before change in working capital requirement, financial interest and taxes		**705**	**430**
Tax paid		-48	-31
Change in working capital requirement		-269	-152
Net cash from / (used in) operating activities		**388**	**247**
Payment for tangible and intangible assets		-173	-177
Proceeds from disposals of tangible and intangible assets		-	13
Net operating investments		**-173**	**-164**
Amounts paid for acquisitions and long-term investments		-3	-13
Cash and cash equivalents of companies purchased during the period		-	-9
Proceeds from disposals of financial investments		-8	2
Net long-term investments		**-11**	**-20**
Net cash from / (used in) investing activities		**-184**	**-184**
Common stock issues on the exercise of equity-based compensation		15	7
Purchase and sale of treasury stock		-76	-50
Dividends paid		-58	-70
Lease payments		-167	-
New borrowings	Note 6.4	91	54
Finance lease		-	4
Repayment of current and non-current borrowings	Note 6.4	-81	-356
Net cost of financial debt paid		-36	-8
Other flows related to financing activities		3	2
Net cash from / (used in) financing activities		**-309**	**-417**
Increase / (decrease) in net cash and cash equivalents		**-105**	**-355**
Opening net cash and cash equivalents		**2,378**	**2,182**
Net cash from (used in) discontinued operation		-95	-334
Increase / (decrease) in net cash and cash equivalents	Note 6.4	-105	-355
Impact of exchange rate fluctuations on cash and cash equivalents		14	-4
Closing net cash and cash equivalents	Note 6.4	**2,191**	**1,488**

** Net cash and cash equivalent flows relating to Worldline for 2018 have been reclassified to "Net cash from (used in) discontinued operation", in accordance with IFRS 5.*

B.2.5 Interim consolidated statement of changes in shareholders’ equity

(in €million)	Number of shares at period-end *(thousands)*	Common Stock	Additional paid-in capital	Consolidated retained earnings	Translation adjustments	Items recognized directly in equity	Net income	Total	Non controlling interests	Total shareholders' equity
At December 31, 2017 restated	**105,444**	**105**	**2,740**	**1,490**	**-282**	**8**	**601**	**4,662**	**564**	**5,226**
▪ Common stock issued	1,440	2	122	-	-	-	-	124	7	131
▪ Appropriation of prior period net income				601			-601			-
▪ Dividends paid				-179				-179	-2	-182
▪ Equity-based compensation				36				36	2	38
▪ Changes in treasury stock				-50				-50		-50
▪ Acquisition of Non controlling interest without a change in control				5				5	-5	-
▪ Other			-	1				-1		-1
Transactions with owners	**1,440**	**2**	**122**	**411**			**-601**	**-67**	**2**	**-65**
▪ Net income							228	228	35	262
▪ Other Comprehensive income				58	-4	2		56	-1	55
Total comprehensive income for the period				**58**	**-4**	**2**	**228**	**284**	**34**	**317**
At June 30, 2018	**106,884**	**107**	**2,862**	**1,958**	**-287**	**11**	**228**	**4,879**	**600**	**5,479**
▪ Common stock issued	2		-					-1	-2	-3
▪ Dividends paid				-					-9	-9
▪ Equity-based compensation				17				17	2	19
▪ Changes in treasury stock				-34				-34	-13	-47
▪ Dilution impact				891				891	1,417	2,308
▪ Acquisition of Non controlling interest without a change in control				-4				-4	4	-
Transactions with owners	**2**		**-**	**870**				**869**	**1,399**	**2,268**
▪ Net income							402	402	38	440
▪ Other comprehensive income				-80	1	1		-78	-10	-88
Total comprehensive income for the period				**-80**	**1**	**1**	**402**	**324**	**28**	**352**
At December 31, 2018	**106,886**	**107**	**2,862**	**2,748**	**-285**	**11**	**630**	**6,074**	**2,027**	**8,101**
▪ Common stock issued	2,329	2	140					142		142
▪ Appropriation of prior period net income				630			-630	-		-
▪ Dividends paid				-182				-182	-2	-184
▪ Distribution in kind of Worldline shares			-1,561	-783				-2,344		-2,344
▪ Equity-based compensation				33				33		33
▪ Changes in treasury stock				-75				-75		-75
▪ Non controlling interests Worldline								-	-2,107	-2,107
▪ Other								-		-
Transactions with owners	**2,329**	**2**	**-1,421**	**-378**			**-630**	**-2,426**	**-2,109**	**-4,536**
▪ Net income							3,235	3,235	91	3,326
▪ Other comprehensive income				-113	45	2		-65		-65
Total comprehensive income for the period				**-113**	**45**	**2**	**3,235**	**3,170**	**91**	**3,261**
At June 30, 2019	**109,215**	**109**	**1,441**	**2,257**	**-240**	**14**	**3,235**	**6,817**	**8**	**6,825**

B.2.6 Appendices to the interim condensed consolidated financial statements

B.2.6.1 Basis of preparation and significant accounting policies

The 2019 interim condensed consolidated financial statements have been prepared in accordance with the applicable international accounting standards, as endorsed by the European Union and of mandatory application as at January 1, 2019.

