Preamble

This extract from the Atos Origin 2003 Annual Report is being published at this time on the Group's web site only, to give shareholders early detailed analysis of the results that were announced to the market on March 10th, 2004. The full Annual Report as a reference document will not be printed and published until the company has produced pro forma combined 2003 financial statements for the newly group, on the basis of audited 2003 figures for the Sema Group received from Schlumberger. The Group expects to be able to issue the full Annual Report in mid May 2004 and the Annual General Meeting of Shareholders has been fixed for Friday June 4th, 2004, in Paris.

For the reason stated above, this document has not yet been filed with the AMF.

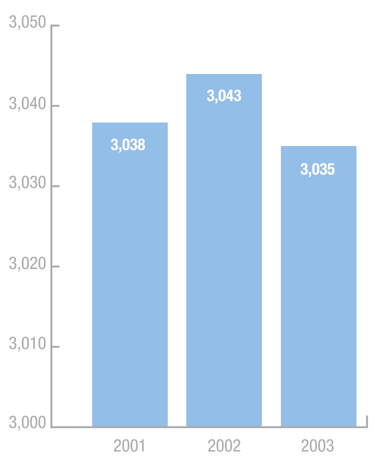
TURNING CLIENT VISION INTO RESULTS ANNUAL REPORT 2003

FINANCIAL PERFORMANCE 2003

EUR million	2003	2002	% Change
Revenue	3,035	3,043	-0.3%
Income from operations	248	266	-6.7%
Operating margin %	8.2%	8.7%	
Net income before goodwill	114	109	+4.5%
Net income – Group Share	(169)	71	
EPS before goodwill (a)	2.51	2.48	
Net debt to equity ratio	46%	56%	
Employees (at December 31st)	26,473	28,602	

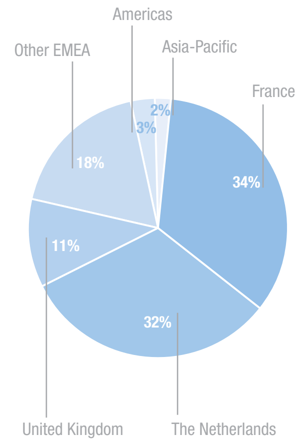
(a) In euros, based on a weighted average number of shares

Revenue performance



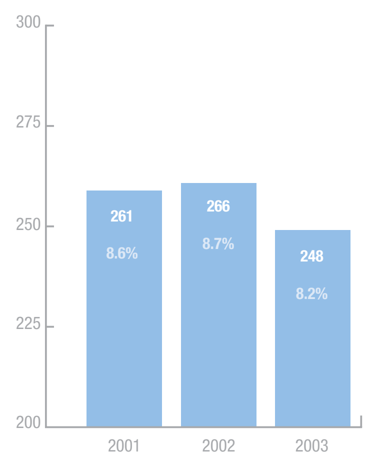
EUR million	FY01	FY02	FY03
Atos Origin	3,038	3,043	3,035

Geographic breakdown of revenue



EUR million	FY03
Atos Origin	3,035

Operating profit performance



EUR million	FY01	FY02	FY03
Atos Origin	261	266	248

Atos Origin

We design, build and operate IT-enabled business processes.

Integrate business and technology, globally.

Focus on carefully chosen market sectors.

Improve the effectiveness of our clients' businesses.

Turning Client Vision into Results

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CHIEF EXECUTIVE'S REVIEW

2003 was a milestone year in which the Group took another substantial step towards its goal of becoming one of the leading global players in the IT service industry, by announcing the acquisition of Sema Group from Schlumberger.

In a little over three years Atos Origin has grown from a modest European business with annual revenues of just over EUR 1 billion and 10,000 employees, into a truly international player with revenues of more than EUR 5 billion and close to 47,000 employees. Size alone is not our objective, but scale in our chosen target markets is vital in order to be able to serve our clients effectively, to generate adequate profitability and sustain the business going forward, and of course to reward our shareholders.

TRADING IN 2003

On a pre-acquisition basis, the reported revenue and profit performance of Atos Origin in 2003 was stable, but in the context of a market suffering its second successive year of recession, it was a creditable performance. Throughout the recent cycle, Atos Origin has applied tough financial management on a continuous and pro-active basis, enabling the Group to maintain a good level of profitability and generate strong operational cash flow. The pre-tax operating margin came in at a very solid 8.2%, which was at the upper end of industry experience, and we reduced net debt from EUR 440 million at the start of 2003 to just EUR 266 million by December 31st, 2003.

Going forward, I believe that we are starting to see the signs of a new growth cycle. This is being triggered in part by the necessary replacement of both software and hardware systems, especially where spending has been curbed by budgetary constraints in the past two years. However, there are also a number of solutions and technology drivers starting to have an impact, such as wireless/RFID solutions, voice-over IP and the increasing penetration of web-based services, as well as increased demand for system security and regulatory reporting under Sarbannes-Oxley and Basel II and IFRS.

GDP growth in Europe still lags the United States and many parts of Asia Pacific, but as we move towards 2005, I expect Europe to catch up. In the improving economic environment, my feeling is that clients will once again recognize that through effective partnership, IT companies such as Atos Origin can deliver major improvements to the way in which they provide services to their own customers. We can help to streamline their administrative processes and reduce overheads, provide in-depth experience of managing technology and, perhaps most importantly of all in the long-term, facilitate the globalization of their businesses.

SEMA GROUP

On September 22nd, 2003, we announced our intention to acquire the core IT services business of SchlumbergerSema, which I refer to as Sema Group. The transaction was completed on January 29th, 2004.

The activities of Sema Group are remarkably complementary to those of Atos Origin. Their business is services-led, and contains a substantial core of long-term outsourcing work based on multi-year contracts. In Systems Integration, Sema Group has a strong and enviable reputation for managing complex large-scale integration work. Their Olympic contracts – Athens (2004), Turin (2006) and Beijing (2008) – are perhaps the most high profile example, but there are many others. They also have deep knowledge of industry segments such as Telecom, Financial Services and Public Sector, where we see the recovery emerging and where specific solution skills are important.

The acquisition will strengthen our presence in most of the major IT spending markets of Europe. In the United Kingdom, Atos Origin now has a well-balanced range of service offerings and an annual revenue base of more than EUR 1 billion. In France, the Group has become the No. 1 IT services player, as indeed we are already in The Netherlands. Our market positions in Spain and Italy have been similarly strengthened and Germany remains the only major European country in which we have still to achieve critical size.

Sema Group made significant progress in restructuring its activities during 2003 and consequently its financial performance improved measurably during the second half of 2003. Since announcing the acquisition in September 2003, we have jointly visited all of our key clients and all of the operations, published our new organisation structure and set out our plans for integrating the two businesses. We are now well into the merger integration phase, from which we expect to achieve substantial further cost reductions and to streamline the new group's activities.

We are placing emphasis on developing core offerings tailored to the markets we serve and will continue to emphasize our key account program, which in future will be based on 30 large accounts and a mid-range group of 50 accounts. We have also established much greater coordination of our activities by service line across different geographies and I expect the newly combined group to be well positioned to take full advantage of the next growth cycle in the industry.

TRADING OUTLOOK IN 2004

In spite of the early signs of a recovery, our short-term outlook for 2004 remains cautious for several reasons. First, the recovery in Europe, where a large part of our activities are still centered, remains patchy and is likely to lag a recovery in the US. Until we see clear evidence of sustainable growth, we intend to maintain the discipline we have applied during the past three years in terms of controlling our cost base.

Second, we have a major integration program to undertake, especially during the first half of 2004. We have demonstrated in past transactions our ability to minimize the disruption for our clients and to our revenue base, but inevitably some of our management resources will be engaged in ensuring the successful completion of this task.

We therefore maintain the view that there will be no significant revenue improvement for the newly combined group in the first half of 2004 and reported revenues for the whole of 2004 are expected to be stable on a constant scope and exchange rate basis. I am optimistic that we can win contracts that may enable us to do better, but at this early stage of the year the European market is still subdued.

In terms of profitability, the newly combined group generated an operating margin of just over 6% in 2003 on a pro forma basis and we expect to increase that to more than 7% in the current financial year. Given the speed at which the integration process is moving and subject to a full recovery in the market, I expect the Group to be able to report a further significant step forward in profitability in 2005.

The combined net debt of the Group was EUR 720 million at the closing of the acquisition of Sema Group at the end of January 2004. We are targeting to reduce this to below EUR 600 million by December 31st, 2004, despite the fact that we expect to incur nearly EUR 200 million of restructuring and integration costs in 2004. Our primary short-term objective is to ensure that the integration of the two businesses is carried through swiftly and effectively, and to meet our financial targets.

STRATEGY

Our strategy is based on selling an integrated set of services – design, build and operate – to a focussed base of multinational clients. In the long-term this demands a commitment to expanding our geographic base of operations in order to be able to serve those clients effectively on a global basis. However, it will take some time to fully realise this strategy.

In the short-medium term, our strategy will remain focused on the twin objectives of achieving a balanced and substantial presence across the major IT spending markets of Europe and in selective parts of the Asia Pacific market, especially in China and India. Our largest client, Philips, has a very substantial presence in China and is now the largest foreign manufacturer in that country. We intend to be there to support them in their strategy. Sema Group is already engaged in building its presence in China under its contract to provide IT services for the Beijing Olympics in 2008, and the combined business has recently won a new contract to support the Standard Chartered Bank. Contracts of that type will provide the backbone for building our presence in the region. In North America, our objective will continue to be to maintain reasonable profitability and provide an effective support service to our clients.

'Offshore' support is an issue of growing importance and while we also intend to expand our operations in India, Malaysia and China, as well as in places such as Poland and Tunisia, this will be done in line with our clients' operational needs.

OUR STRATEGY IS BASED ON SELLING AN INTEGRATED SET OF SERVICES – DESIGN, BUILD AND OPERATE – TO A FOCUSSED BASE OF MULTINATIONAL CLIENTS.

BOARD REPRESENTATION & CORPORATE GOVERNANCE

At the Shareholder Meeting in January 2004, Cor Boonstra and Arie Westerlaken, former Chief Executive and Head of Legal Services respectively at Royal Dutch Philips, Dominique Ferrero, Chief Executive of Credit Lyonnais, and Gérard Bauvin stepped down as members of the Supervisory Board. I would like to record our thanks for their services over recent years. In their place we have appointed Jan Oosterveld, Member of the Group Management Committee at Philips, Gérard Ruizendaal, Executive Vice-President Philips International B.V. and Philippe Germond, Chief Executive of Alcatel. A representative of Schlumberger has joined the Supervisory Board recently.

We have a strong Supervisory Board with eight members. There are four representatives from Philips and Schlumberger, representing 46% of the Group's shares, and a further four independent directors. It remains important for the governance and future success of Atos Origin that we maintain a two-tier board structure, with strong representation and effective checks and balances. You will find further commentary on the duties and performance of the Supervisory and Management Boards, and their sub-committees, later in this report.

Following the acquisition of Sema Group, Xavier Flinois, former Chief Executive of Sema Group, has joined the Management Board and is responsible for our activities in the United Kingdom, The Americas and Asia Pacific. Giovanni Linari has also joined the Management Board from Sema and is responsible for Southern Europe, the Middle East and South Africa.

STAFF

The effective recruitment and development of staff is the single most important management task at all levels and it is essential for our future success. We have a simple approach. It is to seek out and appoint the best and most committed people we can find, regardless of age, disability, sex or racial grouping. Respect for human rights is a basic value. Conviviality and enjoyment are, I believe, essential ingredients also. This business is all about the mutual development of our people and the services we offer to our clients.

I would like to welcome the 21,000 staff who have recently joined us from Sema Group, which has a great reputation for technological skills and service excellence. I hope that they will enjoy the experience of being part of this exciting Group, both personally and professionally.

SHAREHOLDERS

The market once again started to recognize the long-term potential of IT Services during 2003. Our stock price rose by nearly 120% in the year to December 31st, 2003, from which I hope that our loyal shareholders will gain some satisfaction after the difficult markets of 2001/02. I am grateful to you for your support during this period.

The consideration for the acquisition of Sema Group comprised EUR 400 million in cash and 19.3 million shares, giving Schlumberger a 28.9% stake in the Group at closing (end-January 2004). As planned, shortly after closing Schlumberger placed approximately half of its holding with a broad range of institutional shareholders, reducing its stake to 14.5%. As a result of the acquisition, Philips' stake has been diluted to 32% and Schlumberger and Philips together now control just over 46% of the issued equity. At the same time, the free float of shares has increased to more than 50% and I welcome the improved liquidity that this will provide in the market.

I am asked regularly about whether, and when, the Group intends to pay dividends. We review the situation on a regular basis, but at the moment our policy remains strongly in favour of fully reinvesting net profits into the business, in order to maximize future capital growth. As I mentioned earlier, the industry is going through a phase of consolidation and globalization. Given our strategic aims, further expansion is vital for long-term success.

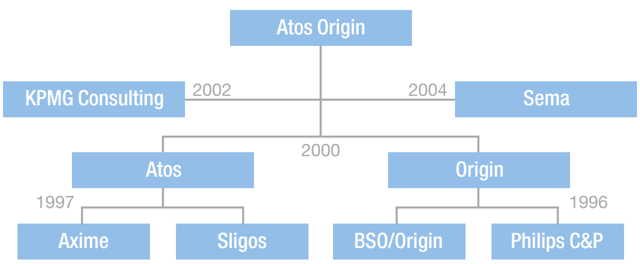
THE EFFECTIVE RECRUITMENT AND DEVELOPMENT OF STAFF IS THE SINGLE MOST IMPORTANT MANAGEMENT TASK AT ALL LEVELS AND IT IS ESSENTIAL FOR OUR FUTURE SUCCESS.

HISTORY AND PROFILE OF THE GROUP

In January 2004, Atos Origin acquired Sema Group from Schlumberger, thereby creating one of the leading international IT services companies.

HISTORY

Atos Origin is a leading international IT services company that was created through the merger of Atos and Origin in October 2000.



Atos was formed from the merger in 1997 of two French-based IT services companies – Axime and Sligos – each of which had been established out of earlier mergers. At the time of the merger with Origin, Atos employed 11,000 staff and generated annual revenues of approximately EUR 1.1 billion. **Origin** was a subsidiary of Royal Philips Electronics, which had been formed in 1996 from the merger of BSO/Origin and Philips C&P. At the time of the merger with Atos, Origin employed more than 16,000 staff in 30 countries worldwide and generated annual revenues of approximately EUR 1.6 billion.

During 2001/02, Atos Origin won three major outsourcing contracts with KPN, the Dutch telecommunications company, valued at nearly EUR 2 billion over 6 years. This established the Group as the clear leader in the Dutch IT services market.

In August 2002, Atos Origin acquired **KPMG Consulting** in the United Kingdom and The Netherlands, which now trade as Atos KPMG Consulting. This transaction provided the Group with a major presence in the Consulting segment of the IT services market.

In January 2004, Atos Origin acquired **Sema Group** from Schlumberger, thereby creating one of the leading international IT services companies. At the time of the acquisition, Sema Group employed 21,000 staff and generated annual revenues of approximately EUR 2.4 billion. Atos Origin employed 26,500 staff, generating annual revenues of more than EUR 3 billion.

The new Group offers multinational clients a full range of IT services and solutions in 50 countries around the world, covering Consulting, Systems Integration and Managed Operations. The company has combined annual revenues today in excess of EUR 5 billion per annum and employs over 47,000 staff.

PROFILE

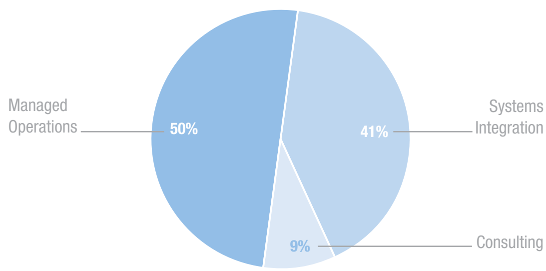
Atos Origin is a leading international IT services provider. We design, build and operate IT-enabled solutions for large multinational clients in carefully targeted industry sectors. Our business approach is based on establishing long-term commercial and joint venture partnerships that encourage success through mutual benefit.

The profile of the new Group immediately after the acquisition of Sema is shown overleaf by service line, industry sector and geography. This information is based on combined pro forma revenues of EUR 5,406 million for the twelve-month period to December 31st, 2003 (EUR 3,035 million for Atos Origin and EUR 2,371 million for the Sema Group).

INNOVATIVE SOLUTIONS THROUGH BALANCED SERVICE LINES

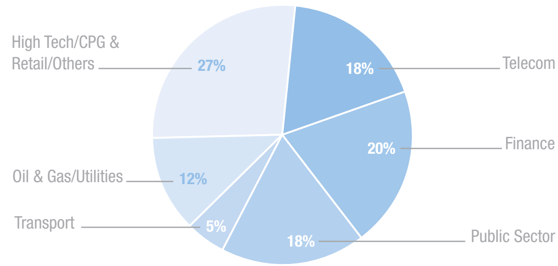
Atos Origin offers a full range of ‘design, build and operate’ services delivered through a global framework of three major service lines. More than 55% of the revenue base is recurring, deriving from multi-year outsourcing and application maintenance contracts.

Service Line



More than 55% recurring revenue base

Market Sector



Well-balanced market portfolio

CONSULTING – A Key Enabler for Business Transformation

Through the experience of our business and technical consultants, Atos Origin is able to provide business transformation solutions that deliver highly effective results. The Group provides support for every stage of the change process - from strategic planning through to implementation and operation.

SYSTEMS INTEGRATION – Delivering Clarity from Complexity

Systems Integration includes not just the integration of new solutions, but getting the most out of legacy applications to extend returns from existing IT investment. Atos Origin has unique experience in combining technical and business applications to deliver new capability from complex business systems.

MANAGED OPERATIONS – Strategic Alternatives Addressing Cost and Risk

The Group's highly successful outsourcing operations manage core IT infrastructures for clients, including datacenters, server farms, network communication systems and desktop support. Atos Origin provides Business Process Outsourcing (BPO) and specialist processing services on a global basis and is a key player in payment and card processing services, CRM and multi-channel contact services in Europe through Atos Worldline.

A STRONG INDUSTRY SECTOR FOCUS

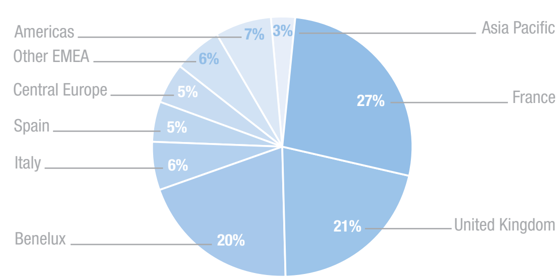
Our industry focus and experience in transforming enterprises give us an in-depth view of how business has developed and is continuing to evolve. The Group's services and solutions add value across many industry sectors including Telecom, Financial Services, Public Sector, Transport, Oil & Gas and Utilities, High Tech, CPG & Retail and other industries.

Our global client teams and service delivery organization focus on the success of our clients. Experienced solution directors ensure that the best and most suitable processes, methods and tools are deployed. With proven solutions, flexible contracting options and measurement against service quality, an increasing number of leading international clients have chosen Atos Origin as their worldwide information technology partner.

STRONG EUROPEAN BASE WITH GLOBAL PRESENCE

Atos Origin offers truly global solutions through its 47,000 employees operating in over 50 countries worldwide. The company has a strong and balanced presence in the major IT spending markets of Europe and provides comprehensive IT support operations in the Americas and Asia Pacific for its multinational client base.

Geography



Strong European base

Atos Origin is the Worldwide Information Technology Partner for the Olympic Games and our clients include some of the most respected names in business today.

COMMERCIAL STRATEGY - REALIZING BUSINESS POTENTIAL TOGETHER

Atos Origin provides an integrated set of services – Consulting, Systems Integration and Managed Operations (Design, Build and Operate) – to a focused base of multinational clients in specifically targeted market segments, which include Telecom, Financial Services, Public Sector, High-Tech, Retail and Consumer Packaged Goods, Oil & Gas and Utilities.
Our business approach is based on establishing long-term relationships with our clients and becoming fully involved in their strategic planning and implementation processes. This can be through outsourcing, joint ventures and other forms of long-term association. We believe that this is the most productive way of developing business today, with both parties sharing the risks and rewards of the association, and helping to develop and shape the future together.

The Group is committed to developing long-term relationships with its clients. This will involve expanding the geographic base of its operations in the medium-long term, in order to be able to provide those clients with effective support on a global basis. It also demands a significant presence in each of the major IT spending countries and regions. The Group cannot build global presence overnight. In the short-term, its primary objective is therefore to become a leader in the major IT spending markets in Europe, and to ensure that in each of those markets there is a mix of services that reflects the Group's overall service offerings. This means building a stable base of outsourcing business comprising long-term recurring revenue contracts, alongside Consulting and Systems Integration support capability.

The Group has an operational presence in North America, but activity in that region is directed mainly towards supporting the extended operations of the Group's European clients. The Group has a strong commitment to parts of the Asia Pacific region, in particular in China where it has a strong client base, and in India, where it is expanding its offshore resources. We believe that there are exciting business opportunities in this region.

Atos Origin believes that it is important to establish appropriate scale in each of its chosen markets, in order that it can provide an effective service for its clients and achieve acceptable profitability for its shareholders through economies of scale. In markets where the Group cannot see an opportunity to achieve scale in the foreseeable future, it is our policy to sell/transfer ownership of such businesses to strong local partners and to enter into reciprocal venture support agreements.

The Group believes that many segments of the Outsourcing market will continue to offer good opportunities for profitable growth in the foreseeable future, and it therefore intends to increase the proportion of its revenues in this area. The Group will expand its Consulting activity by leveraging the KPMG Consulting acquisition. We also intend to grow those parts of the Systems Integration business that provide added-value solution offerings to our clients. However, we may reduce our participation in commoditized parts of the system integration market over the next 3-5 years, either by phasing out some activities or by actively disposing of several non-core units. The needs and wishes of our clients will, as always, be critical in making such decisions.

The Group's plan is to move towards the following service mix in the medium-long term:

Key Service Line	Revenue objective	Strategic objective
IT outsourcing	60% of revenue	Manage long-term relationships with clients
Consulting	20% of revenue	Understand our clients' business
Integration	20% of revenue	Implement business solutions

We maintain a policy of tough cost management to ensure that our clients receive competitive service and that we are able to provide sound profitability for our shareholders. This means not just reducing indirect and overhead costs, but simplifying organizational structures, increasing staff flexibility, utilizing offshore resources where appropriate, and using the knowledge base more effectively.

Atos Origin is building up its offshore support capability in line with its clients' needs. The Group currently has more than 500 staff in Mumbai, India, which is CMM5 certified. We are building additional capability in locations such as China and Poland and Sema Group has resources in low cost parts of Europe and in Asia Pacific.

The Group's strategy can be summarized as follows:

- To maintain strong focus and priority on relationships with clients
- To develop a comprehensive, end to end set of service offerings
- To achieve a carefully balanced mix of design, build and operate capabilities
- To expand our global capability in line with our clients' needs
- To capitalize on our specific industry sector knowledge
- To leverage strong Human Resources management capabilities.

OUR BUSINESS APPROACH IS BASED ON ESTABLISHING LONG-TERM RELATIONSHIPS WITH OUR CLIENTS AND BECOMING FULLY INVOLVED IN THEIR STRATEGIC PLANNING AND IMPLEMENTATION PROCESSES.

OPERATIONAL REVIEW

The operating results of Atos Origin in 2003, prior to the acquisition of Sema Group, were as follows:

(In EUR millions)	FY 2003	FY 2002	% growth
Revenue	3,035	3,043	-0.3%
Income from Operations	247.8	265.6	-7%
% margin	8.2%	8.7%	

REVENUE

Consolidated revenue for the year ended December 31st, 2003 amounted to EUR 3,035 million, marginally lower than in the preceding year. The strength of the Euro against both the US Dollar and UK Pound had a negative impact of 2.1% on trading during the year and revenues would therefore have been nearly 1.8% higher on a constant exchange rate basis. The performance by service line was as follows:

(In EUR millions)	FY 2003	FY 2002	% growth	% organic growth (*)	% 2003 revenue
Consulting	363.3	174.5	+108%	-20,3%	12%
Systems Integration	1,089.4	1,243.0	-12.4%	-9.4%	36%
Managed Operations	1,581.9	1,625.4	-2.7%	-0.3%	52%
Total	**3,034.6**	**3,042.9**	**-0.3%**	**-5.2%**	**100%**

(*) On a constant scope and exchange rates basis

Compared with the same period last year, the Group benefited from a first time revenue contribution of EUR 233 million from KPMG Consulting in The United Kingdom and The Netherlands, which represented 7.7% growth. The disposal of the check and document processing business in September 2003 reduced revenue by just under EUR 20 million, or 0.7%. On a constant scope and exchange rate basis, reported Group revenues therefore fell by 5.2%, mainly due to tariff pressure.

(In EUR millions)	Change	% growth
Total revenue change	(8.3)	-0.3%
Acquisitions	233.5	+7.7%
Disposals	-19.6	-0.7%
Exchange rate	-64.4	-2.1%
Organic	**(157.8)**	**-5.2%**

The organic decline of 5.2% included an overall decline of 9.4% in Systems Integration balanced by a minimal drop of 0.3% in Managed Operations. Trading conditions in Consulting and Systems Integration deteriorated throughout Europe, which saw continuing volume and pricing pressures. On the volume side, Philips continued to reduce its entire cost base, including IT spending, and revenues with Philips were 23% lower during 2003 compared with 2002, a loss of nearly EUR 100 million. However, Philips remained our largest client, representing 11% of total sales, and our Preferred Supplier Relationship Agreement has been extended for a further period of three years from September 1st, 2003. Activity with KPN, the Group's second largest client, rose 5% to EUR 320 million due to the full year impact of the Softwarehouse contract, which was signed in the third quarter of 2002, and the deployment of our consulting business. Activity at Euronext fell back by 8% in 2003 following completion of the Amsterdam and Brussels platform migrations in 2002, and due to internal project cost cutting.

The Group continued to focus strongly on its key account program. The top 50 client accounts represented 55% of total revenue in 2003, including 9 new clients from Atos KPMG Consulting. We are continuing to develop our client relationships and increase market share at many of these accounts. Following the acquisition of Sema Group, the client management program will focus on 30 Tier 1 and a further 50 Tier 2 accounts.

PROFITABILITY

The operating margin for the period was 8.2%, in line with the guidance communicated at the Annual General Meeting in May 2003. Trading conditions in the European IT services market were difficult in 2003, but our financial performance has remained solid. Management responded to the trading conditions throughout this period with a continuous and proactive program of cost reduction, reducing staff numbers to match lower demand and cutting indirect and corporate costs still further.

The Group maintained strong margins in its Managed Operations business, primarily due to its scale efficiencies in France and The Netherlands and to an exceptionally good performance in the Atos Worldline business. Elsewhere, margins in Systems Integration recovered from the levels seen at the end of 2002, but remain unsatisfactory.

(In EUR millions)	FY 2003	% margin	FY 2002	% margin	% growth
Consulting	26.5	7.3%	16.0	9.2%	+65%
Systems Integration	55.6	5.1%	65.9	5.3%	-16%
Managed Operations	198.7	12.6%	213.6	13.1%	-7%
Corporate	(33.0)	-1.1%	(30.0)	-1.0%	-10%
Total	**247.8**	**8.2%**	**265.6**	**8.7%**	**-7%**

ACTIVITY BY QUARTER

The focus on reducing our cost base and streamlining the organization produced continuous benefits and enabled the Group to improve margins from 7.9% in the first half to 8.4% in the second, including a 9.6% margin rate in the fourth quarter.

(In EUR millions)	Quarter 1	Quarter 2	Quarter 3	Quarter 4	H 1	H 2	FY 2003
Revenue	780.5	762.6	716.9	774.6	1,543.1	1,491.5	3,034.6
% reported growth	+4.2%	+3.4%	-2.4%	-5.7%	+3.8%	-4.2%	-0.3%
% organic growth (*)	-6.4%	-5.8%	-6.9%	-2.0%	-6.1%	-4.3%	-5.2%
Income from Operations	57.4	65.2	50.9	74.3	122.6	125.3	247.8
% profitability	7.4%	8.5%	7.1%	9.6%	7.9%	8.4%	8.2%

(*) On a constant scope and exchange rate basis

Both the Consulting and Systems Integration markets suffered from continuing pressure on prices, although at a lesser rate in the second half of 2003. Managed Operations revenues were globally stable after adjustment for the disposal of the document management and check processing activities from September 1st, 2003. The volume declines experienced during the current cycle appear to have levelled off and were improving slightly during the fourth quarter.

REVENUE AND PROFITABILITY BY GEOGRAPHICAL AREA

Europe remains the Group's principal base of operations, generating 94% of total revenue.

(In EUR millions)	FY 2003	FY 2002	% growth	% organic growth (*)	% 2003 revenue
France	1,049.7	1,086.2	-3.4%	-1.6%	34%
The Netherlands	961.3	912.8	+5.3%	-3.8%	32%
United Kingdom	330.7	238.4	+38.7%	-15.2%	11%
Rest of EMEA	561.1	610.0	-8.0%	-6.0%	18%
Americas	76.5	132.3	-42.2%	-23.7%	3%
Asia Pacific	55.4	63.2	-12.3%	-2.5%	2%
Total	**3,034.6**	**3,042.9**	**-0.3%**	**-5.2%**	**100%**

(*) On a constant scope and exchange rates basis

Revenues in **France** decreased by less than 2% year-on-year on a constant scope basis. Sales remained resilient in spite of the general market trend, reflecting the substantial proportion of outsourcing business and the specialist high added-value nature of the Systems Integration activities in France. There was a solid performance in Systems Integration, down by only 7%, with revenues from Euronext lower following cuts in some project work. Managed Operations performed well.

In **The Netherlands** there was an overall increase of 5% year-on year, including a full-year contribution from Atos KPMG Consulting. The Netherlands also benefited from its strong base of recurrent outsourcing revenue and from a steady flow of new orders coming on line. Excluding the recently acquired Consulting activities, Dutch revenues declined nearly 4% year-on-year.

Reported revenues in the **United Kingdom** increased sharply due to the consolidation of Atos KPMG Consulting on a full year basis, but growth was pegged back by negative exchange rates and pricing pressure in Consulting and Systems Integration. There has been a good improvement in the order pipeline for Consulting and Managed Operations. This is largely due to the higher profile of Atos KPMG Consulting and the operational synergies generated through its acquisition. However, Systems Integration activities decreased due the lack of critical mass.

As far as the **'Other EMEA'** European countries are concerned – Germany, Italy, Spain and Belux – were affected by weak IT spending and the economic slowdown. The Group addressed these weaknesses with specific restructuring action and the result was that revenues in most of the 'Other EMEA' countries, except for Italy and the Middle-East (due to the Iraq war), grew faster than in the two main countries, France and The Netherlands.

The Americas now represents only 3% of group revenues, with sales in 2003 down 42% year-on-year. Much of this decline was due to adverse exchange rate movement between the Euro and the US Dollar, and the fact that Philips switched some activities back to Europe. There has been further impact from specific downsizing action taken during the last two years, which has been designed to put those operations on a profitable footing.

Asia Pacific succeeded in maintaining a solid revenue base, which decreased by only 2% on a constant exchange rate basis.

All main Group countries and regions continued to generate a positive operating margin.

(In EUR millions)	FY 2003	% margin	FY 2002	% margin	% growth
France	113.3	10.8%	116.2	10.7%	-2%
The Netherlands	114.3	11.9%	124.2	13.6%	-8%
United Kingdom	15.7	4.7%	12.9	5.4%	+21%
Rest of EMEA	31.8	5.7%	28.6	4.7%	+11%
Americas	0.5	0.7%	7.8	5.9%	-93%
Asia Pacific	5.2	9.3%	5.8	9.1%	-11%
Corporate	(33.0)	-1.1%	(30.0)	-1.0%	-10%
Total	**247.8**	**8.2%**	**265.6**	**8.7%**	**-7%**

France and **The Netherlands** benefited from critical mass and continued strong cost-cutting measures to compensate the negative effects of the market slowdown.

The limited decline in **United Kingdom** profitability was due largely to continued pricing pressure in the Consulting and Systems Integration businesses, although swift and on-going management action produced a significantly better result in the second half (6.9%) than in the first half (2.7%). A combination of bid and start-up costs on new contracts is likely to result in profitability remaining below our target expectations in the short-term.

Rest of EMEA reported an increase in profitability. Even if many of the component countries within the rest of EMEA were affected by a lack of critical mass, which made it difficult to absorb fully the effects of the economic downturn, they have benefited from the action plans to restore profitability. Consequently, nearly all of the European countries in this region maintained or improved their profitability significantly compared with 2002, the only decrease coming from the Middle-East region.

The decrease in profitability in **North & South America** is due to the lack of critical mass in those regions.

Asia Pacific improved its profitability, particularly as a result of achieving good utilization rates. This was also partly due to the strategic development of IT maintenance and support business in India and China.

REDUCTION OF COST BASE

The Group has taken, and is continuing to take, decisive action to streamline its business by cutting subcontractors and permanent staff numbers, and reducing its cost base in all geographies and activities - especially indirect and corporate costs. As a result, the Group has been able to maintain margins at a reasonable level, despite the difficult market conditions. The analysis below explains the significant factors that are behind the overall change in income from operations:

(In EUR millions)	2003 profits
Income from Operations FY 2002	**266**
Reduction in gross margin	-66
Reduction in indirect costs	+48
Income from Operations FY 2003	**248**

- The Group's gross margin fell by 8% due to declines in activity and downward pressure on prices, especially in Systems Integration. Gross margin was 24.5% of Group revenue in 2003.
- In response, the Group intensified the cost reduction initiatives launched in 2001 and continued in 2002, cutting indirect costs by a further 9% in the past 12 months. Indirect costs represented 16.3% of Group revenues in 2003 and corporate costs have been maintained at around 1% of Group revenue.

In absolute value, the decrease in Income from Operations was EUR 18 million, which corresponds to the cost increase relating to pensions, including amounts contributed to external pension funds and net charge in provision. Consequently the overall cost base net of pension costs has been reduced by 0.3% in line with the revenue decrease.