The international standards comprise the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the International Accounting Standards (IAS), the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

These interim consolidated financial statements for the six months period ended June 30, 2019, have been prepared in accordance with IAS 34 - Interim Financial Reporting - and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended December 31, 2018. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

Changes in accounting policies

Except for new standards and amendments effective for the periods beginning as of January 1, 2019, the accounting policies applied in these interim consolidated financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended December 31, 2018.

The Group has implemented the new standard IFRS 16 "Leases" and the new interpretation IFRIC 23 "Uncertainty over Income tax treatment" on January 1, 2019. As a result, the Company has changed its accounting policies for leases accounting and for the classification of certain liabilities linked to uncertainty over income tax as detailed below.

IFRS 16 "Leases"

IFRS 16 replaces existing leases guidance IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC 15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

IFRS 16 introduces a single on-balance sheet lease accounting model for lessees requiring them to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make future lease payments.

The Group applied IFRS 16 as of January 1, 2019 using the modified retrospective approach under which the comparative period is not restated. Instead, the cumulative impact of the application of the new standard is recognized in retained earnings at the transition date. Impact on equity is nil as of January 1, 2019.

The Group also used the below simplification & exemptions for the application of IFRS 16:

- The Group applied the practical expedient to grandfather the definition of a lease on transition. This means that as at January 1, 2019, the Group applied IFRS 16 to all alive contracts entered before this date and identified as leases in accordance with IAS 17 and IFRIC 4. For contracts entered into after January 1, 2019, the Group assesses whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period in exchange for consideration;

- The Group also applied exemptions allowed by IFRS 16.5 to not recognize short term leases (less than 12 months) and leases for which the underlying asset is of a low value. Payments under such contracts are registered in the profit and loss statement, on a straight-line basis, over the duration of the contract.

The new standard does not trigger any adjustments on transition for the Group, for leases in which it acts as a lessor as IFRS 16 does not trigger any change on the existing accounting treatment under IAS 17.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using a Group's incremental borrowing bullet rate. Those rates have been determined for all currencies of the Group by geographies and by maturity. The incremental borrowing bullet rates are calculated by taking for each currency a reference market index quotation and adding up a spread corresponding to the cost of financing that would be applied by a lender to any subsidiary of Atos Group.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in the future lease payments arising from a change in an index or rate, a change in estimate of the amount expected to be payable under a residual value guarantee, or changes in the assessment of whether an extension option is reasonably certain to be exercised or a termination option is reasonably certain to be exercised.

The Group has applied judgment to determine the lease term for some Real Estate lease contracts in which it is a lessee and that include renewal or early termination options analyzing whether those sites, mainly offices and data center, were strategic or not. In most cases, the Group retained the earliest date when the Group can go out from its lease commitment without paying any penalty except for French 3/6/9 specific leases where the 9^{th} year has systematically been defined as lease term. Those assumptions might be revised during 2019 depending on IFRIC conclusions.

Impacts on financial statements

The Group elected to present the lease liability and the right to use the assets on dedicated lines in the Balance Sheet. Amortization of the right to use the asset is part of the operating margin, interest costs is part of the financial result of the Group. The impact of IFRS 16 implementation on Operating Margin and Group net result is not material as of June 30, 2019. The Group elected to exclude the lease liabilities from the Group net debt definition. Therefore, Free Cash Flow as per Group definition remains comparable with prior years.

Excluding Worldline which is presented as held for distribution as of January 1, 2019, IFRS 16 led to the recognition of an opening lease liability for € 1,237 million. This liability relates mainly to Real Estate, IT equipments and cars used by employees. Reconciliation of operating lease commitments as of December 31, 2018 and opening lease liability is as follows:

(in €million)	**1 January 2019**
Operating lease commitment at December 31, 2018 as disclosed in the Group's consolidated financial statements	**1,559**
Worldline held for distribution	-210
Short-term and low value assets leases (IFRS 16 exemptions)	-10
Discounting effect	-144
Finance lease liabilities recognised as at 31 December 2018	12
Other impacts	30
Lease Liabilities recognised at January 1st 2019	**1,237**

The impacts of the first application of IFRS 16 on the opening balance sheet are the following, excluding Worldline which is presented as held for distribution as of January 1, 2019:

- the accounting of the right-of-use assets for an amount of € 1,249 million, non-current lease liabilities for € 899 million and current lease liabilities for € 338 million (those amounts are considered as net of prepaid leases); the previous amounts include the reclassification of recognized tangible assets and financial debt related to existing finance leases as of December 31, 2018 for an amount of € 12 million to right-of-use and lease liability;
- the reclassification of lease incentive benefits from current and non-current liabilities to reduction of the right-of-use assets for € 23 million; this amount reduces the amount of right-of-use assets indicated hereabove;
- the reclassification of onerous lease provision from non-current liabilities to reduction of the right-of-use assets for an amount of € 7 million; this amount reduces the amount of right-of-use assets indicated hereabove.

IFRIC 23 "Uncertainty over Income Tax Treatments"

In May 2017, the IASB issued IFRIC 23 "Uncertainty over Income Tax Treatments". The interpretation clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. In assessing the uncertainty, an entity shall consider whether it is probable that a taxation authority will accept the uncertain tax treatment. The adoption of this amendment did not lead to any revaluation of tax liabilities.

The amount of uncertain tax liabilities formerly included under provisions and classified according to the simplified retrospective method to current income tax liabilities is not material.