ATOS ORIGIN AND SEMA GROUP COMBINED

The pro forma combined financial performance of the new group in 2002 and 2003 was as follows:

(In EUR millions)	FY 2003			FY 2002				% combined
	Atos Origin	Sema Group	Total combined	Atos Origin	Sema Group	Total combined	Growth	Organic
Consulting & Systems Integration								
Revenue	1,453	1,255	2,708	1,417	1,416	2,834	-4.4%	-8.5%
Income from Operations	82.1	77.3	159.3	82.0	96.3	178.3	-11%	
% margin	5.6%	6.2%	5.9%	5.8%	6.8%	6.3%		
Managed Operations								
Revenue	1,582	1,116	2,698	1,625	1,146	2,772	-2.7%	+1.6%
Income from Operations	198.7	71.1	269.8	213.6	89.0	302.6	-11%	
% margin	12.6%	6.4%	10.0%	13.1%	7.8%	10.9%		
Corporate								
Income from Operations	-33.0	-74.4	-107.3	-30.0	-138.1	-168.1	+36%	
% margin (Group revenue)	-1.1%	-3.1%	-2.0%	-1.0%	-5.4%	-3.0%		
Total Group								
Revenue	3,035	2,371	5,406	3,043	2,563	5,606	-3.6%	-3.5%
Income from Operations	247.8	74.0	321.9	265.6	47.2	312.8	+3%	
% margin	8.2%	3.1%	6.0%	8.7%	1.8%	5.6%		

Based on Sema Group preliminary unaudited revenues and income from operations for the twelve months to December 31st, 2003 of respectively USD 2,677 million and USD 83 million, using an exchange rate of USD 1 = EUR 0.8858.

Consolidated pro forma combined revenue for the year ended December 31st, 2003 amounted to EUR 5,406 million, lower than in the preceding year by 3.5% on a constant scope and exchange rate basis. This was caused largely by a decline of 8.5% in Consulting and Systems Integration activities, partly compensated by a 1.6% growth in Managed Operations. Due to their respective cost reduction programs, the two groups were able to report operating margins of 8.2% and 3.1% for Atos Origin and Sema Group respectively, which corresponds to a pro forma combined operating margin of 6.0%.

OUTLOOK FOR 2004

With respect to 2004 guidance, the Group believes that sentiment is improving slowly within the IT services market but that actual spending continues to be restrained, especially within Europe. Atos Origin expects no significant revenue improvement for the newly combined group in the first half of 2004 and reported revenues for the whole of 2004 are currently expected to be stable on a constant scope and exchange rate basis. At current exchange rates, the negative exchange impact, mainly due to the US Dollar and UK Pound, has been estimated at approximately EUR 75 million. The full year impact of disposals, principally the sale of document management and check processing activities, has been estimated at EUR 40 million.

The Group is planning to accelerate its merger integration program and to complete most of the major actions within 2004, which should advance the benefits expected in 2005. This will compensate negative factors such as the full year impact in 2004 of 2003 tariff reductions, and modest 2004 salary increase. Consequently, Atos Origin currently expects to increase the operating margin of the newly combined group from 6.0% in 2003 to in excess of 7% in 2004.

In addition to the internal restructuring plans initiated and executed by Sema Group during 2003, Atos Origin put in place immediately after completion of the acquisition its integration plan for Sema Group. This will involve combining commercial synergies for large clients and solutions, simplifying the organization with regard to both corporate and operational structures and extracting cost synergies based on the introduction of best practices within the new group. We will also improve operational performance and productivity by rationalizing production centers, premises and indirect non-productive costs, and by achieving synergies in purchasing power over a broader cost base and through a general reduction in overhead costs.

Atos Origin expects to achieve cost savings rising to more than EUR 200 million per year within 2 years of the acquisition of Sema Group, representing approximately 4% of current combined annual turnover. The acquisition should therefore have an accretive effect on earnings per share in 2004 and beyond, before restructuring costs and amortization of goodwill.

On the basis of a pro forma combined net debt of EUR 720 million at the closing of the acquisition of Sema Group at the end of January 2004, Atos Origin targets to reduce this to below EUR 600 million by December 31st, 2004, despite the fact that the Group expects to incur nearly EUR 200 million of restructuring and integration costs in 2004.

THE GROUP IS PLANNING TO ACCELERATE ITS MERGER INTEGRATION PROGRAM AND TO COMPLETE MOST OF THE MAJOR ACTIONS WITHIN 2004, WHICH SHOULD ADVANCE THE BENEFITS EXPECTED IN 2005.

CONSULTING

Atos Origin provides end-to-end solutions for its clients, including business consultancy and IT consulting services.

DESCRIPTION OF ACTIVITIES

As a result of the acquisition of KPMG Consulting in the United Kingdom and The Netherlands in 2002, Atos Origin is able to provide clients with a full spectrum of consulting services.

Atos Origin's consulting activities are organized by industry sector:

- Financial Services
- Information, Communication and Entertainment
- Consumer and Industrial Markets
- Public Sector

Atos Origin has a strong focus on each of these four segments, with particular strengths in Financial Services and a developing presence in the Public Sector.

Atos Origin provides value-added services that will enable its clients to grow their own market shares, improving their productivity and increasing quality and customer satisfaction. Our consultants have specific experience in managing large business and technology transformations. They are highly innovative and deliver state-of-the art solutions, integrating the latest business views and technology.

BUSINESS STRATEGY – Business and operational transformation (business strategy and launch services, mobile and service strategy, business process improvement and quality management), risk management (credit risk, operational risk, market risk and rating models), infrastructure strategy, business intelligence and reporting

CUSTOMER RELATIONSHIP MANAGEMENT – Design, loyalty and application management, customer interaction centers, survey management, e-local government, health e-communities (Oracle, ICL, Integris, SAP, Siebel, AIT), customer relationship management strategy, sales/channel management, billing and customer care, customer intelligence

SUPPLY CHAIN MANAGEMENT – Operational transformation (cost reduction, shared service processes, improvement and automation), business process re-engineering, public procurement, e-procurement, delivering benefits from post M&A integration (OST and Siebel), multichannel procurement, M&A integration (SAP Oracle and Ariba), manufacturing opportunity assessment, supply chain quick-scan, strategic alignment of customer markets, quality management and C-commerce

WORLD CLASS IT – Enterprise architecture and IT strategy, infrastructure strategy and assessment, infrastructure architecture and design, data architecture, enterprise program management and enterprise information portal

WORLD CLASS FINANCE SOLUTIONS – Shared services and cost management, management information systems, corporate performance measurement, Sarbanes Oxley implementations, business planning and budgeting, value based management, interim and project management, enterprise resource planning (ERP) implementation (Microsoft, Oracle, SAP and PeopleSoft)

WORLD CLASS HUMAN RESOURCES (SAP ORACLE AND PEOPLESOFT) AND WORKFORCE – I-Learn, organizational learning, e-HR (Oracle, PeopleSoft HR, Digital Think and SAP) and change management

ERP SOLUTIONS – Software selection, development of business models, implementation strategy, change management, kernel development and project management

KNOWLEDGE MANAGEMENT – Design and development of knowledge management systems

TRADING IN 2003

Consulting revenue for the year was EUR 363 million, including a contribution of EUR 340 million from Atos KPMG Consulting. Revenue fell globally by 30% in 2003 at constant exchange rates in comparison with pro forma full year 2002. This was mainly due to pricing pressure in the United Kingdom, estimated at around 20%, and trading conditions that have weakened further since 2002.

(In EUR millions)	FY03	% total	FY02	% Growth
United Kingdom	215	59%	103	+109%
The Netherlands	126	35%	49	+159%
France	23	6%	23	-2%
Consulting Revenue	**363**	**100%**	**174**	**+108%**
Operating Profit	**26.5**		**16.0**	**+65%**
% margin	**7.3%**		**9.2%**	
Staff year-end	**1,934**		**2,383**	**-19%**

Profitability was significantly higher in the second half of 2003, rising to 8.0% in comparison with the first half figure of 6.6%. Due to market weakness since the second half of 2002 and low order visibility throughout 2003, the Group continued to adapt its resources to demand and initiated further action to reduce non-staff costs in 2003 through premises rationalisation and broad operational efficiency improvements. As a result of this turn-around, the business stabilized in the second half of 2003 and grew slightly in the last quarter of the year. In spite of continuous pressure on both volume and pricing, the margin rate reached 7.3% for the full year, with a continuous improvement during the year.

STRATEGY

Atos Origin strongly believes in delivering end-to-end solutions to its clients and has therefore implemented a design-build-operate model throughout its organization. We see Consulting as inextricably linked to Systems Integration and Managed Operations.

The Group intends to grow its Consulting base to around 20% of total revenues in the medium-long term, compared with 10% today, expanding both the existing country operations and into new geographies. The acquisition of the Sema Group has added 1,000 consultants and increased our delivery capabilities in the UK, Spain, France, Scandinavia and Italy.

The Group also plans to invest more in developing technical architecture and systems designs, making available solutions that are packaged, tested and scalable. Past experience and knowledge will be fully utilized to reduce risks, costs and implementation timescales for projects. A key example of this is the Olympic Games, where technology and processes can be repeated and developed, resulting in reduced costs and increased reliability.

THE GROUP INTENDS TO GROW ITS CONSULTING BASE TO AROUND 20% OF TOTAL REVENUES IN THE MEDIUM-LONG TERM, COMPARED WITH 10% TODAY, EXPANDING BOTH THE EXISTING COUNTRY OPERATIONS AND INTO NEW GEOGRAPHIES.

SYSTEMS INTEGRATION

Our Systems Integration business offers application lifecycle management (development and maintenance), new IT solutions (mobile, data solutions and WIFI) and ERP system solutions.

DESCRIPTION OF ACTIVITIES

We work closely with our clients to develop long term IT plans that will enhance their business strategy. At the same time our focus is on achieving immediate cost (TCO) reductions for those clients in the short term. A good example of this is our 'Next Generation Application Management' approach, which offers clients both permanent innovation in their applications and cost savings starting on day one. In most cases we are able to avoid substantial transition costs or initial investments when clients decide to outsource applications to Atos Origin.

Atos Origin has substantial capability in enterprise resource planning (ERP). We have one of the largest SAP implementation groups in Europe and strong capabilities in Oracle, Peoplesoft, IFS, QAD and Microsoft. We have particular capabilities in the integration and standardization of core systems and in providing extension modules in customer relationship and supply chain management. One-third of Atos Origin's activities in Systems Integration are directly associated with the implementation of SAP, Oracle and other leading ERP products.

In new IT solutions we have been successful in 2003 in providing mobile data solutions that have helped clients to improve their productivity substantially. Other innovative areas have included e-Government and e-Healthcare, where Internet based solutions have improved the service to patients and at the same time brought substantial cost savings to our clients.

APPLICATION MANAGEMENT SERVICES – Application lifecycle management, Functional and Technical Management

APPLICATION DEVELOPMENT – Offshore Software Engineering Services, Software Engineering, Component Based Development, Requirements Definition Center

BUSINESS INTELLIGENCE – Datawarehousing

BUSINESS PROCESS MANAGEMENT – Business Process Management Tools and Workflow Management

ENTERPRISE CONTENT MANAGEMENT – Content, Document and Collaborative Knowledge Management

ICT PROCESS MANAGEMENT & IMPROVEMENT – Demand & Supply, Impress (Software Process Improvement), Testing, Auditing and Assessment

INTEGRATION SERVICES – eBusiness Integration, Enterprise Application Integration, Shape-shifting Enterprise Application Landscapes

MIGRATION SERVICES – Application Migration Services, Web Renovation Services, Web Enabling & Integration, Legacy Disclosur

INDUSTRY SOLUTIONS – ACTIS business suite for electronic data interchange, ACTIS-efors Automotive supplier solutions for just in time work, ICAM toolbox for warehouse management and logistics, SCOPE tools for optimization in production planning in the Metal/Paper and Wood Industry

MANUFACTURING SOLUTIONS – Logistic and Manufacturing Execution Systems

SUPPLIER RELATIONSHIP MANAGEMENT – eProcurement

PAYMENT SOLUTIONS – Poseidon, Atos Worldline

MOBILE SOLUTIONS – Mobility Packs

PORTAL SERVICES – xSpace Community Portal, Customer and Trading Portals & Netmarkets

TRADING IN 2003

Systems Integration has borne the main brunt of the slowdown in IT services since 2002. Revenue in 2003 decreased by 9% compared with 2002 (on a constant exchange rate basis), but with a limited decrease in the second half of 2003, in which revenue fell by only 4% sequentially. As in Consulting, the result was mainly caused by pricing pressure. The volume declines of the past 24 months have levelled off and volumes are now increasing slightly.

(In EUR millions)	FY03	% total	FY02	% Growth
France	304	28%	327	-7%
The Netherlands	310	28%	315	-1%
Other countries	475	44%	601	-21%
Systems Integration Revenue	**1,089**	**100%**	**1,243**	**-12%**
Operating Profit	**55.6**		**65.9**	**-16%**
% margin	**5.1%**		**5.3%**	
Staff year-end	**12,671**		**13,954**	**-9%**

Profitability was impacted by the further decline in revenue during the period, including the effects of pricing pressure. The operating margin, which fell from 7.1% in the first half 2002 to 3.4% in the second half of 2002, rose to 4.9% in the first half of 2003 and to 5.3% in the second half, thanks to aggressive and continuing management of key performance indicators. Utilization has steadily increased from 69% at the end of 2001 to 74% during the last quarter of 2002, reaching an average of 78% during the fourth quarter of 2003.

MARKET TRENDS AND OUTLOOK

The current industry cycle has been typified by a significant reduction in volumes during 2001/02 as a result of tougher economic conditions, which have forced clients to cut back on new project implementations and upgrades, and to focus broadly on the maintenance, standardization and integration of existing systems. The industry has responded to lower activity by cutting costs and in particular by reducing its staff levels in line with reduced sales. Consequently, 2003 has seen increased levels of pricing pressure, created partly by an excess of labour supply.

We believe that the systems integration market will see a recovery starting in 2004. Growth will be in the outsourcing of applications and the innovation and renewal of existing applications. We also expect the ERP business to pick-up again, as we signaled for the final quarter of 2003, and we believe that there will again be good opportunities to offer differentiated added-value services to our clients.

STRATEGY

Our Systems Integration business is an integral part of our total business offering. Application development and application lifecycle management, together with ERP solutions, are key for our clients and therefore a cornerstone in the strategy of Atos Origin. The business is rapidly shifting to a global organization structure with common, standardized working methods. This will ensure high quality and consistent services, and provide service delivery on a global basis.

No other project could better illustrate our commitment to global delivery than the contract for the Olympic Games. Atos Origin is the official Worldwide Information Technology partner for the Athens 2004, Turin 2006, and Beijing 2008 Olympic Games. We are responsible for Information Technology consulting, systems integration, operations management, information security and software applications development. We will provide complex but transparent information technology systems to deliver immediate, accurate and reliable information that conveys the true drama of the competition. We have established policies and procedures, strategies and plans to manage a consortium of best-of-breed technology sponsors and suppliers to support the Olympic Games.

ATOS ORIGIN'S GLOBAL ORGANIZATION AND COMMON METHODS OF WORKING. ENSURE HIGH QUALITY AND CONSISTENT SERVICE DELIVERY ON A GLOBAL BASIS.

MANAGED OPERATIONS

Managed Operations includes the IT infrastructure and Business Process Outsourcing (BPO) activities of Atos Origin as well as card payment processing and multimedia activities.

DESCRIPTION OF ACTIVITIES

In Outsourcing, Atos Origin specializes in managing and transforming the IT infrastructure operations of its clients. The service includes full outsourcing, where we take control of a client's entire information and data processing systems, including datacenters, network support and desktop support operations, implementing processes and tools that enable clients to benefit from state-of-the-art technology. Atos Origin is also engaged in providing transformational outsourcing, which accommodates business change effectively, and on-demand services.

The recent acquisition of Sema Group has increased our outsourcing capabilities in important geographies. Atos Origin is now the leading European outsourcing company with major market positions in the UK, France, and the Netherlands, as well as having a significant position in the rest of Europe and Asia. The acquisition has significantly enhanced and reinforced our service portfolio and we offer a strong and consistent global capability:

IT SUPPORT OUTSOURCING – Including 7x24 Global Service Desk IT Support through a worldwide network. Support for desktops, servers, printers and LAN devices is provided on a localized yet globally consistent basis.

DATA AND APPLICATION MANAGEMENT – Secure Data Center hosting facilities and infrastructure services.

APPLICATION LIFECYCLE MANAGEMENT – True end-to-end support covering infrastructure operations and management. This includes maintenance and technology refresh as well as the benefits of our mature offshore capabilities.

SECURITY SERVICES – Managed security services supported by experienced global service delivery and infrastructure resources.

Atos Origin is also prominent in specific segments of the IT-related BPO market. The Group is a leader in the field of card payment processing, including the provision of both card issuing services for banks and other issuers and acquiring processing involving both banks and retailers. Atos Origin is also actively involved in multimedia activities, including the design and implementation of on-line broking, informational and other active systems, many of which involve secure payment technologies. The Group's business in these areas is being launched under the Atos Worldline brand and has exciting prospects for future growth. Through the Group's joint venture with Euronext, AtosEuronext is a leader in the development of securities trading application management and the management of large-scale stock exchange platforms.

In the US, Sema Group's proprietary technology offering enables companies to monitor their facilities energy consumption in real time. Sema Group implements these real time systems, manages technical data, links technical and business systems and integrates systems both upstream and downstream. Real Time Energy Management (RTEMS) provides the processes, software tools and infrastructure needed for the real-time collection of energy use data.

Within Managed Operations our services continue to benefit from a number of key differentiators. Our investment over the last 10 years in establishing a consistent, high quality, global delivery capability based on ITIL has ensured that services are delivered effectively and reliably. We are also sensitive to the needs of our staff and take particular care that newly insourced employees quickly find their place in the company. Finally we work to ensure a good cultural fit with our customers. We understand the need to develop strong and transparent relationships and have a policy to develop effective local management in all countries where we operate to balance our globally aligned services with local understanding and knowledge.

TRADING IN 2003

Managed Operations reported a small revenue decrease of 3%, but only 0.3% on a constant scope and exchange rate basis. The Netherlands and France, which together account for 79% of the Group's outsourcing activities, maintained a good level of activity, as did the other main European countries. The Americas, where critical mass has not yet been achieved, reported an organic decline of 14%. The card processing business in France and Germany reported solid revenue growth of 4% year-on-year, and Internet services revenues were 14% higher.

(In EUR millions)	FY03	% total	FY02	% Growth
France	722	46%	736	-2%
The Netherlands	525	33%	549	-4%
Other countries	334	21%	340	-2%
Managed Operations Revenue	**1,582**	**100%**	**1,625**	**-3%**
Operating Profit	**198.7**		**213.6**	**-7%**
% margin	**12.6%**		**13.1%**	
Staff year-end	**11,773**		**12,166**	**-3%**

In Managed Operations, the Group has continued aggressively with a reduction of productive staff and data centres, further cuts in indirect costs and tight control of both capital assets and receivables. As a result of this action plan, the erosion of the margin due to new contracts and pre-sales costs was limited to 0.5%, giving a 12.6% operating margin in 2003

OUTSOURCING CAN PROVIDE ACCESS TO ADDITIONAL IT CAPACITY AND FUNCTIONALITY AND ENABLE CLIENTS TO ACCELERATE THEIR GLOBALIZATION STRATEGIES.

MARKET TRENDS AND OUTLOOK

Within the technology services industry, infrastructure outsourcing and business process outsourcing (BPO) remain attractive segments despite recent softness in the large-deals segment. Cost reduction initiatives by enterprises are the main driver for outsourcing. In addition, clients are often challenged by the growing complexity of the IT environment and the lack of resources available to manage it. Outsourcing can provide access to additional IT capacity and functionality and enable clients to accelerate their globalization strategies.

According to research reports from banks and industry analysts such as Gartner, IDC and Forrester, the prioritized areas of spending in 2004 are Application Outsourcing, Business Process Outsourcing, Hosting, and Network Outsourcing. While companies are expected to maintain the goal of capping IT spending, outsourcing transfers IT spending from internal departments to external providers, thereby creating market growth while leaving the enterprise IT budget unchanged.

We believe that IT outsourcing represents a significant opportunity in Europe. According to IDC, in 2002 the aggregate value of the 100 largest European outsourcing contracts amounted to over $25 billion, with 6 deals in excess of $1 billion and 49 deals having a value of less than $50 million. According to IDC, the UK remains Europe's leading geography for outsourcing with 57 of the 100 largest European outsourcing deals in 2002. Germany and France ranked second and third with 9 and 8 deals respectively. The Netherlands is also considered a market with significant growth potential.

STRATEGY

We believe that there are substantial opportunities for outsourcing, especially in the European market. Outsourcing remains significantly underdeveloped in many parts of continental Europe and the opportunities for growth are therefore exciting. In 2003 the European market grew much faster than the more mature US market. It is therefore our intention to continue to expand the Outsourcing business significantly. In the medium-term, we would like Managed Operations (including long-term application management contracts, which are reported under Systems Integration), to grow to at least 60% of Group revenues, compared with 50-55% today.

We see many opportunities opening up in the more broadly defined areas of Business Process Outsourcing (BPO), but it is our policy to stick closely to IT-related BPO activity. The Group intends to be selective in identifying those areas of business where it can add value for its client base and deliver adequate and sustainable returns for the business.

We remain enthusiastic about embracing partnership and joint venture opportunities, in which the objectives of both parties are closely aligned. We believe that this is important for building healthy and growing client relationships. Atos Origin already has strong joint venture relationships with a number of its key clients including Philips and Euronext.

MARKETS AND COMPETITORS

THE MARKET

The IT Services market grew at an annual rate in excess of 10% through the second half of the 1990's and up to 2000. The technology bubble in 2000 had a negative impact on investment sentiment. In 2001 growth in the IT Services market slowed considerably due to the worsening macroeconomic climate and during the past two years the industry has been through a recessionary period.

IT budgets have been heavily restricted as a result of tight economic circumstances affecting corporations in most industries. IT departments have been forced to cut back their spending on new projects and have sought to achieve maximum benefit from the substantial investments made during the second half of the 1990's. Project-based consulting and parts of the systems integration market have been most severely affected, resulting in significant numbers of staff being laid off throughout the industry in order to maintain acceptable levels of utilization and, in turn, profitability.

During 2002 and 2003, IT spending has therefore been focused on maintenance and 'value for money' projects. There has also been an increase in outsourcing, which has provided opportunities for clients to achieve short-term cost reduction, provide more flexibility (by converting their existing internal fixed cost into a semi-variable one) and enable their organizations to focus on core activities rather than administrative support. As we move into 2004, there is some prospect of very modest growth in areas where client spending has been curtailed for several years, especially on software upgrades, but client budgets remain generally constrained.

Multinational clients have shown a strong desire to reduce the number of vendors with whom they contract, and to allocate clear responsibility for end-to-end success on project implementations. These trends have favored IT service providers that have a full set of service offerings, including consulting, systems integration and the management of infrastructure, applications and on-line services. The ability to support clients in developing their global strategies has become an equally strong driver.

In Europe, key catalysts for the technology services industry are expected to be the public and financial services sectors, with an improving trend in telecommunications. For instance, the UK government has made a strong commitment to using IT to improve the efficiency of government departments, as have the Dutch and, more recently still, the French governments. We believe that public sector outsourcing will become more widespread throughout continental Europe.

The key risk to more favorable market conditions in the technology services industry involves the timing and extent of a general economic recovery. It is anticipated that the shape of the recovery in the IT services industry will be more gentle than in previous technology recoveries due to, (i) the lack of new technological drivers to act as catalysts for growth, (ii) the greater maturity of the industry and (iii) pricing pressure from offshore operations. Slower economic recovery is forcing companies to squeeze cost from IT and other areas, but pressure for organizations to become more efficient should eventually lead to increased IT spending. Nevertheless, IT investment spending in Europe as a percentage of GDP remains well below that in the US, suggesting that there remain many opportunities to improve business performance.

Other important factors include:

- The momentum of globalization and consolidation. Continued merger and acquisition activity will drive demand for IT consulting, integration and outsourcing services.

- Government Productivity. As governments become increasingly aware of the need to increase efficiency and transparency in their procedures, non-core activities have been outsourced to IT service companies in order to tackle these issues. The desire to foster active citizenship by harnessing the power of Internet and knowledge management technology is a further driver in the public sector.

REVENUE BY INDUSTRY SECTOR

The Group now has a well-balanced presence in chosen Global Market sectors, without an excessive exposure to any single market. In particular, the KPN contracts have strengthened our presence in the Telecom market and Atos KPMG Consulting has in particular brought new experience in Public Sector.

(In EUR millions)	FY 2003	% revenue	FY 2002	% Growth
Financial Services	768.7	25%	789.9	-3%
Telecoms, Utilities and Media	737.1	24%	683.8	+8%
Discrete Manufacturing	577.0	19%	723.0	-20%
Process Industries	352.8	12%	374.6	-6%
Public Sector	241.5	8%	124.5	+94%
CPG & Retail	234.9	8%	200.6	+17%
Others	122.5	4%	146.5	-16%
Total	**3,034.6**	**100%**	**3,042.9**	**-0.3%**

The 2003 Key Account program was increased to 50 clients, of which 9 clients came from Atos KPMG Consulting. The expansion of our consulting capability has enabled the Group to leverage cross-selling and outsourcing opportunities to a much greater extent than previously.

The **Financial Services** sector (25% of total Group revenue) was globally stable in comparison with 2002, which was impacted by price and volume pressure. In spite of a decline of 8% in our activities with Euronext, there was good growth in payment processing in France and Germany and a significant improvement in insurance sector business.

The financial services market remains important despite several years of scaled-back IT spending. The new regulatory environment, including Basel II, Sarbanes-Oxley, Solvency II and the move to IAS accounting standards will drive increased demand for IT services. According to industry research, the majority of European banks have started to allocate budgets to fund these projects. IT services companies with deep expertise in financial services and global roll-out capabilities will be the main beneficiaries.

Telecoms, Utilities and Media (24% of total Group revenue) reported substantial revenue growth of 8%, benefiting notably from the new contracts with KPN signed in 2002 and an extension of our activities in Utilities and in Media through Atos KPMG Consulting.

These markets are starting to benefit strongly from the deregulation of utilities and new investment in Telco, following significantly improved financial performance compared with 2001/02.

Discrete Manufacturing (19% of total Group revenue) reported an overall fall of 20%, mainly in high-tech, which was directly linked to a 23% decline in the Philips account year on year.

Process Industries (12% of total Group revenue) reported an overall drop of 6%, although the pharmaceuticals and chemicals sectors performed well.

The Group strengthened its **Public Sector** position substantially (8% of total Group revenue) with French, Dutch and British government ministries, mainly through Atos KPMG Consulting.

The 17% increase in **Consumer Packaged Goods and Retail** (8% of total Group revenue) was attributable to new contracts with Heineken, Brakes, Redcats and Auchan, and the extension of our activities with existing clients.

MARKET SHARE AND COMPETITORS

Industry Consolidation

A number of providers in the IT Services industry have experienced financial difficulties during recent years and have merged or been acquired, thereby achieving scale economies in their operations.

For those companies whose activities are focused specifically on serving multinational clients, there has been the additional need to build global reach in order to be able to provide a full set of support offerings for those clients across multiple regions. Since 2000, most of the major IT consultancies (Ernst & Young, KPMG Consulting, PWC Consulting and Arthur Andersen) have been acquired by major IT service companies. The process has been accelerated by the demand from regulatory agencies in the US and Europe for a separation between audit and consulting responsibilities.

We believe that the trend towards consolidation will accelerate as large IT service companies serving multinational clients attempt to establish effective coverage in the major IT spending markets and achieve economies of scale in their global operations.

Competitive Environment

In the large scale IT infrastructure outsourcing market, Atos Origin's main competition comes from the US players such as IBM Global Services, EDS and CSC. While EDS and CSC have more limited strength in parts of continental Europe, IBM Global Services has a broad geographic presence and is considered Atos Origin's main competitor in outsourcing in Europe. The outsourcing activities of Cap Gemini Ernst & Young (CGEY) are mainly in application maintenance and BPO and consequently Atos Origin does not compete with CGEY as often.

In Consulting and Systems Integration, Atos Origin competes with a wide number of players, both global and local, many of whom operate only on a national basis.

According to Gartner, on a 2002 revenue basis, IT service market share rankings in Europe were as follows:

Ranking	Competitors	Revenues 2002 (**)	Market share
1	IBM	10,536	8.0%
2	EDS	6,033	4.6%
3	Atos Origin (*)	4,799	3.7%
4	Accenture	4,765	3.6%
5	T-Systems	4,596	3.5%
6	Cap Gemini Ernst & Young	4,568	3.5%
7	Siemens Business Services	3,582	2.7%
8	Computer Sciences Corporation	3,085	2.3%
9	Fujitsu	2,708	2.1%
10	LogicaCMG	2,015	1.5%

Source: Company Information – Gartner

(*) Including Sema Group, based on combined pro forma revenues for the twelve-month period to December 31st, 2002.
(**) In EUR millions, based on Professional Services include Consulting Services (Consulting for Atos Origin), Development and Integration Services (Systems Integration for Atos Origin), IT Management (Managed Services for Atos Origin) and Process Management (On-line Services and BPO for Atos Origin), but excluding Hardware and Software Maintenance and Support.

The IT services market remains highly fragmented, both in Europe and globally. Atos Origin is now the third largest IT services company in Europe, excluding hardware and software services, behind IBM Global Services and EDS.

Market share in Europe

According to research conducted by external industry analysts, including Gartner, Forrester and Pierre Audoin Conseil (PAC):

- Atos Origin is now the largest IT Services company in France, just ahead of both IBM Global Services and Cap Gemini Ernst & Young. The Group's market share in France is estimated at 6%,
- Atos Origin is the IT services market leader in The Netherlands following the acquisition of KPMG Consulting and the signing of three major contracts with KPN in 2002. The Company's market share in The Netherlands is estimated at nearly 8%.

The current strategy of Atos Origin is to develop a strong presence in each current of the main IT spending markets of Europe in order to be able to deliver a full range of IT services to its international clients. With the acquisition of Sema Group, Atos Origin will have a major presence in the IT service markets in France, the Benelux countries, the United Kingdom, Spain and Italy. Atos Origin still needs to achieve critical mass in Central Europe. The transaction enables Atos Origin also to serve its international clients in The Americas and in Asia Pacific.

According to Gartner, based on 2002 revenues, competitor ranking and the market share in Europe by main country were as follows:

Country	Market Size EUR millions	Market Leader	Atos Origin Market Share	Main Competitors
United Kingdom	49,355	EDS	2.1%	IBM, Fujitsu, Accenture
France	25,069	Atos Origin	6.2%	IBM, CGEY, Accenture
The Netherlands	11,996	Atos Origin	7.7%	IBM, Pinkroccade, LogicaCMG
Italy	12,461	IBM	3.2%	EDS, Accenture
Spain	7,689	IBM	3.3%	Indra, Accenture, EDS

Source: Company Information – Gartner

THE CURRENT STRATEGY OF ATOS ORIGIN IS TO DEVELOP A STRONG PRESENCE IN EACH OF THE MAIN IT SPENDING MARKETS OF EUROPE, IN ORDER TO BE ABLE TO DELIVER A FULL RANGE OF IT SERVICES TO ITS INTERNATIONAL CLIENTS.

FINANCIAL REVIEW

INCOME STATEMENT

The Group reported a net loss for the period of EUR 169 million after deducting EUR 283 million of goodwill amortization. Goodwill amortization included an impairment charge of EUR 225 million against the value of goodwill in respect of the acquisition of KPMG Consulting in the United Kingdom, as announced by the Group on December 22nd, 2003. There was a corresponding net profit of exactly EUR 169 million before goodwill and non-recurring items.

(In EUR millions)	FY 2003	% margin	FY 2002	% margin	% growth
Income from Operations	247.8	8.2%	265.6	8.7%	-7%
Net financial expenses	(26.6)		(27.3)		
Non-recurring items	(54.9)		(70.8)		
Corporate income tax	(40.9)		(46.9)		
Minority interests	(11.3)		(11.4)		
Goodwill amortization & depreciation	(283.1)		(38.4)		
Net income – Group share	**(169.0)**	**-5.6%**	**70.8**	**2.3%**	
Net income before goodwill	**114.1**	**3.8%**	**109.2**	**3.6%**	**+4%**
Net income before goodwill and non-recurring items	**169.0**	**5.6%**	**180.0**	**5.9%**	**-6%**

Net financial expenses for the period were EUR 27 million. Based on an average net debt of EUR 399 million in 2003, the average cost of borrowing fell to 4.6% (5.0% in 2002). Net financial expenses were covered 13 times by EBITDA (Income from Operations before Operating Amortization and Depreciation – EUR 345 million).

Non-recurring items included EUR 55 million of integration, rationalization and staff reorganization costs, of which provisions of EUR 16 million were to cover restructuring announced in 2003 that will be completed in the near future. They include also net capital gains of EUR 5 million, mainly on the disposal of the document and check processing activities in September 2003.

The tax charge for 2003 fell to EUR 41 million, compared with nearly EUR 47 million in 2002. The notional tax rate was 29.3% of pre-tax income, down from 30.3% last year.

Minority interests included shareholdings held by joint venture partners and other associates of the Group in the operations of AtosEuronext (50%), Atos Origin Processing Services in Germany (42%) and Atos Origin Softtech in Saudi Arabia (25%).

Depreciation and amortization charges for 2003 in the amount of EUR 283 million include an exceptional charge for the Atos KPMG Consulting UK goodwill in the amount of EUR 225 million. The residual amount of EUR 58 million corresponds to the normal amortization of goodwill, with an increase in comparison with last year due to the full-year impact of Atos KPMG Consulting.

Earlier this year, the Group indicated to the market that it would make an assessment of the carrying value of goodwill at year-end in respect of Atos KPMG Consulting, under the requirements of IAS 36. The justification for that acquisition was strategic, based on driving top line growth in the medium-long term. The Group remains confident that the rationale for the acquisition is justified and sales synergies have been achieved across the group in 2003. However, based on current market conditions, and before taking into account the additional benefits that the Group expects to accrue from the acquisition of Sema Group, it has decided to take a goodwill impairment charge of EUR 225 million in the accounts for the year ending December 31st, 2003. The Group has reviewed the carrying value of other goodwill items in its balance sheet at December 31st, 2003 and considers that there is no basis for a further exceptional write down of goodwill at that date.