Other standards

As of January 1, 2019, the Group applied the following standards, interpretations and amendments that had no material impact on the Group financial statements:

- Amendments to IFRS 9 - Prepayment Features with Negative Compensation;
- Amendments to IAS 28 - Long-term Interests in Associates and Joint Ventures;
- Amendments to IAS 19 – Plan Amendment, Curtailment or Settlement;
- Annual Improvements to IFRS Standards 2015–2017.

The Group has not early adopted any standard or interpretation not required to be applied for periods beginning as or after January 1, 2019. The Group does not apply IFRS standards and interpretations that have not been yet approved by the European Union at the closing date.

These interim consolidated financial statements are presented in euro, which is the Group's presentation currency. All figures are presented in € million.

Accounting estimates and judgments

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expense in the financial statements and disclosures of contingent assets and liabilities at the closing date.

Material judgments made by the management on accounting principles applied, as well as the main sources of uncertainty related to the estimates used to elaborate the 2019 interim condensed consolidated financial statements remain identical to those described in the last annual report, except for significant new judgments made for the application of IFRS 16 including the determination of the incremental borrowing rate of each lease contract and the probability of the renewal of such contracts.

B.2.6.2 Significant accounting policies

In addition to the accounting principles as disclosed in the annual consolidated financial statements, significant accounting principles are presented in Notes 7 – Income tax expenses, 8 – Goodwill and 10 – Pension plans and other long-term benefits, being relevant for the interim consolidated financial statements.

B.2.6.3 Notes to the half-year condensed consolidated financial statements

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Note 1 Changes in the scope of consolidation

During the first half of 2019, the Group did not close any material acquisition.

Distribution in kind of Worldline shares

Discontinued operations up to April 30, 2019

Following the decision made on January 29, 2019 by Atos Board of Directors to submit to Annual General Meeting the project to distribute 23.5% of Worldline total shares to Atos shareholders and the approval of the transaction by Atos shareholders at the Annual General Meeting on April 30, 2019, this distribution of Worldline shares took effect on May 7, 2019, the payment date for the stock dividend. Thus, in accordance with IFRS 5, Worldline's results up to April 30, 2019 (instead of May 7, 2019 for practical reasons) have been reclassified to "Net income from discontinued operation".

The distribution to Atos shareholders was made based on a ratio of 2 Worldline shares for 5 Atos shares held, in accordance with the terms of the transaction announced by Atos on March 22, 2019 and valued at the opening price on May 7, 2019 of the Worldline share (€ 54.70).

Under IFRS, the distribution in kind of Worldline shares took place in two steps: (i) the first step is the sale of the 50.8% of Worldline shares held by Atos, and (ii) the second step is the acquisition of the 27.3% of Worldline shares retained by Atos.

The net gain resulting from the loss of control of all Worldline shares held by the Group following the distribution was recognized in the consolidated income statement in "Net income from discontinued operation". This gain was presented net of current and deferred taxes and costs to distribute the Worldline shares (after tax). Cash flows relating to Worldline operations up to April 30, 2019 have been reclassified in the consolidated statement of cash flows to "Net cash from (used in) discontinued operation".

Impact on the consolidated income statement

Worldline was not previously classified as held-for-distribution or as a discontinued operation. The comparative condensed consolidated statement of profit and loss has been changed to show the discontinued operation separately from continuing operations.

The flows relating to the services rendered by the continuing operations to Worldline have been eliminated at the Worldline level. As a result, the external revenue of the Group includes revenues related to such flows.

Detailed income statement of the discontinued operation

(in € million)	**From January 1, 2019 to April 30, 2019***	**From January 1, 2018 to June 30, 2018**
Revenue	**705**	**764**
Personnel expenses	-289	-338
Operating expenses	-263	-296
Operating margin	**153**	**129**
% of revenue	**21.7%**	**16.9%**
Other operating income and expenses	-22	-34
Operating income	**131**	**95**
% of revenue	**18.6%**	**12.5%**
Net financial income	71	2
Net income before tax	**201**	**97**
Tax charge	-48	-24
Net gain (loss) on disposal of discontinued operation	2,996	-
Other costs related to the distribution of Worldline shares	-5	-
Net income	**3,143**	**73**
Of which:		
- attributable to owners of the parent	**3,055**	**40**
- non-controlling interests	89	33

** Income and expense items relating to Worldline for 2019 have been reclassified until April 30, 2019 to "Net income from discontinued operation", in accordance with IFRS 5. See note 1.*

The loss of control of Worldline following the distribution in kind generated a net gain of € 2,996 million in 2019. This amount is net of € 18 million of cost to distribute (after tax)

Investment in Associates from May 1, 2019

Following the distribution, Atos held 27.3% of Worldline's share capital and 35% of voting rights, subject to a six-month lock-up period. Starting May 1, 2019, the Group has no more control on Worldline, but a significant influence on Worldline. As such, the Group investment in Worldline was from that date presented as part of "Investments in associates accounted for under the equity method" in the 2019 consolidated financial statements. A purchase price allocation has been performed for the part of the business which is still held by the Group.

The Group share of Worldline net contributive result since May 1, 2019 is presented in the Group 2019 consolidated income statement in "Share of net profit/(loss) of associates". The new intangible assets generated by the purchase price allocation exercise are amortized on the same line.