EARNINGS PER SHARE

(In EUR millions)	FY 2003	FY 2002	% growth
Net income, before goodwill	114.1	109.2	+4%
Net income	(169.0)	70.8	
Impact of conversion of dilutive securities	1.4	0.1	
Weighted-average number of shares (in thousands)	45,458	43,955	+3%
Weighted-average number of shares (in thousands)	45,458	43,955	+3%
Average number of shares, diluted (in thousands)	47,754	50,847	-6%
EPS, before goodwill	2.51	2.48	+1%
EPS	(3.72)	1.61	
Diluted EPS, before goodwill (*)	2.42	2.15	+12%
Diluted EPS (*)	(3.51)	1.39	

(*) Including impact of conversion of dilutive securities

Based on an average of 45,458,166 shares outstanding during the period, earnings per share for the period before amortization of goodwill, were EUR 2.51, representing an increase of 1% compared with 2002.

Based on a diluted number of shares of 47,754,039, earnings per share for the period before amortization of goodwill, were EUR 2.42, in increase of 12% in comparison with 2002.

CAPITAL EMPLOYED

Capital employed as a percentage of revenue decreased to 50%, representing a diminution of 4 points compared with 2002. This was achieved through a reduction of EUR 61 million (-28%) in tangible assets and EUR 45 million (-24%) in working capital requirements. Capital employed excluding goodwill represents only 11% of revenue.

(In EUR millions)	Dec 31st, 2003	Dec 31st, 2002
Goodwill (gross value)	1,183.6	1,193.9
Other intangible fixed assets	27.1	32.2
Tangible fixed assets	156.0	217.3
Investments	18.3	21.3
Total fixed assets	1,384.9	1,464.7
Working capital requirements	145.7	191.1
Capital employed	**1,530.6**	**1,655.8**
Revenue	**3,034.6**	**3,042.9**
Capital employed as a % of revenue	**50%**	**54%**

RETURN ON CAPITAL EMPLOYED (ROCE)

Despite difficult market conditions and the non-recurrent costs of restructuring, the Group improved its return on capital employed to 8.5%. There was an improvement to 9% in the second half of 2003 compared with just less than 8% in the first half and 6% in the second half of 2002. Return on capital employed excluding goodwill reacted 37.4%.

(In EUR millions)	Dec. 31st, 2003	Dec. 31st, 2002
Net income for the period	(169.0)	70.8
Add-back interest expense, net of tax	15.8	18.3
Add-back goodwill amortization and depreciation	283.2	38.4
Restated net income for the period	**129.9**	**127.5**
Capital employed	**1,530.6**	**1,655.8**
Return on capital employed (*)	**8.5%**	**7.7%**

PROVISIONS FOR CONTINGENCIES AND LOSSES

Following the merger between Atos and Origin in October 2000, the Company made fair value adjustments against the opening balance sheet of Origin and provided for the cost of substantially restructuring Origin's operations in order to make them more profitable. Most of the restructuring activity was completed in 2001. All merger-related provisions were charged against the opening balance sheet of Origin. Surplus provisions have been written back to equity/goodwill under normal matching principles. Similar, but substantially smaller, provisioning was made following the acquisition of KPMG Consulting in 2002 and is shown under Other M&A restructuring below.

Operating provisions are made in respect of the Company's normal on-going operational requirements and are charged to, or written back through, the Profit & Loss Account. Operating provisions include provisions taken in respect of staff restructuring in response to market conditions, of normal contractual disputes, or for loss making contracts. Pension provisions have been calculated in accordance with the regulations of IAS 19.

(In EUR millions)	Dec 31st, 2002	Dec 31st, 2003	Change	Scope	Profit & Loss	Release with cash	Release with cash in future
Origin fair value adjustment	40.8	33.6	(7.2)	1.1		(9.0)	0.7
Origin merger restructuring	6.1	0.3	(5.8)	(1.6)		(2.8)	(1.5)
Other M&A restructuring	24.0	38.3	14.3	35.9	0.5	(22.1)	
Operating provisions	86.2	61.9	(24.2)	1.2	9.4	(33.8)	(1.1)
Pensions	109.4	105.2	(4.2)	(4.7)	26.9	(3.3)	(23.1)
Total	**266.6**	**239.4**	**(27.1)**	**32.0**	**36.8**	**(71.0)**	**(24.9)**

The balance of **Origin fair value adjustment provisions** at December 31st, 2003 consisted mainly of residual software license commitments that fall due between 2004 and 2005, which are excess to the company's requirements. It also covers employee and tax risks relating to Origin's activities prior to the merger. The EUR 1 million change in scope reflects foreign exchange movements. EUR 9 million was charged against provisions during the year, primarily to cover the cash cost of unused software license commitments falling due in the period. Employee and tax risk provisions were not the subject of any major significant variation during the period.

Origin merger restructuring provisions were made in late 2000 to cover the cost of implementing a major restructuring plan following the merger of Atos and Origin in October 2000. The costs covered significant staff reductions, rationalizing premises and data processing facilities and discontinuing or disposing of a number of loss-making and non-core activities. The objectives were to reduce indirect and corporate costs, terminate losses in several countries and restore operating margins.

During 2003, EUR 1.6 million of provisions were deemed no longer necessary and were released to equity/goodwill under normal matching principles. EUR 3 million of costs were incurred, being charged against provisions to finance the final step of that restructuring program, EUR 1 million was transferred to current operating liabilities to cover committed restructuring costs which will be incurred early in 2004. At December 31st, 2003, there were virtually no remaining provisions under this category.

Other Merger & Acquisition restructuring provisions in 2002, provisions were made to cover the costs of restructuring KPMG Consulting, including the elimination of duplicate overhead and operational costs and the disentanglement of shared services from KPMG Audit. During 2003, EUR 36 million was charged against goodwill to cover premises rationalization (EUR 15 million) and a specific loss making contract of KPMG Consulting in the United Kingdom (EUR 21 million) shown under 'scope'. EUR 22 million was released to finance restructuring incurred during the period.

Operating provisions relate routinely to commercial disputes, convertible bond redemption premiums, miscellaneous contingencies and losses. They also include restructuring related to current market conditions and the integration of outsourcing contracts. The EUR 34 million released with cash payment during the period mainly concerned restructuring provisions as explained in sections 'non-recurring items' and 'net debt'. The EUR 9 million net charge in Profit and Loss corresponds to EUR 16 million charge to cover restructuring announced in 2003 that will be completed in the near future, compensated by EUR 7 million release due to continuing action to reduce the level of disputes and litigation.

At December 31st, 2003, a balance of EUR 62 million remained, to cover the following:

- EUR 25 million related to restructuring
- EUR 2 million related to integration / rationalization
- EUR 35 million for other items, including losses on projects and litigation

The increase in **pension provisions** was attributable to the annual recalculation in accordance with IAS19. The release with cash payment during the period was primarily due to the early retirement of a number of employees under the restructuring plan. The release with cash in future of EUR 24 million is due to a reclassification as a financial debt linked to a renegotiation with the Dutch pension fund in consideration for the decrease in future indexation commitments generating additional contributions that will be paid by Atos Origin in 2004 and 2005 (see notes to the financial accounts – Section 'Financial Report').

CASH FLOW/NET DEBT

As in 2002, the Group generated a strong cash inflow in the fourth quarter of the year from a number of sources. Consequently, net debt at December 31st, 2003 fell sharply to EUR 266 million, representing a gearing level of 46%, giving a leverage ratio of 0.77 (net debt / EBITDA). The Group began the year with net debt of EUR 440 million and generated a cash inflow of EUR 277 million from current operations. This was due both to tight control of working capital (DSO ratio again reduced, from 68 days to 57 days), which represented 4.8% of total revenues in 2003. Tight control was also maintained on capital investment, which fell from EUR 102 million in 2002 to EUR 70 million last year, representing 2.3% of total revenues. The strong operational cash flow generation enabled the Group to finance the EUR 105 million gross cost of restructuring and fair value adjustments in 2003. Net cash from current operations has been maintained at an overall level of 9.1% of consolidated revenue, in spite of a decrease in income from operations by 7%.

The Group disposed of a number of non-core assets, realizing EUR 30 million, including its document management and check processing activities. Financial investments amounted to EUR 14 million, including taking over minority interests.

(In EUR millions)	FY 2003	FY 2002
Net cash from operating activities (*)	267.7	331.1
Change in working capital	79.5	51.2
Capital expenditure	(70.0)	(102.3)
Net cash from current operations	**277.3**	**280.0**
Reorganization and restructuring	(96.3)	(73.1)
Origin fair value adjustments	(9.0)	(15.5)
Disposal of intangible, tangible and financial assets	30.2	107.7
Other changes (**)	(14.0)	(11.6)
Net cash before financial investments	**188.2**	**287.5**
Financial investments	(13.9)	(492.6)
Net cash flow	**174.3**	**(205.1)**
Opening net debt	**(440.3)**	**(235.2)**
Closing net debt	**(266.0)**	**(440.3)**

(*) Before reorganization, restructuring and Origin fair value adjustments.
(**) Other changes include common stock issues, dividends paid to minority shareholders of subsidiaries, translation differences and profit-sharing amounts payable to French employees transferred to debt.

Reorganization and restructuring payments of EUR 96 million included EUR 80 million in relation to restructuring and EUR 16 million for other integration and rationalization, including the disentanglement of shared services from KPMG Audit. EUR 59 million was charged against existing provisions, and EUR 37 million directly through the Profit & Loss. A further EUR 9 million was paid in respect of Origin fair value provisions, mainly comprising excess software licence fees. Restructuring costs were partly financed by the tight management of the Group's asset base, including the disposal of non-core tangible and financial assets, which realized EUR 30 million.

The net cash flow before financial investments amounted to EUR 188 million, representing 6.2% of consolidated revenue. As a result, net debt decreased by EUR 174 million during the period, to stand at EUR 266 million at the end of December 2003. Gearing at the end of 2003 was 46%, compared to 56% at December 31st, 2002, and significantly lower than the figure of 86% at August 16th, 2002, immediately following the acquisition of Atos KPMG Consulting. The leverage ratio (net debt / Ebitda) was 0.77 compared with 1.13 at the end of 2002. At December 31st, 2003, the Group is substantially within its borrowing covenants and cash and cash equivalents amounted to EUR 524 million, representing 2.5 times the amount needed to meet debt repayments that fall due within the next 12 months under existing facilities before the Sema acquisition.

Immediately following the acquisition of Sema Group, Atos Origin had net debt of approximately EUR 720 million (net debt of EUR 266 million at the end of December 2003 for Atos Origin stand alone + EUR 400 million for payment of the cash portion of the acquisition price + EUR 44 million change in working capital from Sema Group + EUR 10 million transaction fees), which represented a ratio of net debt to equity capital of approximately 50%.

Atos Origin has negotiated a new syndicated credit facility of EUR 900 million. In addition to financing the cash portion of the acquisition price, the facility will allow the structure and repayment schedule of its debt to be reorganized in light of the size of the new group. Atos Origin also intends to sell certain non-strategic activities during the next 12-18 months and thus reinforce its cash position.

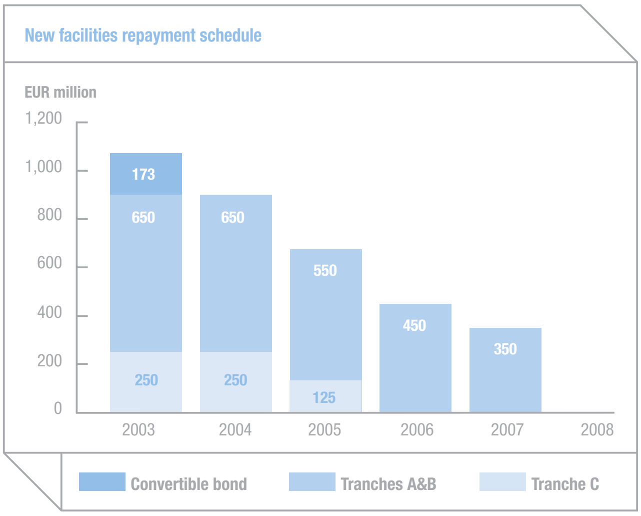
The new syndicated credit facility is structured in three tranches as follows:

(In EUR millions)	Amount	Purpose	Maturity	Repayment
Facility A – term loan	250	To refinance part of the existing facilities	5 years	Bullet
Facility B – term loan	400	To finance the Acquisition	5 years	Amortizing
Facility C – revolving credit	250	General corporate purposes	3 years	Amortizing

In order to accommodate Atos Origin's scheduled Convertible Bond repayment in 2004, the amortization schedule under Tranche B of the new facilities provides for initial payments of principal commencing in June 2005, with semi-annual installments of EUR 50 million each. If entirely drawn, Tranche C of the new facilities will be repayable in two equal installments of EUR 125 million, due respectively in November of each of 2005 and 2006. If only partially drawn, Tranche C of the new facility will be repayable in two installments, one of EUR 125 million due in November of 2005 and the balance in November of 2006. The debt repayment schedule for the Convertible Bonds and the New Facilities is set out below. On this basis, the resulting average life of the New Facilities is 3.25 years.

Tranche C of the new facilities may be used in order to:

- Take advantage of business opportunities, including more rapid expansion.
- Provide working capital for large new outsourcing contracts, particularly in the public sector.
- Acquire complementary businesses or technologies.
- Develop new services and solutions.



Pursuant to the terms of the New Facilities, Atos Origin is required to comply with two financial covenants, which are applied on a semi-annual basis on June 30th and December 31st, and on a rolling 12-month annualized basis:

- Atos Origin's Consolidated Leverage Ratio (Consolidated Net Debt divided by Consolidated EBITDA) may not be greater than 1.75 for the test periods up to and including December 31st, 2004 and may not exceed 1.5 thereafter.

- Atos Origin's Consolidated Interest Cover Ratio (Consolidated EBITA divided by Consolidated Net Interest Expense) may not be less than 5.0 throughout the term of the New Facilities.

CAPITAL EXPENDITURE

France and The Netherlands, where business grew more briskly than elsewhere in 2003, represent the major part of total investment in the period. The Group's investment in 2003 was mainly in respect of:

- Growth in Managed Services, with rising volume as well as the signing of new contracts and renewal of existing ones.
- Higher volumes in the Multimedia field and the need for specialist computer equipment (Web-services, M-Commerce, etc.).
- Achieving critical mass production efficiency, while staying abreast of current technological trends - notably network migration toward IP architectures.
- Further simplification of organizational structures and the consolidation of similar activities within a single service line, including the rationalization of premises in new sites more appropriate to the Group's needs.

CONVERSION TO IFRS STANDARDS

Accounting Policies

With effect from January 1st, 2001, the consolidated financial statements have been prepared in accordance with the 'new accounting rules and methods applicable to consolidated financial statements' approved by the Order of June 22nd, 1999, implementing the Accounting Standards Committee Regulation CRC 99-02.

In accordance with the option offered by Regulation 99-02, Atos Origin has not retroactively adjusted investment and divestment transactions entered into prior to January 1st, 2001.

With effect from January 1st, 2002, the Group adopted CRC Regulation 00-06 regarding liabilities. The implementation of this Regulation does not affect shareholders' equity at the beginning of financial year 2002.

As part of the preparation of the consolidated financial statements, Atos Origin has aligned itself with the provisions of certain standards established by the IASB with respect to measurement and recognition since the fiscal years 2000 or 2001. In particular, Atos Origin has aligned itself with the measures prescribed for the recognition of revenue from services involving fixed price contracts based on the percentage of completion method (IAS 11), the determination of income taxes (IAS 12) the recording of property, plant and equipment (IAS 16) and leases (IAS 17), the measurement and recognition of employee benefits (IAS 19), the effects of changes in foreign exchange rates (IAS 21), the impairment of assets (IAS 36) and the recognition of provisions, contingent liabilities and contingent assets (IAS 37).

Progress of the project for the conversion to the IFRS standards

European Regulation No. 1606/2002 published on September 11th, 2002 imposes on all companies whose securities are admitted to trading on a regulated market of the European Union, the obligation to publish their consolidated financial statements in accordance with the IAS/IFRS standards for financial years starting after January 1st, 2005.

The consolidated financial statements of the Atos Origin Group closed at December 31st, 2005 will be prepared in accordance with these international accounting standards (IAS/IFRS), with a comparison statement for financial year 2004 prepared in accordance with the same standards, in accordance with standard IFRS 1. Because this corresponds to the first application of the IFRS standards as accounting benchmark for the Atos Origin Group, the impact of the changeover to the international standards will be charged to the shareholders' equity of the opening balance sheet as of January 1st, 2004.

In order to prepare for such a challenge, the Atos Origin Group set up in April 2003 a project for converting to the international standards. This project is driven by a team of operational and functional representatives from the various Group entities. The team is led by the Group's Finance Division and coordinated by Atos KPMG Consulting experts who are experienced in such types of conversion project.

As indicated in the paragraph 'Accounting Policies', Atos Origin already complies with the provisions imposed as regards the recognition of revenues from services concerning all-in contracts based on the percentage of completion method (IAS11), the determination of income tax (IAS12), the recording of tangible assets (IAS16) and leasing agreements (IAS17), the valuation and recognition of employee benefits (IAS19), the effect of foreign exchange fluctuations (IAS21), long-term asset impairment (IAS36) and the recognition of provisions and contingent liabilities (IAS37).

The Group's conversion project is scheduled in three stages:
DIAGNOSIS – Identification of divergences between the Group's accounting standards and the IAS/IFRS standards, assessment of the challenges (system, financial and organisational impact),

analysis of accounting options. This first stage was finalised by the Group in 2003. A complete presentation of the accounting options was made to the Group's financial community during a specific session organised in July 2003.