Note 2 Segment information

According to IFRS 8, reported operating segments profits are based on internal management reporting information that is regularly reviewed by the chief operating decision maker, and is reconciled to Group profit or loss. The chief operating decision maker assesses segments profit or loss using a measure of operating profit. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the company CEO and Chairman of the Board of Directors who makes strategic decisions.

The Global delivery centers have been isolated in Other Business Units.

The Group segment organization in 2019 was the following:

Operating segments	Activities
United Kingdom & Ireland	Business & Platform Solutions, Infrastructure & Data Management and Big Data and Cybersecurity in Ireland and the United Kingdom.
France	Business & Platform Solutions, Infrastructure & Data Management and Big Data and Security in France and Morocco offshore delivery Center.
Germany	Business & Platform Solutions, Infrastructure & Data Management and Big Data and Security in Germany.
North America	Business & Platform Solutions, Infrastructure & Data Management and Big Data and Cybersecurity in Canada, Guatemala, Mexico and the United States of America
Benelux & The Nordics	Business & Platform Solutions, Infrastructure & Data Management and Big Data and Cybersecurity in Belarus, Belgium, Denmark, Estonia, Finland, Lithuania, Luxembourg, Poland, Russia, Sweden and The Netherlands.
Other Business Units	Business & Platform Solutions, Infrastructure & Data Management and Big Data and Cybersecurity in Algeria, Andorra, Argentina, Australia, Austria, Bosnia and Herzegovina, Brazil, Bulgaria, Chile, China, Colombia, Croatia, Czech Republic, Egypt, Gabon, Greece, Hungary, Hong-Kong, India, Israel, Italy, Ivory Coast, Japan, Lebanon, Malaysia, Madagascar, Mauritius, Morocco, Namibia, New-Zealand, Philippines, Portugal, Qatar, Romania, Saudi-Arabia, Senegal, Singapore, Serbia, Slovakia, Slovenia, South-Africa, South Korea, Spain, Switzerland, Taiwan, Thailand, Tunisia, Turkey, UAE, Uruguay and also Major Events activities, Global Delivery Centers

Inter-segment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties. The revenue from each external contract amounted to less than 10% of the Group's revenue.

The operating segment information for the periods is as follows:

(in €million)	United Kingdom and Ireland	France	Germany	North America	Benelux & The Nordics	Other Business Units	Total Operating segments	Global Structures	Elimination	Total Group
6 months ended 30 June 2019										
External revenue by segment	**842**	**887**	**1,074**	**1,345**	**524**	**1,073**	**5,744**			**5,744**
% of Group revenue	14.7%	15.4%	18.7%	23.4%	9.1%	18.7%	100.0%			100.0%
Inter-segment revenue	31	99	94	31	75	495	825	197	- 1,022	-
Total revenue	873	986	1,168	1,376	599	1,568	6,569	197	- 1,022	5,744
Segment operating margin	**87**	**59**	**68**	**148**	**39**	**168**	**567**	**-38**	**-**	**529**
% of margin	10.3%	6.6%	6.3%	11.0%	7.4%	15.6%	9.9%			9.2%
Total segment assets	**1,330**	**1,854**	**1,987**	**4,681**	**1,019**	**2,334**	**13,204**	**3,311**		**16,515**
6 months ended 30 June 2018 *										
External revenue by segment	**830**	**848**	**1,060**	**967**	**515**	**1,021**	**5,241**	**-**	**-**	**5,241**
% of Group revenue	15.8%	16.2%	20.2%	18.4%	9.8%	19.5%	100.0%			100%
Inter-segment revenue	103	177	194	179	139	881	1,672	136	- 1,808	-
Total revenue	932	1026	1254	1145	654	1902	6,913	136	- 1,808	5,241
Segment operating margin	**89**	**61**	**68**	**89**	**39**	**111**	**457**	**-41**	**-**	**416**
% of margin	10.7%	7.2%	6.4%	9.3%	7.6%	10.8%	8.7%			7.9%
Total segment assets	**1,134**	**1,701**	**1,733**	**1,480**	**795**	**1,657**	**8,500**	**330**		**8,830**

** Figures presented are restated from Worldline activities, in accordance with IFRS 5.*

The total assets by segment for the periods is as follows:

(in €million)	June 30, 2019	June 30, 2018
Total segment assets	**16,515**	**8,830**
Total segment assets from Worldline*	-	2,122
Tax Assets	428	433
Cash & Cash Equivalents	2,230	1,967
Total Assets	**19,173**	**13,351**

** Worldline is no more considered as segment.*

The Group revenue from external customers are split into the following divisions:

(in €million)	Infrastructure and data management	Business & Platform solutions	Big Data & cybersecurity	Total Group
June 30, 2019				
External revenue by segment	**3,137**	**2,135**	**473**	**5,744**
% of Group revenue	54.6%	37.2%	8.2%	100.0%
6 months ended 30 June 2018 *				
External revenue by segment	**3,179**	**1,632**	**430**	**5,241**
% of Group revenue	60.7%	31.1%	8.2%	100.0%

** Figures presented are restated from Worldline activities, in accordance with IFRS 5.*

Note 3 Revenue, trade receivables, contract assets and contract costs

3.1 – Disaggregation of revenue from contracts with customers

(in €million)	Manufacturing, Retail &Transport	Public & Health	Financial Services	Telcos, media & utilities	Total Group
June 30, 2019					
External revenue by market	**2,063**	**1,697**	**1,041**	**943**	**5,744**
% of Group revenue	35.9%	29.5%	18.1%	16.4%	100.0%
6 months ended 30 June 2018 *					
External revenue by market	**1,957**	**1,614**	**751**	**919**	**5,241**
% of Group revenue	37.3%	30.8%	14.3%	17.5%	100.0%

** Figures presented are restated from Worldline activities, in accordance with IFRS 5.*

3.2 – Trade accounts and Notes receivables

(In €million)	June 30, 2019	December 31, 2018
Contract assets	1,638	1,489
Trade receivables	1,142	1,471
Contract costs	100	89
Expected credit losses allowances	-72	-84
Net asset value	**2,808**	**2,965**
Contract liabilities	-672	-776
Net accounts receivable	**2,137**	**2,188**
Number of days' sales outstanding (DSO)	**49**	**43**

Atos securitization program of trade receivables has been renewed for 5 years on May 29, 2018 with a maximum amount of receivables sold of € 500 million and a maximum amount of financing reduced from € 200 million to € 100 million. The Group sold with recourse trade receivables for € 93 million. These trade receivables have not been derecognized from the statement of financial position, because the Group retains substantially all risks and rewards. The amount received on transfer (€ 10 million) has been recognized as a secured bank loan. The arrangement with the bank is such that the customer remits cash directly to the Group and the Group transfers the collected amount to the bank.

As of June 30, 2019, € 858 million of trade receivables were transferred to third parties with conditions of the transfers meeting IFRS 9 requirements, meaning transfer of contractual cash flows and transfer of substantially all risks and rewards are achieved (€ 894 million as of December 31, 2018). Those trade receivables were therefore derecognized in the statement of financial position as of June 30, 2019.

Note 4 Operating items

4.1 – Personnel expenses

(In €million)	6 months ended 30 June 2019	% Revenue	6 months ended 30 June 2018 *	% Revenue
Wages and salaries	-2,172	37.8%	-1,954	37.3%
Social security charges	-505	8.8%	-512	9.8%
Tax, training, profit-sharing	-39	0.7%	-16	0.3%
Net (charge)/release to provisions for staff expenses	-	0.0%	-	0.0%
Net (charge)/release of pension provisions	39	-0.7%	47	-0.9%
Total	**-2,677**	**46.6%**	**-2,436**	**46.5%**

** Income and expense items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.*

4.2 – Non-personnel operating expenses

(In €million)	6 months ended 30 June 2019	% Revenue	6 months ended 30 June 2018 *	% Revenue
Subcontracting costs direct	-950	16.5%	-924	17.6%
Hardware and software purchase	-507	8.8%	-435	8.3%
Maintenance costs	-331	5.8%	-298	5.7%
Rent expenses	-11	0.2%	-164	3.1%
Telecom costs	-152	2.6%	-148	2.8%
Travelling expenses	-79	1.4%	-59	1.1%
Professional fees	-100	1.7%	-94	1.8%
Others expenses	-127	2.2%	-155	3.0%
Subtotal expenses	**-2,258**	**39.3%**	**-2,278**	**43.5%**
Depreciation of assets	-171	3.0%	-173	3.3%
Depreciation of right-of-use	-164	2.9%	-	-
Net (charge)/release to provisions	3	-0.1%	18	-0.3%
Gains/(Losses) on disposal of assets	-10	0.2%	-7	0.1%
Trade receivables write-off	-5	0.1%	-6	0.1%
Capitalized production	66	-1.2%	56	-1.1%
Subtotal other expenses	**-280**	**4.9%**	**-112**	**2.1%**
Total	**-2,538**	**44.2%**	**-2,390**	**45.6%**

** Income and expense items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.*

4.3 – Trade accounts and notes payable

(In €million)	June 30, 2019	December 31, 2018
Trade payables and notes payable	**2,129**	**2,462**
Net advance payments	-34	-37
Prepaid expenses and advanced invoices	-656	-666
Net accounts payable	**1,437**	**1,759**
Number of days' payable outstanding (DPO)	**95**	**97**

4.4 – Other current assets

(In €million)	June 30, 2019	December 31, 2018
Inventories	91	133
State - VAT receivables	193	273
Prepaid expenses and advanced invoices	656	666
Other receivables & current assets	524	530
Net advance payments	34	37
Assets linked to intermediation activities	-	1,151
Total	**1,498**	**2,791**

The intermediation activities in 2018 were related to Worldline activities only.

4.5 – Other current liabilities

(In € million)	June 30, 2019	December 31, 2018
Employee-related liabilities	408	512
Social security and other employee welfare liabilities	150	206
VAT payables	321	430
Contract liabilities	672	776
Liabilities linked to intermediation activities	-	1,151
Other operating liabilities	301	325
Total	**1,852**	**3,400**

The intermediation activities in 2018 were related to Worldline activities only.