PREPARATION OF THE IMPLEMENTATION AND DEPLOYMENT – Choice of accounting options, assessment of the impact on financial information, definition of the accounting standards manual in accordance with the IAS/IFRS standards, preparation for bringing the systems into conformance with the standards. The Group is waiting for the publication of the standards applicable in 2005 (at the latest in March 2004) in order to finalise this second stage. The choice of the options linked to the first adoption also remains to be confirmed. All of the available options were presented and discussed on November 13th, 2003 with the Audit Committee.

DEPLOYMENT AND IMPLEMENTATION – Implementation of the new standards in the centralised entities and steering of the deployment in the other entities. The Group is planning to finalise this last stage by December 31st, 2004. Intensive training sessions will be organised within the Group from the 2nd quarter of 2004 onwards and will focus on the new principles applicable to the Group, the impact in terms of information systems and the changes to management rules.

The Group's statutory auditors have at all times been kept informed of, and consulted on, the development of the IFRS project and the selected accounting options.

The Sema Group, which is consolidated from January 1st, 2004 has, since that date, been involved in the IFRS conversion project. The diagnosis and preparation phases are in progress for these entities and should be completed by June 30th, 2004.

On the basis of the work completed to date, the Group has identified the main divergences below between international standards and the standards currently applied within the Group.

Business combinations (draft standard ED 3)

The Group elected not to restate business combinations made prior to January 1st, 2004, in accordance with the option available under IFRS1. The acquisition of Sema Group as of January 1st, 2004 will therefore be recognised in accordance with applicable IAS/IFRS standards. Starting from January 1st, 2004, intangible assets will be recognised separately from goodwill if they result from the existence of legal or contractual rights or if such assets are separable. Restructuring provisions will be subject to stricter recognition rules in the opening balance sheet of the acquired companies (existence of a formal and detailed plan as of the acquisition date, such plan being communicated to the persons concerned).

Under French GAAP, goodwill is currently amortised in the Group's financial statements on a straight-line basis over a maximum period of 20 years. After the changeover to the IAS/IFRS standards, goodwill will no longer be amortised and will be subject to an annual impairment test. Any identified impairment will be irreversible. Since 2002, the Atos Origin Group complies with the IFRS 36 standard concerning the impairment of long-term assets and this standard is systematically applied to all cash-generation units. The Group therefore does not expect that the adoption of the draft ED3 standard will have any material impact except the removal of the goodwill amortisation.

Intangible assets (draft revision of standard IAS 38)

Development expenses incurred by the Group are currently expensed. Under IAS 38, such expenses shall be capitalised after evidence has been provided concerning the ability to create an identifiable intangible asset, the project's technical feasibility and the asset's commercial potential with respect to its sale or utilisation.

Financial instruments (standards IAS 32/39)

Subject to their approval by the European Commision, the Group will apply standards IAS 32 and 39 to the 2004 comparative information presented in the consolidated financial statements ending on December 31st, 2005. Standard IAS 32 mandates the separate recognition of each component of the hybrid financial instruments, with a separate liability and shareholders' equity element. Under French GAAP, such hybrid instruments are classified as financial debt. Under IAS 39, all derivatives must be recognised on the balance sheet at fair market value. Under French GAAP, derivatives held for hedging purposes whose fair market value does not form the subject matter of any settlement/receipt of cash flows between the trading date and the closing out date, are generally not recognised on the balance sheet.

Leasing agreements (IAS 17)

The Group complies with the IAS17 standard that states that, in the case of leasing agreements, the related assets shall be posted among the assets of the balance sheet, against the recognition of a financial debt. At the same time, the lessor must recognise a receivable in an amount equal to the net investment in the leasing agreement. At present, the specific assets made available to the Group's clients are posted among the Group's assets, if they comply with the criteria defined in such standard, in particular in connection with facilities management agreements. In addition, an analysis of these contracts is currently being conducted in order to identify possible transfers of utilisation rights that would place the Group in the position of a lessor (IFRIC D3).

Stock options (IFRS 2)

All stock-based payments to be made to employees of the companies of the Group shall be marked to market on the basis of their likely costs with a recognition of the commitments created on the liabilities side of the balance sheet. Such commitments shall not be recognised under French GAAP.

This first analysis will have to be revised and supplemented after the publication of the set of IFRS standards applicable in 2005. Indeed, the standards concerning intangible assets (IAS 38), business combinations (ED 3), asset impairments and share-based payments (ED 2) have not yet been finalised by the IASB. It is also necessary to note that the IAS 32 and 39 standards concerning financial instruments have not yet been approved by the European Commission.

At the same time, the changeover to the IFRS standards requires the adaptation of the presentation of the consolidated summary tables to the standards governing the presentation of financial statements (IAS 1), the cash-flow statement (IAS 7), segment information (IAS 14) and interim information (IAS 34). The Group is reviewing the consequences of such an adaptation on the management information systems.

The Group will quantify the impact on net income and shareholders' equity of any change in accounting benchmark referred to above, at the time of publishing the 2004 annual financial statements. This is subject to finalisation by the IASB of the set of IFRS standards applicable in 2005, and its approval by the European Commission.

RISK ANALYSIS

Market risks

- **Market value of financial instruments**

  Cash at bank and in hand, short-term deposits, trade accounts receivable, bank facilities and trade accounts payable

  Given the short-term nature of these instruments, the Group considers their book value to represent a reasonable approximation of their market value as of December 31st, 2003.

  Medium- and long-term borrowings

  The market value of medium- and long-term borrowings at December 31st, 2003 is estimated at EUR 736 million based on:
  - the book value of the syndicated loan,
  - the market value of the convertible bonds.
  - The net book value of the syndicated loan and the convertible bonds is equal to EUR 723 million as of 31 December 2003, i.e. 92% of total long-term and medium-term debts.

- **Derivatives**

  The Group uses standard interest rate swap contracts entered into with leading bank counterparts in the management of its borrowings. At December 31st, 2003, Atos Origin held a hedge contract in the amount of EUR 263 million, covering that part of the syndicated loan drawn down at this date.

  The average fixed rate of interest guaranteed by swaps entered into during fiscal years 2001, 2002 and 2003 exceeds that available on financial markets as of December 31st, 2003. The mark-to-market value of these swaps applied to the residual term of the contracts would represent a loss for Atos Origin of EUR 8.4 million as of December 31st, 2003, if the Group decided to unwind the swaps. This valuation only concerns derivatives with a residual period to maturity of more than 1 year.

Market value of derivatives

(In EUR millions)	Nominal value	Mark to market value
Forward contracts	38.2	1.8
Interest rates swaps	263.0	(8.4)

- **Management of trade receivable risks**

  The Group has a strict policy of analyzing trade receivable risks. The Group manages the trade receivable risks relating to its commercial activities by maintaining a diversified customer portfolio and using risk monitoring instruments.

  The Group controls the risk relating to its investments and market transactions by rigorously selecting a range of leading, diversified bank counterparts. As such, the Group considers its exposure to credit risk to be minimal.

- **Exposure to market risk**

  Exposure to foreign exchange risk

  The Group's short-term assets are comprised of receivables and loans, investment securities and cash and cash equivalents. Short-term liabilities are comprised of financial debts, trade payables and miscellaneous liabilities.
  The Group's sensitivity to foreign exchange rates is not material, taking into account the breakdown of transactions between countries from the euro zone (more than 80% of revenues) and other countries. Atos Origin invoices in most cases in the country where the Group renders services, thus limiting the foreign exchange risk. In the contrary event, the Group has defined a policy for the management of foreign exchange positions resulting from commercial and financial transactions denominated in a currency other than the euro. These exposures are primarily in GBP and USD. Such management consists in hedging invoices denominated in foreign currencies as soon as a firm commitment has been made to carry out the transaction. The hedging instruments used are forward contracts and foreign currency swaps.

  Exposure to interest rate risk

  Exposure to interest rate risk encompasses two types of risk:
  - a price risk in risk of fixed-rate financial assets and liabilities. For example, by contracting a fixed-rate liability, the Company

is exposed to potential opportunity losses should interest rates fall. A change in interest rates would impact the market value of fixed-rate financial assets and liabilities but would not impact financial income and expenses and, as such, future net income of the Company up to maturity of these assets and liabilities.

- a cash-flow risk in risk of floating-rate financial assets and liabilities. The Group does not believe that a change in interest rates would have a material impact on the value of floating-rate financial assets and liabilities.

Taking into account the hedging instruments arranged by the Group at December 31st, 2003, the financial liabilities exposed to a change in interest rates would amount to EUR 339 million (i.e. 43% of total financial debt).

In the event of a 100 basis point increase in interest rates, 2003 interest expenses would have increased by EUR 3.4 million. If the Group had not contracted these interest rate hedging agreements, interest expense for the financial year would have been reduced by EUR 4.8 million.

Business risks

- **Clients**

  The five largest clients of Atos Origin for the 2003 fiscal year represented 31% of the Group's revenue. With the exception of Philips and KPN, each of which represented less than 11%, and Euronext 6%, no client generated more than 5% of the total revenue of Atos Origin in 2003.

  For Sema, the five largest clients for the 2003 fiscal year represented 15% of the total revenue, and will continue to represent an important revenue source in the immediate future. Only one client, the Department for Work and Pensions in the U.K., represented more than 5% of the total revenue of Sema Group in 2003.

- **Suppliers**

  Atos Origin relies on a limited number of important suppliers in its business, notably with respect to software used in the design, implementation and running of IT systems. While there are alternative sources for most software, and the group has long-term licenses and other agreements with a number of important suppliers, difficulties encountered by such suppliers in continuing to produce innovative software, or the inability to renew agreements on favorable terms, may have a limited adverse effect on its business.

- **Partnerships and sub contractors**

  Atos Origin has no central policy regarding the formulation of partnerships and the use of sub contractors. In general, partnerships may be formed or sub contractors may be used in areas where the groups do not have the expertise required to fulfill the terms of a contract or to comply with local legal legislation. All such requests for forming partnerships and using sub contractors are initiated locally or the bid team evaluating the proposal. In each case, such requests are reviewed by the main office and approval, if any, is given by the main country office.

- **Employees**

  Dependence on qualified personnel

  The success of Atos Origin depends, to a large extent, on the skills, experience and performance of key members of their management teams. There is a high level of demand for qualified managers in the IT services and consultancy markets. The loss of key managers could have a detrimental effect on the activities or results of Atos Origin and the Sema Group.

  As a service company, Atos Origin recognizes that the relations their employees forge with their clients, partners and communities are one of the pillars of their success. Failure to attract the number of qualified employees required to satisfy demand or the loss of a significant number of staff could have serious repercussions for Atos Origin, notably in terms of their capacity to secure and successfully conclude important client contracts.

  Turnover

  In order to confront difficult market conditions, and due to low voluntary turnover, Atos Origin was forced to reduce costs during 2002 and 2003, particularly within the areas of consulting and systems integration. This reduction resulted partly in staff restructuring plans.

  When the economy recovers, the natural turnover should accelerate. If this acceleration proves to be too fast, it could hinder the group's ability to fulfill its objectives due to under-capacity or recruitment difficulties.

  Integration

  The ability of Atos Origin to attract, secure the loyalty of and foster the development of relations with its employees is essential to sustaining its activities and its future growth. If the integration of Sema Group activities encounters difficulties, and/or if a large number of Atos Origin or Sema Group employees decide to leave Atos Origin, it could be more difficult for Atos Origin to attract clients, serve them and profit fully from the benefits of the acquisition.

Legal risks relating to the business activity

Since Atos Origin activity focuses on consulting, systems integration and outsourcing of information systems management systems on behalf of third parties, the main legal risk relates to deficient execution of contractual obligations. The civil liability likely to be incurred thereby may result either from delays in providing the services, or defects in the systems used in this context. The services however are largely dependent on the quality of the information communicated by the clients, who have in-house specialists and therefore must assist the service provider in carrying out its assignment.

A practice exists in the IT sector by which certain contracts are concluded on a fixed-rate basis. In such cases, a fixed price or results-based commitment is stipulated, regardless of the costs or difficulties inherent in the projects. Extending work beyond the initial estimate may generate operating losses. These are sometimes exacerbated by the existence of contractual penalties. In such situations, Atos Origin would be exposed to the risk of incurring significant unforeseen costs or even incurring penalties on execution of the contract.

Systems integration activity frequently involves products designed and developed by third parties. These products may be standard or may need to be adapted to specific requirements. Certain standard products chosen by the systems integrator may not be adaptable to the specific characteristics of a project. Similarly, a client's special demands in terms of specific functionalities may either disrupt the operation of the product or lead to inadequate identification of the potential consequences of such demands or changes. In any event, this could cause significant delays or implementation problems, which could result in the termination of the contract or penalties being imposed on Atos Origin.

Atos Origin directly owns all the rights necessary for the proper use its trademarks and domain names for its business.

Risk assessment

The Group operates a risk management system that facilitates the analysis (including the identification and assessment) and treatment (including control and financing) of business risk throughout the life cycle of a project. This process is integrated with the control and approval process for sales.

Specifically, the risk management process:
- Identifies potential exposures including technical and financial risks that could have an impact at any time during the life cycle of the project.
- Evaluate, both qualitatively and quantitatively, the significance and materiality of any such exposures that have been identified.
- Effects appropriate and cost effective risk control or risk mitigation measures to reduce the likelihood and impact of undesired volatility in the project.
- Manages residual exposure through a combination of external risk transfer instruments and internal contingency reserves in order to optimize the use of exposed capital.
- Allocates exposures to those organizations / balance sheets best suited to their management and mitigation.
- Manages any remaining residual risk by implementing appropriate control measures.

Other risks

- **Acquisition price and amount of goodwill**
  In accordance with existing French GAAP (generally accepted accounting principles), Atos Origin valued the Atos Origin shares transferred to Schlumberger in connection with the acquisition of Sema Group, based on the average closing market price of its shares during the 20 trading days preceding the announcement of the acquisition on September 22nd, 2003 (EUR 45.95 per share). This yields a total consideration of EUR 1,287 million.

  Although the position of IAS is not entirely clear at present, it is possible that, if applied, IAS would require valuation of the share consideration based on the market price preceding the closing and not the market price preceding the signing of the acquisition agreement. If such a rule were applied and the average market price of Atos Origin's shares calculated prior to closing, a change of 1 euro in the average stock price would have an impact of EUR 19.3 million on the purchase consideration and goodwill, either upwards or downwards.

  Because all listed French companies must transition to IAS rules for fiscal year 2005 with one comparative year, any impact on the accounts would take retroactive effect from the beginning of the 2004 fiscal year.

  The higher amount of goodwill would have a number of consequences. In applying French GAAP still in effect for fiscal year 2004 and maintaining its current policy relating to the period of amortization, Atos Origin would amortize the goodwill over a period of 20 years. Based on a change of 1 euro in the average closing market price of the shares leading to a variation of EUR 19.3 million in the goodwill, the impact on the amortization of goodwill would be EUR 0.97 million for 2004. IAS rules do not require the amortization of goodwill but do require a regular analysis to determine whether the book value of goodwill still corresponds to a reasonable estimate of market value. In the event of impairment in value, the resulting decrease must be recorded as a charge to earnings.

  Based on the average closing market price of its shares during the 20 trading days preceding the closing of the Acquisition on January 29th, 2004 (EUR 54.45 per share), the total consideration was EUR 1,451 million, corresponding to additional goodwill of EUR 164 million and an additional annual amortization of goodwill of EUR 8.2 million.

Insurance policy and risk coverage

The Company has taken out a number of third-party liability insurance policies with reputable international companies providing it with a level of coverage considered adequate by Executive Management.

Given the level of its contractual commitments and of the loss statistics during the last three years, the Group subscribed various policies over 2003 covering general and professional liability with the AIG insurance firm for a total exceeding EUR 100 million, this level being stable as compared to last year. Similarly, the Group continued to maintain a high level of deductibles, similar to last year's as an incentive towards operations, while continuing to enforce a strict contractual liability limitation together with an improved quality of service.

In this context, the Group set up a re-assurance captive, wholly-owned by the Company, which took a coverage of EUR 10 million on the general liability program.

In addition, the Company's assets are covered at their replacement value by a property damage policy, including coverage for business interruption, for all countries where it operates, providing total coverage of EUR 122 million, such level being stable from last year.

Finally, fraud and computer-related abuse are the subject of a specific coverage, including coverage for business interruption.

Claims and litigation

Some Group companies have been or are subject to tax audits. Proceedings underway in this respect are routine and do not call for specific remarks.

The reassessment procedure by the Brazilian employee welfare agency against Atos Origin Brazil as to the amount of contributions due is still under way, without a final assessment being made. Provisions have been recorded for the claims.

A material claim which was raised in the United Kingdom under a systems integration contract has been settled, with a level of responsibility acknowledged by each party, prior to going to court.

The action plan implemented during the preceding years (including through insurance-incentives to operations and promotion of service quality) helped achieve a further reduction in the number of claims and litigation and resulting provisions.

For claims relating to the Sema business, material claims (including in the United States some class actions and employee related claims) have been specifically guaranteed by group Schlumberger, including defense costs.

For the current existing claims and litigation, Management is not aware of any claims or litigation likely to have a material impact on the results or assets of the Group that are not adequately provided in the balance sheet as at December 31st, 2003. At this date, provisions recorded by the Group to cover identified disputes total EUR 41 million.