Note 5 Other operating income and expenses

Other operating income and expenses relate to income and expenses that are unusual, abnormal and infrequent and represented a net expense of € 241 million in the first half of 2019. The following table presents this amount by nature:

(In € million)	6 months ended 30 June 2019	6 months ended 30 June 2018 *
Staff reorganization	-63	-37
Rationalization and associated costs	-17	-13
Integration and acquisition costs	-24	-16
Amortization of intangible assets (PPA from acquisitions)	-79	-49
Equity based compensation	-34	-32
Other items	-24	-23
Total	**-241**	**-169**

** Income and expense items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.*

Staff reorganization increased to € 63 million, mainly due to the acceleration of the adaptation of the Group workforce in several countries, in particular in Germany and to a lesser extent in France, as well as the reorganization of the Global Infrastructure & Data Management Division.

The € 17 million **rationalization and associated costs** primarily resulted from the closure of office premises and data centers consolidation, mainly in North America and France.

Integration and acquisition costs mainly related to the integration costs of Syntel to generate synergies while the other costs relate to the migration and standardization of internal IT platforms from earlier acquisitions.

In the first half of 2019, amortization of intangible assets recognized through **Purchase Price Allocation** (PPA) of € 79 million was mainly composed of:

- € 33 million of Syntel customer relationships and technologies amortized over 12 years starting November 1, 2018;
- € 11 million of SIS customer relationships amortized over 4 to 12 years starting July 1, 2011;
- € 10 million of Xerox ITO customer relationships amortized over 6 to 12 years starting July 1, 2015;
- € 9 million of Unify customer relationships and technologies amortized over 2 to 10 years starting February 1, 2016;
- € 8 million of Bull customer relationships and patents amortized over respectively 9 years and 7 to 10 years starting September 1, 2014.

The **equity-based compensation** expense amounted to € 34 million in the first half of 2019 compared to € 32 million in the first half of 2018.

In the first half of 2019, the € 24 million **other expenses** remained stable and corresponded mainly to semi-retirement scheme in Germany and break-up fees related to supplier contract terminations.

Equity-based compensation

The € 34 million expense recorded within other operating income relating to equity-based compensation (€ 32 million in the first half of 2018) is made up of:

(In €million)	6 months ended 30 June 2019	6 months ended 30 June 2018 *
By years :		
Plans 2018	7	-
Plans 2017	11	15
Plan 2016	13	15
Plan 2015	3	2
Plans 2014	-	0
Total	**34**	**32**
By category of plans :		
Free share plans	33	32
Employee share purchase plan	1	-
Total	**34**	**32**

** Figures presented are restated from Worldline activities, in accordance with IFRS 5.*

Free shares plans

The total expense within the heading "other operating income and expense" relating to free share plans during the year was the following:

(In € million)	6 months ended 30 June 2019	6 months ended 30 June 2018 *
Atos		
Plans 2018	6	-
Plans 2017	11	15
Plan 2016	13	15
Plan 2015	3	2
Plan 2014	-	2
Bull		
Plan 2014		-2
Total	**33**	**32**

** Figures presented are restated from Worldline activities, in accordance with IFRS 5.*

Employee share purchase plan Share 2018

In December 2018, the Group implemented a new employee share option plan called Share detailed as follows:

SHARE 2018 was open to employees throughout the Group. This new plan offered eligible employees the purchase of shares at a 20% discount with a five-year lock-up period restriction and the attribution of free shares for the first 2 subscribed shares.

As a consequence of the plan, the Group issued 263,518 shares at a reference share price of € 74.4 (before the 20% discount application).

The cost related to SHARE 2018 takes into account the effect of the five-year lock-up period restriction calculated based on the following parameters:

	SHARE 2018
Number of shares issued	263,518
Share price at grant date (€)	68.8
Percentage of discount	20%
Lock-up period	5 years
Risk free interest rate (%)	-0.003%
Borrowing-lending spread (%)	5%
Expense recognized in 2019 (in € million)	**1**

Note 6 – Financial assets, liabilities and financial result

6.1 – Financial result

Net financial expense amounted to € 79 million for the period (compared to € 23 million for the first semester of 2018) and was composed of a net cost of financial debt of € 36 million and non-operational financial costs of € 43 million.

Net cost of financial debt

The € 36 million cost of net debt increased by € 28 million compared to the first half of 2018 mostly due to the debt raised to finance Syntel acquisition in the second semester of 2018 (c. $ 3.4 billion). In addition, and further to this financing, the average expense rate of the Group was 1.63% on the average gross borrowings compared to 1.36% in the first half of 2018. The increase of the average income rate on the average gross cash to 1.60% compared to 0.98% in the first half of 2018 slightly mitigated the increase of interest expenses.

(In €million)	**6 months ended 30 June 2019**	**6 months ended 30 June 2018 ***
Net interest expenses	**-36**	**-8**
Interest on obligations under finance leases	-	0
Net cost of financial debt	**-36**	**-8**

** Income and expense items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.*

Other financial income and expenses

(In €million)	6 months ended 30 June 2019	6 months ended 30 June 2018 *
Foreign exchange income/(expenses)	-3	7
Fair value gain/(loss) on forward exchange contracts held for trading	-	-1
Interest on lease liability	-14	-
Other income/(expenses)	-26	-21
Other financial income and expenses	**-43**	**-14**
Of which:		
- other financial expenses	-53	-24
- other financial income	10	10

** Income and expense items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.*

Non-operational financial costs amounted to € 43 million compared to € 14 million in the first half of 2018, mainly coming from the interests on the lease liabilities following the first application of IFRS 16 and a net foreign exchange loss of € 3 million compared to a gain of € 7 million last year.

6.2 – Cash and cash equivalents

(In €million)	June 30, 2019	December 31, 2018
Cash in hand and short-term bank deposit	2,181	2,506
Money market funds	49	40
Total	**2,230**	**2,546**

Depending on market conditions and short-term cash flow expectations, Atos may from time to time invest in Money Market Funds for a maturity not exceeding three months.

6.3 – Non-current financial assets

(In €million)		June 30, 2019	December 31, 2018
Pension prepayments	Note 10	105	116
Fair value of non-consolidated investments net of impairment		5	82
Other*		115	123
Total		**225**	**321**

** "Other" includes loans, deposits, guarantees and up-front and underwriting fees related to past acquisitions amortized over the duration of the debt instrument*

6.4 – Change in net debt over the period

(In €million)	June 30, 2019	December 31, 2018
Opening net cash/(debt)	**-2,872**	**307**
Discontinued operations	35	-
New borrowings	-77	-1,758
Bonds	-14	-1,797
Repayment of current and non-current borrowings	81	287
Variance in net cash and cash equivalents	-105	222
Long and medium-term debt of companies sold during the period	-	3
Long and medium-term debt of companies acquired during the period	-	-103
Impact of exchange rate fluctuations on net long and medium-term debt	5	-34
Profit-sharing amounts payable to French employees transferred to debt	-1	1
Other flows related to financing activities	9	0
Closing net cash/(debt)	**-2,939**	**-2,872**

(in €million)	June 30, 2019	December 31, 2018
Cash and cash equivalents	2,230	2,546
Overdrafts	-39	-168
Total net cash and cash equivalents	**2,191**	**2,378**

The Group achieved its borrowing covenant (leverage ratio) applicable to the multi-currency revolving credit facility, the $ 1.9 billion term loan and the securitization program, with a leverage ratio (net debt divided by OMDA) of 2.09 at the end of June 2019.

According to the credit documentation of the multi-currency revolving credit facility, the $ 1.9 billion term loan and the securitization program, the leverage ratio is calculated on a proforma basis, excluding IFRS16 impacts, taking into account 12 months rolling OMDA at the end of June 30, 2019.

The leverage ratio must not be greater than 2.5 times under the terms of the multi-currency revolving credit facility, the $ 1.9 billions term loan and the securization program.

Note 7 Income tax

The income tax charge includes current and deferred tax expenses. For the purposes of the interim condensed consolidated financial statements, consolidated income tax is determined by applying the estimated effective tax rate for the full year to the "half-year net income before tax". The estimated effective tax rate for the full-year is determined on the basis of forecasted current and deferred tax expense for the year in the light of full-year earnings projections.

The tax charge for the first half of 2019 was € 38 million with a profit before tax from continuing operations of € 209 million. The annualized Effective Tax Rate (ETR) was 18.3% compared to 15.5% for the first half of 2018. This increase related mostly to the integration in the Group scope of Syntel, which has a higher ETR than average. This effect was similar to the effect that Worldline used to have on Group ETR when it was consolidated as part of the continuing operations. Therefore, the Group ETR remained stable compared to the situation before Worldline deconsolidation and Syntel acquisition.

Note 8 – Goodwill

Goodwill is not amortized and is subject to an impairment test performed at least annually by comparing its carrying amount to its recoverable amount at the closing date based on December actuals and latest 3 year plan, or more often whenever events or circumstances indicate that the carrying amount could not be recoverable. Such events and circumstances include but are not limited to:

- significant deviance of economic performance of the asset when compared with budget;
- significant worsening of the asset's economic environment;
- loss of a major client;
- significant increase in interest rates.

(In €million)	December 31, 2018	Assets held for distribution	Impact of business combination	Exchange differences and other	June 30, 2019
Gross value	9,431	-3,050	-3	30	6,408
Impairment loss	-567	-	-	-2	-569
Carrying amount	**8,863**	**-3,050**	**-3**	**28**	**5,838**

During the semester, the Group has not recorded any impairment for any CGUs as there was not any triggering event. The only significant movement on the carrying amount relates to the Worldline disposal following the loss of control.

Note 9 – Investments in associates accounted for under the equity method

(In €million)	December 31, 2018	Acquisition	Net results	Exchange differences and other	June 30, 2019
Worldline	-	2,732	11	-7	2,736
Other	7	0	1	-1	7
Total	**7**	**2732**	**12**	**-8**	**2,743**

Note 10 – Pensions plans and other long-term benefits

The remeasurement principle for pension liabilities and assets at interim periods is the following: actuarial remeasurements are only triggered if there are significant impacts on both the obligations and plan assets and limited to the Group's largest pension plans. For less material plans, straightforward actuarial projections are used.

The net total amount recognized in the balance sheet in respect of pension plans is € 1,226 million (excluding Worldline) compared to € 1,197 million at December 31, 2018 (including Worldline).

Discount rates have significantly decreased since December 31, 2018, for all zone/countries, reflecting the market movement over the period.

	United Kingdom		Eurozone		USA	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Discount rate	2.50%	2.90%	0.9% ~ 1.4%	1.6% ~ 2.05%	3.50%	4.00%
Inflation assumption	RPI: 3.20% CPI: 2.20%	RPI: 3.20% CPI: 2.20%	1.45%	1.45%	na	na

The fair value of plan assets for major schemes has been remeasured as at June 30, 2019.