To the knowledge of the company, there is no other litigation, arbitration or exceptional fact capable of having or having had in the recent past a material effect on the financial situation, results, activity or capital of the company or group.

HUMAN RESOURCES

A client centric company powered by people

ATOS ORIGIN PEOPLE

We believe that our people are at the heart of our business strategy. Human Resources operates as an essential business component of the company in order to create value and contribute to the on-going profitable growth of the business. Our fundamental purpose is to attract, develop, retain and reward the best people, and to foster our people's commercial, technical and interpersonal skills, by creating an atmosphere of conviviality, entrepreneurship, openness and cooperation throughout the company.

CORPORATE RESPONSIBILITY TO STAFF

At Atos Origin we know there is more to business than the bottom line. We place our people at the center of everything we do and their well-being is therefore crucial to our success.

EMPLOYEE WELFARE – We develop and apply ethical and socially responsible policies to improve the well-being of our staff, finding ways to help our employees to improve their work-life balance and their work environments. The health and safety of our employees is of paramount importance to us, and we will in every case comply with relevant legislation, as well as local regulations.

VALUING DIVERSITY – We are a global company, which respects and values the personal and cultural diversity available to us. We always seek to recruit from the widest possible pool of talent, internally or externally, to ensure we have the best-qualified professionals in our company. Atos Origin is committed to a work environment where employees are all treated with respect and dignity, promoting equal employment opportunity and prohibiting unfair discrimination and any form of harassment. Equal job opportunity and non-discrimination are fundamental principles within Atos Origin. We are committed to deal with each other fairly, regardless of nationality, race, age, gender, color, religion, disability or sexual orientation.

EMPLOYEE REPRESENTATION – Human Resources engages actively in works councils and in liaison with local unions for employee care and to help ensure a safe and secure environment for all and the best possible working conditions for our people. We ensure that employees are kept regularly up to date with union and works council activities, through our global Source intranet and through Country HR management.

By ensuring that our human resources activities are aligned with the overall strategy and needs of the business, in 2003 we continued to develop and deliver pragmatic and constructive business-related solutions, thus helping to drive the company's profitable growth and achieve client satisfaction through top quality service from our professionals.

Below, we highlight some of our main activities this year:

Developing our people

As the market constantly innovates in terms of technology and strategy, we must ensure our people have the best skills and knowledge to develop the optimum solutions for our clients. The more we seek to develop and train our employees, the more professional we become, matching personal aspirations with the business needs of our clients. We aim to offer our employees many opportunities to develop themselves within the Group.

In 2003 we completed the implementation of the IT related part of our Global Capability Model throughout the organization. This system enables us to gain insight in our worldwide resources and is the backbone for further development of our HR processes and structures. This year again we continued the Global Organizational Leadership Development (GOLD) program to support the development of a number of high potential employees in gaining leadership skills. We also developed further our e-learning initiative towards improving technical skills training.

Attracting, positioning and integrating new talent

The IT services sector is one of the most competitive in the world, and the challenge for our managers is to position skilled talent within our company. Therefore, we focus on delivering the right people, at the right time, at the right cost to our clients.

During 2003, we continued working towards providing candidates with a positive experience through the re-launch and enhancement of our global Career site on our external website. Through the roll out of our global expert recruitment applicant tracking system our recruiters can now process applications more quickly and effectively, while also providing reporting information for evaluation purposes.

Communicating and enabling knowledge management

A great amount of effort was put into communicating with our people. Sharing information and best practices was ensured by our established and growing Internal Communications Network, which encompasses all Atos Origin countries. Company communication mechanisms like the global internal magazine Double You continue to be produced to inform and engage our employees around the world. Communication channels are in place to ensure that our people are continually informed about important subjects locally and globally.

We continued to enrich the company's intranet, Source, with new information and successfully brought more information on-line at local and global level. Improved versions of applications have increased organizational transparency and have improved the way we keep the information on the intranet current and dynamically updated.

New communications tools have been implemented to convey important information to our people such as the weekly Source Alert and HR@ctive, our newsletter for HR professionals.

To further professionalize HR Communications we have built and implemented a dedicated HR site on the intranet. Through this site we provide a one-stop-shop for HR information, tools, procedures and processes. In the HR field we have also produced brochures targeted at employees explaining some of our main HR activities. These included brochures for the Global Bonus Plan, Stock Options Plan and GOLD, our global leadership development program. After the announcement of the Sema Group acquisition, we created an extensive Extranet for the Sema Group people and an Introduction Pack for every single employee worldwide. The pack contained both practical information and inspirational items to celebrate this important milestone.

Senior management embarked on an extensive Road Show program and visited many of our locations worldwide to speak with our staff.

Retaining and Rewarding the Best

To remain competitive, we monitor and benchmark current reward trends and standards within the IT sector constantly. Our aim is to create flexible and comprehensive packages linked to the needs of both the business and our staff, which reflect local market conditions and an individual's experience and achievements.

Our compensation and benefits policies and packages are designed to attract, motivate and retain the best employees. They are aimed at rewarding individual and team performance and contribution to the company's success.

In 2003, we created a link between the Atos Origin Global Capability model and the Towers Perrin salary benchmark reporting 'Inside'. This enables us to carry out online salary surveys in most of the European countries. In January, we introduced a renewed Atos Origin Global Bonus Plan to provide effective incentives for management to attain the company's key business targets. It was improved in terms of objective setting, performance measurement and communication. In March we executed a major grant of stock options, thus enabling our employees to become owners and share in the success of our company.

CHANGES IN THE GROUP WORKFORCE

The workforce at Atos Origin was affected by the continuing recession in the industry during 2003. Total staff employed decreased from 28,602 to 26,473 (-7%) between January 1st, 2003 and December 31st, 2003.

Headcount opening	**28,602**
Change in perimeter	(1,044)
Hiring	2,263
Leavers	(2,004)
Reorganization and restructuring	(1,344)
Headcount closing	**26,473**

Following the disposal of the Company's document management and check processing activities to Experian in September 2003, the group's workforce was reduced by around 1,000 employees, which is included in the figure for Change in Perimeter above.

The Group continued to limit recruitment in 2003. Gross hirings of 2,263 in the period represented a decrease by 25% compared with 3,100 in the whole of 2002, and by 62% compared with the hiring rate in 2001 (6,000). Staff turnover was 6.8% during the period, compared with 6.3% in 2002. The hiring figure for the period included staff taken over as part of new outsourcing contracts, and to replace subcontractors.

During 2003, the Group was forced to pursue a vigorous program of cost-cutting action in response to the difficult market conditions, particularly in Consulting and Systems Integration.

A total of 733 employees left the business in the first half of 2003 and a further 611 staff left in the second half, representing 5% of staff at the start of 2003. Subcontractors are now stable at about 4% of productive staff.

Thanks to the internal employee reorganization and sub-contractor cost reduction programs, revenue per productive employee rose to EUR 123,400 in 2003, an increase of 3%

in comparison with last year. Similarly, despite changes in the workforce structure and a move to higher skill sets and higher added-value business activities, the overall cost per employee (including payroll costs, travel and sub-contracting costs) has remained stable over the last five half-years at 65% of revenue (66% in 2002).

The workforce at Atos Origin at the end of 2003, by Service Line and by Geographical Area, was as follows:

	Employees Dec. 31st, 2003	Employees Dec. 31st, 2002	Change	Average employees in 2003	Average employees in 2002	Change
Consulting	1,934	2,383	-19%	2,057	1,068	+93%
Systems Integration	12,671	13,954	-9%	13,057	14,178	-8%
Managed Operations	11,773	12,166	-3%	12,368	12,259	+1%
Corporate	95	99	-4%	96	100	-5%
Total	**26,473**	**28,602**	**-7%**	**27,577**	**27,606**	**-**
France	7,894	8,685	-9%	8,467	8,657	-2%
The Netherlands	8,424	9,019	-7%	8,667	8,184	+6%
United Kingdom	1,847	2,139	-14%	1,933	1,592	+21%
Other EMEA	6,036	6,319	-5%	6,216	6,571	-5%
Americas	1,014	1,210	-16%	1,070	1,367	-22%
Asia Pacific	1,163	1,131	+3%	1,130	1,134	-
Corporate	95	99	-4%	96	100	-5%
Total	**26,473**	**28,602**	**-7%**	**27,577**	**27,606**	**-**

There was a reduction of 5% in the average workforce excluding the impact of acquisitions and disposals.

Including the acquisition of Sema Group on a pro forma basis, the workforce by geographical area at the end of December 2003 was as follows:

	Atos Origin	Sema Group	Combined	% total
France	7,894	4,513	12,407	26%
The Netherlands	8,424	45	8,469	18%
United Kingdom	1,847	5,087	6,934	15%
Other EMEA	6,036	8,132	14,168	30%
Americas	1,014	2,007	3,021	6%
Asia Pacific	1,163	894	2,057	4%
Corporate	95	166	261	1%
Dec. 31st, 2003	**26,473**	**20,844**	**47,317**	**100%**

PENSIONS AND OTHER BENEFITS

The Group has established pension and other benefit plans for its employees in most of the countries in which it operates, in accordance with best employment practices and local regulations and conditions. The majority of the Group's pension funds are defined contribution, under which the benefits eventually payable to each member are based on the investment performance of the fund and the Group has no open or variable exposure in respect of the benefits payable in future.

Defined benefit schemes offer pension benefits that are based on an employee's length of service and remuneration. Future liabilities are actuarially assessed on a regular basis and the Group may, in certain circumstances, be required to meet a shortfall in funding arising therefrom. It is the Group's policy to minimize its exposure to defined benefit schemes and most have been replaced by defined contribution schemes.

A number of employees are covered under closed (or open, but capped) defined benefits schemes, mainly in The Netherlands and the United Kingdom. In the Netherlands, the main scheme has a defined benefit element that is capped, with remaining benefits available under defined contribution terms. Most of the defined benefit schemes are funded by assets that have been segregated and are controlled under the terms of a trust, which provides the pension benefits committed by the Group. The funds supporting defined benefits schemes are invested in a combination of equities and fixed interest investments. Such funds are regularly reviewed and action taken to rectify any under-funding over a period of time, in accordance with local rules and regulations. There is no immediate requirement for the Group to make payments into any of its pension funds.

The Group makes provision in its accounts for pension commitments under the rules of IAS 19. At the end of 2003, the value of the main Atos Origin scheme fund assets in the Netherlands was EUR 412 million, representing approximately 87% of the estimated future liabilities at the end of 2003, calculated under IAS 19. The Company has initiated action to review the terms of the scheme and to reduce the deficit over the average remaining working lives of the scheme members.

In the United Kingdom, the Company's defined benefit scheme was closed several years ago. The value of the scheme funds assets was EUR 125 million at the end of 2003, representing approximately 79% of the estimated future liabilities at the end of 2003 under IAS 19.

IAS 19 provisions have increased significantly in the past three years as a result of the transfer in of more than 2000 employees from KPN and nearly 1000 employees of KPMG Consulting in The Netherlands. Funds relating to KPN staff will be transferred to the Company in 2004 and funds relating to KPMG Consulting staff will be transferred in 2005.

The Group currently estimates that, across the business, an IAS 19 pension charge of approximately EUR 2 million may be required in 2004 (see notes to the financial accounts – Section 'Financial Report').

EMPLOYEE STOCK PURCHASE PLAN

In 1998, Atos (pre-Origin) set up an employee stock purchase plan for its workforce in France, based on a corporate savings plan (PEE) managed through a fund invested 90% in Atos stock and frozen for 5 years. In 2000, the plan was extended to encompass employees of the German and Spanish subsidiaries.

An extension of this scheme - the new 'AOwner' plan - enabled Group employees to purchase Atos Origin stock (or shares in a fund invested in Atos Origin stock, in accordance with the relevant local legislation) from time to time at a 20% discount in relation to the current market price. 24 countries took part in the first issue of stock under this scheme in 2002.

With the right market conditions, it is the Company's intention that an opportunity to subscribe to this plan should be offered to employees every year, provided that the program does not create share dilution of more than 1% of the common stock. Due to the market conditions, there was no plan in 2003.

STOCK SUBSCRIPTION OPTIONS

It is the Group's policy to grant an annual plan of stock subscription options to senior and middle managers.

A total of 965,312 stock subscription options were allotted to employees in 2003, of which 110,655 were issued to the Management Board members. A further 4,762 were issued to new employees. During the period, 156,957 stock subscription options including warrants were exercised, and 194,420 cancelled.

At December 31st, 2003, a total of 4,508,930 stock subscription options had been allotted to employees, representing about 6.7% of current common stock, including shares issued as consideration for the Sema Group acquisition. Details of the allocations are set out in the Investors section later.

CORPORATE SOCIAL RESPONSIBILITY

Our Commitment to the Community

As a leading international IT services provider present in over 50 countries worldwide, we understand that our activities and IT services in general are fully integrated into people's day to day life and can contribute to creating long-term value to society at large.

We believe that we have corporate responsibility and commitment to the communities in the countries where we work and where our clients, partners and suppliers are present. Corporate Citizenship is not simply a badge that we wear because it is fashionable, it has always been part of who we are and what our employees do around the world. At Atos Origin, we recognize the teambuilding and motivational opportunities afforded to our people by helping them to participate in community-related initiatives.

Atos Origin contributes to local communities worldwide and enhances their well-being and prosperity through global and local projects and initiatives.These mainly involve businesses and employees in local community projects, help for communities in need, humanitarian relief and medical research.

During 2003, many of our employees around the world have been committed to reaching out to their communities, through volunteerism, donations schemes, partnerships with humanitarian organizations, financial support, etc. An estimated EUR 200,000 and 2,000 employee hours went toward these efforts in 2003.

Examples of these initiatives included:

Contributing to conquering Cancer

This year's selected charity action in the UK was Marie Curie Cancer Care. This organization provides nursing care to terminally ill cancer patients in their own homes. Funds were raised within the Group through payroll giving, allowing staff to make donations tax free, and through locally organized events such as sponsored walks and bicycle rides. In May 2003 Atos Originals attended and contributed donations to Australia's Biggest Morning Tea fundraising event organized by the Cancer Council Australia and its eight state and territory members to raise vital funds for cancer research.

Fight against Myopathy disease

In December 2003, for the 7th year running, Atos Origin France supported the 'Téléthon' event organized by the AFM - the French Association fighting against Myopathy disease. Through its SIPS solution (Secure Interactive Processing Services) Atos Origin arranged the card activated Internet donations on the Téléthon website as a free service in support of this worthy cause.

Help for Communities in Need

Atos Origin in Brazil has been developing several aid programs, among them action to assist the occupants of a slum located close to the company, with clothes, toys, educational materials, and money donation campaigns.

The Atos Origin 'Derde Wereld Fonds'

For more than 21 years, Atos Origin in The Netherlands has supported its 'Derde Wereld Fonds' (Third World Fund) in association with Unicef, War Child and several Dutch organizations, and encourages its employees to raise funds to support charities and other organizations that help children in the Third World. There are currently about 1100 donors and about EUR 60,000 is raised each year.

Some of the projects that have been supported in 2003 include:

- the building of a school in Burkina Faso
- the building of a water pump installation in Burkina Faso
- the building of a village centre in Sudan
- the purchase of a school bus in Cambodia
- the building of an orphanage in India
- the building of a hospital in the Dominican Republic
- the building of new classrooms in Tanzania

Orphanage Support

For years Atos Origin Processing Services and its staff have sponsored the orphanage Monikahaus in Frankfurt/Main, Germany, which looks after over 60 children from families with a difficult social background. The main goals of Monikahaus are to safeguard the continued existence of these families and to offer the children a better chance in life. This project is supported by financial sources, some private sponsorship, fund-raising events and Christmas gifts and donations.

Running for the community

This year 25 employees participated in the 530 km. RoPaRun from Rotterdam (the Netherlands) to Paris (France) with the aim to raise EUR 20,000 sponsor money to ease the lives of young cancer patients. Additionally, more than 60 employees from Atos Origin Germany participated in the JPMorgan Chase Corporate Challenge.

Blood Donation

Every year, Atos Origin is involved in various blood donation schemes. As in previous years, our Indian employees organized a blood donation scheme to help children suffering from Thalassemia major and encouraged its employees to actively participate and help fighting against this disease. Additionally, in association with 'L'Établissement Français du Sang', the French Blood donation organization, Atos Origin employees in Paris were encouraged to donate blood to save lives. A specific donation day was organized at several Group offices in Paris.

Mentoring & Leadership

Finally, another example of how Atos Originals contribute, is through sharing their knowledge and experience. Employees share knowledge through publicizing experiences in the area of IT security developments, writing books and/or working as professors in Universities. One specific organized activity can be found in the UK where employees give their time on a regular basis to mentor individuals in the community. This includes volunteering in local primary and secondary schools to assist students to improve their communication, reading and coaching skills. They also assist head teachers in developing their strategic and human resource management, marketing & budgeting skills.

OUR SERVICES AND SOLUTIONS CAN CONTRIBUTE TO IMPROVING THE ENVIRONMENTAL IMPACT OF OUR CLIENTS' ACTIVITIES BY OPTIMIZING THEIR BUSINESS PROCESSES THROUGH SPECIFIC IT SYSTEMS, SUCH AS TRACEABILITY SYSTEMS FOR THE RETAIL INDUSTRY.