The amounts recognized in the balance sheet consist of:

(In €million)	June 30, 2019	December 31, 2018
Amounts recognized in financial statements consist of :		
Prepaid pension asset	105	116
Accrued liability – pension plans [a]	-1,331	-1,314
Total Pension plan	**-1,226**	**-1,197**
Accrued liability – other long-term employee benefits [b]	-57	-71
Total accrued liability [a] + [b]	**-1,388**	**-1,385**

The net impact of defined benefits plans on Group profit and loss can be summarized as follows:

(In €million)	**6 months ended 30 June 2019**	**6 months ended 30 June 2018 ***
Operating margin	-9	-7
Other operating income and expenses	1	1
Financial result	-15	-12
Total (expense)/profit	**-23**	**-18**

** Income and expense items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.*

Note 11 Provisions

(In €million)	**December 31, 2018**	**Assets held for distribution**	**Charge**	**Release used**	**Release unused**	**Other (*)**	**June 30, 2019**	**Current**	**Non-current**
Reorganization	70	-4	43	-29	-3	2	79	77	2
Rationalization	18	0	1	-3	-5	3	14	4	10
Project commitments	37	-3	11	-13	-4	1	26	23	3
Litigations and contingencies	121	-31	18	-2	-7	-7	93	21	72
Total provisions	**247**	**-38**	**73**	**-47**	**-19**	**-2**	**213**	**125**	**88**

(*) Other movements mainly consist of the currency translation adjustments

Note 12 Shareholders' equity

Earnings per share

Potential dilutive instruments comprised vested stock options (equivalent to 8,730 options) and did not generate a restatement of net income used for the diluted EPS calculation.

Earnings per share – Continuing operations

(In €million and shares)	**6 months ended 30 June 2019**	**6 months ended 30 June 2018 ***
Net income from continuing operations– Attributable to owners of the parent [a]	**180**	**188**
Impact of dilutive instruments	-	-
Net income from continuing operations restated of dilutive instruments - Attributable to owners of the parent [b]	**180**	**188**
Average number of shares outstanding [c]	106,980,344	105,344,848
Impact of dilutive instruments [d]	8,730	125,413
Diluted average number of shares [e]=[c]+[d]	106,989,074	105,470,261
(In €)		
Basic EPS from continuing operations [a] / [c]	**1.68**	**1.78**
Diluted EPS from continuing operations [b] / [e]	**1.68**	**1.78**

** Income and expense items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.*

Earnings per share – Discontinued operation

(In €million and shares)	**6 months ended 30 June 2019**	**6 months ended 30 June 2018 ***
Net income of consolidated companies - Attributable to owners of the parent [a]	**3,055**	**40**
Impact of dilutive instruments	-	-
Net income of consolidated companies restated of dilutive instruments - Attributable to owners of the parent [b]	**3,055**	**40**
Average number of shares outstanding [c]	106,980,344	105,344,848
Impact of dilutive instruments [d]	8,730	125,413
Diluted average number of shares [e]=[c]+[d]	106,989,074	105,470,261
(In €)		
Basic EPS including discontinued operation [a] / [c]	**28.55**	**0.38**
Diluted EPS including discontinued operation [b] / [e]	**28.55**	**0.38**

** Income and expense items relating to Worldline for 2018 have been reclassified to "Net income from discontinued operation", in accordance with IFRS 5.*

Note 13 Related party transactions

Related parties are defined as follows:

- Entities which are controlled directly by the Group, either solely or jointly, or indirectly through one or more intermediary controls. Entities which offer post-employment benefits in favor of employees of the Group, or entities which are controlled or jointly owned by a member of the key management personnel of the Group as defined hereafter; and
- Key management personnel of the Group defined as persons who have the authority and responsibility for planning, directing and controlling the activity of the Group, namely members of the Board of Directors as well as Senior Executive Vice-Presidents.

Transactions between Atos and its subsidiaries, which are related parties of the Group, have been eliminated in consolidation and are not disclosed in this note.

Transactions between Atos and Worldline, over which the Group has a significant influence, are detailed below.

Transactions between the related parties

The main transactions between the related entities are composed of:

- The reinvoicing of the premises;
- The invoicing of delivery services such as personnel costs or use of delivery infrastructure;
- The invoicing of administrative services; and
- The interest expenses related to the financial items.

These transactions are entered into at market conditions.

Related party transactions are detailed as follows:

(in €million)	**2 months ended 30 June 2019**
Revenue	21
Operating income/expenses	-20

The receivables and liabilities included in the statement of financial position linked to the related parties are detailed as follows:

(in €million)	**June 30, 2019**
Trade accounts and notes receivables	33
Trade accounts and notes payables	30

Note 14 Approval of interim financial statements

The interim financial statements were approved by the Board of Directors on July 24, 2019.

Note 15 Subsequent events

There is no significant subsequent event to be mentioned.

C. Appendices

C.1 Contacts

Institutional investors, financial analysts and individual shareholders may obtain information from:

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C.2 Financial calendar

October 24, 2019	Third quarter 2019 revenue
February 19, 2020	Full Year 2019 results
April 22, 2020	First quarter 2020 revenue

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