THE ENVIRONMENT

Atos Origin delivers IT services to clients in 50 countries worldwide. The services we provide are mainly undertaken by professional staff working with computers in office premises, although many of our staff work at client premises. In comparison with many industries, the Group is not generally engaged in activities that are, or could be highly environmentally wasteful, seriously hazardous or harmful to its staff or to the local communities in which it operates. Nevertheless, we have adopted and continue to adopt longer term strategies and factor our activity's related environmental risks and impacts into all our business thinking.

As a leading international IT services provider, we understand that our activities and IT services in general are fully integrated into society and can contribute to creating long-term value. Our services and solutions can contribute to improving the environmental impact of our clients' activities by optimizing their business processes through specific IT systems, such as traceability systems for the Retail industry. For example, we help retail groups to guarantee food quality and prevent health risks, through the deployment of electronic embarked systems aboard trucks enabling real-time control of products, or through the implementation of solutions ensuring the electronic traceability of products across the entire production chain.

Atos Origin believes strongly in the importance of maintaining the most cost effective and environmentally friendly conditions possible. The Group's main environmental concerns are in the areas of energy use, paper consumption and the sourcing and recycling of computer equipment.

Efficient energy usage is an important part of both our cost and environmental management objectives. Although the Group leases many of its buildings, it works with owners and developers to optimize the environmental and economic situation. In countries where we have a major presence, such as the UK and the Netherlands, we have installed leading-edge and energy-efficient lighting, automated by sensors, much of which is manufactured by our largest client and shareholder – Royal Philips Electronics.

It is an important aim of our business to provide services that help our clients to streamline the administration of their businesses, including the elimination of inefficient, costly and environmentally damaging paper documentation. On a global basis, the Company has significantly reduced the number of Annual and Half-Yearly Reports that it prints over the past three years and we encourage investors to download copies of such reports from our web site.

Much of our computer equipment is leased, however, programs exist to resell or recycle owned computer equipment which is no longer needed and to ensure that our suppliers have adopted sound principles for dealing with waste and redundant product. The Group has a policy of recycling or refilling sensitive and potentially harmful toner and ink cartridges. This has already been implemented in the principle countries in which we operate and is being rolled out across our operations worldwide.

Atos Origin is committed to implementing further environmental measures worldwide during the course of 2004. Employee awareness of environmental issues is supported by practical advice on the Company's internal Website.

CODE OF ETHICS

Atos Origin is committed to conducting its business in an ethical manner. All employees are required to disclose in writing to the Company any shareholding or financial interest in the affairs of its suppliers, associates or competitors. The aim of this policy is to avoid conflicts of interest and to protect the Group and its management. The Code of Ethics was drawn-up and adopted by the Management Board. The distribution of this Code is regularly reported to the Audit Committee and all management and key personnel in each unit are required to abide by it.

In addition, Atos Origin has developed specific rules in relation to insider trading, which are more restrictive than recent recommendations. These rules prohibit the purchase or sale of Atos Origin's shares by employees six weeks prior to the announcement of yearly and half year results, and four weeks before quarterly results.

ATOS ORIGIN IS COMMITTED TO CONDUCTING ITS BUSINESS IN AN ETHICAL MANNER. IN ADDITION, ATOS ORIGIN HAS DEVELOPED SPECIFIC RULES IN RELATION TO INSIDER TRADING, WHICH ARE MORE RESTRICTIVE THAN RECENT RECOMMENDATIONS.

CORPORATE GOVERNANCE

Atos Origin has a two-tier Supervisory and Management Board structure, which provides the necessary checks and balances and ensures that shareholders' interests are properly respected.

THE MANAGEMENT BOARD

The Management Board currently comprises the Chief Executive and six other executives. Their biographies can be found below. The composition of the Management Board reflects a balanced range of business, financial and international experience which Atos Origin believes is essential for the continued success of a global IT services business. The Management Board is responsible for the general management of the Company's business and meets as frequently as necessary in the Company's interests. In the case of split decisions, the Chairman has the casting vote.

The Management Board has broad powers to represent the Company in its dealings with third parties. Although each of the members of the Management Board has his own specific executive responsibilities, all its members are collectively empowered to manage the Company's business.

The Management Board meets formally at least once a month, in addition to close working relationships between its members on day-to-day matters. In 2003 the Management Board met 15 times. It reports to the Supervisory Board on a quarterly basis or more frequently if necessary.

BERNARD BOURIGEAUD

Chairman of the Management Board and Chief Executive Officer

Bernard Bourigeaud joined the group in 1991, conducting the merger that led to the creation of Axime, of which he became chairman. Before joining Axime, Bernard spent 11 years at Deloitte Haskins and Sells France, where he headed the management consulting group with responsibility for the French operation and corporate finance in Europe. Before, he worked for the agribusiness company Continental Grain. For 3 years he carried out general management assignments in Europe and ran the UK operations for 5 years. His career began with the French bank, CIC, and Price Waterhouse.

A qualified chartered accountant, Bernard has a degree in economics and management. In 1996 Axime acquired Sligos, forming Atos, of which he became CEO. In November 2000, he merged Atos with the Dutch company Origin to create Atos Origin and in 2002, he completed the acquisition of KPMG Consulting in the UK and The Netherlands, now trading as Atos KPMG Consulting. Most recently, Bernard led the acquisition of Sema Group to create a leading global IT services company with annual revenues of more than EUR 5 billion.

XAVIER FLINOIS

Member of the Management Board, Responsible for United Kingdom, Americas, Asia Pacific, Coordinating Global Markets and Accounts and Olympics

Prior to joining Atos Origin, Xavier Flinois was executive vice president of Schlumberger Ltd, which he joined in 1985. In this role, he provided strategic direction and management to SchlumbergerSema, as well as being responsible for Schlumberger's DeXa information management services to customers in 65 countries. He served as president of Schlumberger Network & Infrastructure Solutions, where he directed operations that provided network connectivity, security and infrastructure solutions to customers worldwide. Prior to that, he played a similar role as president of Schlumberger Network Solutions, one of the fastest growing operating units of Schlumberger Ltd, from Spring 2000. Xavier Flinois is a graduate of Ecole Polytechnique and Ecole Nationale des Ponts et Chaussées, Paris.

ERIC GUILHOU

Member of the Management Board, Chief Financial Officer

Eric Guilhou joined Axime in 1990, to help with the restructuring that led eventually to the formation of Atos. In 1992, he was appointed Executive Director, reporting to the chairman, Bernard Bourigeaud, and assuming responsibility for divestments, acquisitions and development projects. In 1995, he was named Chief Financial Officer, a position he continues to hold in Atos Origin. Eric Guilhou's career began in 1983 with Grant Thornton. After helping to form the Telemarket company in 1986, he joined Etudes et Communications, an investment company belonging to the Compagnie Générale des Eaux Group. Eric Guilhou is a chartered accountant with a degree from Ecole Supérieure de Commerce de Poitiers and a qualified teacher in economics and financial management.

DOMINIQUE ILLIEN

Member of the Management Board, Responsible for France, Central Europe, AtosEuronext, Atos Worldline and Coordinating Global Managed Operations

Dominique Illien has been with the group since 1995. As well as heading up the French and Central European operations, he is also responsible for AtosEuronext, Atos Worldline and Global Managed Operations. He began his career with Deloitte & Touche, before spending 11 years with Cap Gemini. He then joined Axime (subsequently Atos), as Chief Financial Officer. In November 1995, he was appointed Chief Operating Officer of Sligos, and subsequently Chief Operating Officer, Atos. Dominique Illien, graduated from Ecole Supérieure de Commerce de Paris (ESCP), and is a French chartered accountant.

WILBERT KIEBOOM

Member of the Management Board, Responsible for the Netherlands (including the Dutch arm of Atos KPMG Consulting), Belgium, Luxembourg, Nordic and Coordinating Global Consulting, Global Systems Integration and ICA

Wilbert Kieboom joined Origin (subsequently Atos Origin) in May 2000. Prior to joining the Group, Wilbert was Chief Executive Officer of Syntegra NL, part of British Telecom. His career began at Heineken Nederland B.V. in 1982. He then spent seven years with Lotus Development, where he was commercial director and managing director for the Benelux operations. In 1994, he moved to Apple Computers as managing director, the Netherlands, responsible for the restructuring of the Dutch operation. His next move was to Tandem / Compaq, where he was vice president sales and marketing, Europe, managing the integration of Tandem into Compaq. Wilbert Kieboom has a business degree from Fairleigh Dickinson University, Madison, USA.

GIOVANNI LINARI

Member of the Management Board, Responsible for Italy, Spain, Portugal, Andorra, Middle East and Africa

Prior to joining Atos Origin, Giovanni Linari was president of Schlumberger Sema, Southern Europe, Middle East and Africa. He began his career at SchlumbergerSema in April 2001 when the company acquired Sema plc where he was Managing Director of the company's telecommunications business and member of the Executive Committee. Previously, he was founder of DSTelematica, a systems integration and telecommunications products company formed in 1986, which was acquired by Sema in June 1999. Earlier in his career, he managed the messaging services integration and value-added services activity for private subscribers' networks for Italcable. Giovanni Linari began his career at Cedacri Nord, a service center for banking, and is an engineering graduate of the University of Rome.

JANS TIELMAN

Member of the Management Board, Responsible for Corporate Human Resources, Internal Communications, Marketing Communications and Public Relations

Jans Tielman has spent most of his career with multinational companies, including Procter and Gamble, Océ, General Electric and ABB. He has held management positions in Human Resources and Public Affairs in Europe, the USA and Asia, where he was based in Japan. Before creating his Executive Search business in Zurich, he was responsible for Human Resources for ABB's Power Generation Company. Jans Tielman joined Origin in December 1997 as Senior Executive Vice President Human Resources and member of the Management Board. He has been responsible in recent years for Human Resources, Marketing and Public Relations. In the period before the acquisition of SchlumbergerSema he also had responsibility for Central Europe. Jans Tielman graduated from Leiden University with a degree in Law and Political Sciences.

THE SUPERVISORY BOARD

In accordance with the bylaws and internal rules, the Supervisory Board meets as frequently as is necessary in the Company's interests. A minimum of four meetings are held each year. In order to carry out its functions effectively, the Board receives regular and comprehensive information on all matters submitted for review, including, on a quarterly basis, the amount of off balance sheet commitments made by the Group.

According to the importance of topics, the Management Board communicates in writing, and in a regular and timely manner, all such information that it believes should be brought to the attention of the Supervisory Board. This information may also be communicated, where appropriate, in the form of personalized telephone reports to Board members interested in a particular area.

The Supervisory Board is currently composed of eight members from various backgrounds, including both commercial and manufacturing operations and financial institutions. Three members may be nominated by Philips and one member nominated by Schlumberger. The latest appointments were made by shareholders at the General Meeting of January 22nd, 2004. While the four other members do not meet all the independence criteria specified in the Bouton report, we believe that they are of sufficient stature and integrity as to ensure that their duties are carried out objectively and in the best interests of all the shareholders.

During 2003, the Board met eight times and received three written communications. The members' rate of attendance was 69%. To encourage members to participate at meetings, 50% of directors' fees are based on their attendance at the four principal meetings of the year.

During this period of time the Supervisory Board meetings dealt, inter alia, with of the following subjects:

- The quarterly review of accounts, review of off balance sheet commitments, review of forecasts and business.
- Specific items such as major acquisitions and divestments. In this regard, the Supervisory Board has reviewed the Sema acquisition.

Moreover, the Supervisory Board holds a one-day meeting each year dedicated to reviewing the strategy of the Group. This meeting is attended by Management Board members and discussions focus on major IT business trends by region and by Service Line, and Group business plans.

For a number of years, the Board has observed internal rules that set out its procedures and powers and those of the Management Board. These include authorizations granted to the latter to ensure effective control, in particular through the creation of financial audit, investment, remuneration and nomination committees.

The Supervisory Board has set up the following four committees:

- The Audit Committee
- The Investment Committee
- The Remuneration Committee
- The Nomination Committee

Members of these committees are appointed by the Supervisory Board from among its members. They do not receive any remuneration for serving on such committees. The committees' terms of reference are specified in the Supervisory Board's internal rules. They act in a consultative capacity, reporting to the Supervisory Board. These committees will be completed at an early date.

The Supervisory Board composition was modified during 2003 by the replacement of Mr Gérard Bauvin by Monsieur Philippe Germond. During the shareholders' meeting of January 22nd, 2004, Messrs Jan Oosterveld, Gérard Ruizendaal, and Michel Soublin were appointed to replace Messrs Cor Boonstra, Ari Westerlaken and Dominique Ferrero.

Henri Pascaud is chairman of the Supervisory Board and a member of its Audit and Nomination Committees. He was elected to the Board in 1997 following the merger between Axime and Sligos, of which he was formerly chairman.

Dominique Bazy joined the Supervisory Board of Atos in 1997 and is chairman of its Audit Committee. He is currently chairman of the Board of UBS Securities France SA and UBS Holding France, vice-chairman of the Supervisory Board of Grand Vision and a director of Vinci.

Philippe Germond was elected member of the Supervisory Board in 2003 and is a member of its Remuneration and Investment Committees. He is President and Chief Operating Officer and Member of the Executive Committee of Alcatel. He is also a director of Alcatel, Essilor and Ingenico.

Jan Hommen is vice chairman of the Supervisory Board. He became a member of the Supervisory Board in 2000, following the merger between Atos and Origin, and is a member of its Investment, Remuneration (Chairman) and Nomination Committees. He is currently vice-chairman and Chief Financial Officer of Royal Philips Electronics. He is also a member of the Supervisory Board of the TPG Group, Royal Ahold and chairman of the Supervisory Board of Medquist.

Jan Oosterveld was elected member of the Supervisory Board in 2004. He is a member of the Group Management Committee of Royal Philips Electronics, in charge of the Corporate Strategy and CEO of Philips Electronics Asia Pacific. He is also chairman of the Board of Directors of LG. Philips LCD and vice chairman of the Supervisory Board of LG. Philips Displays. He is a member of the Supervisory Board of Continental AG.

Michel Soublin was elected member of the Supervisory Board in 2004. He is Group Treasurer of Schlumberger Ltd.

Gérard Ruizendaal was elected member of the Supervisory Board in 2004. He is currently Group Controller of Royal Philips Electronics.

Jean-Francois Theodore was elected member of the Supervisory Board in 2000 and is a member of its Investment Committee. He is currently chairman of the Management Board and CEO of Euronext and chairman of the Supervisory Board of AtosEuronext.

THE AUDIT COMMITTEE

The Audit Committee's members in 2003 were Messrs Henri Pascaud, Arie Westerlaken and Dominique Bazy. The Audit Committee currently comprises Messrs. Henri Pascaud, Gerard Ruizendaal and Dominique Bazy.

The Committee meets at least twice a year in the presence of the independent auditors. The Committee met five times in 2003, and the attendance rate of its member was 100%.

The Committee is responsible for ensuring that accounting policies used to prepare the parent Company and consolidated financial statements are appropriate and consistently applied, and for monitoring the proper implementation of internal procedures. It also monitors the quality of information given to shareholders. The Committee holds regular meetings with general management, financial management, the Group general counsel and the independent auditors.

The Audit Committee receives copies of the quarterly Group reporting package. It is regularly informed of the Group's financial position and overall financial strategy and is consulted on the terms and conditions of significant financial transactions prior to their realization. The Committee reviews financial press releases prior to issue and examines the accounting and financial documents to be submitted to the Supervisory Board. It also meets with the independent auditors to discuss the conclusions of their work.

Issues reviewed by the Audit Committee during the year included more specifically:

- The organisation of internal control within the Group entities.
- The follow-up of pension provisions and more generally the follow-up of provisions, risks and undertakings which are described in the annexes to the consolidated financial statements: all material claims and litigations were reviewed on a quarterly basis and information on provision adjustments was provided.
- The accounting and financial treatment of the Sema acquisition as well as the funding of the acquisition through a new syndicated loan and issuance of new shares
- The debt situation of the Company and its hedging policy,
- The accounting principles applied by management and how the compliance with the IAS rules is being prepared in view of the 2005 deadline.
- The external audit fee budget.
- The rules relating to corporate governance, and more specifically to the procedures concerning delegation of authority and code of ethics.
- The potential impact of US accounting principles on the consolidated accounts.

THE INVESTMENT COMMITTEE

The Investment Committee's members in 2003 were Messrs Henri Pascaud, Cor Boonstra, Dominique Ferrero, Jan Hommen and Jean-François Theodore. The Investment Committee is currently comprised of Messrs. Philippe Germond, Jean-François Théodore, Jan Hommen and Jan Oosterveld. The Committee met seven times during 2003, and the attendance rate of its members was 69%.

The Committee is responsible for reviewing proposed acquisitions and divestments that are likely to have a material impact on the Company's organic development and external growth. The approval of at least four of its five members is required to conclude any 'Major' initiative, defined as any investment or disposal decision by the Company in excess of EUR 100,000,000.

The Committee reviewed several projects during the year. In particular it had access to the full documentation and due diligence reports for the acquisition of Sema Group from Schlumberger, as well as for the divestment of the document processing activities and the divestment of the Group's activities in Hungary. In view of the importance of the acquisition of Sema Group, this specific topic was discussed in depth and reviewed several times by the Committee in the presence of all the Supervisory Board members.

THE REMUNERATION COMMITTEE

The Remuneration Committee's members in 2003 were Messrs Henri Pascaud, Dominique Bazy and Jan Hommen. The Remuneration Committee is currently comprised of Messrs. Jan Hommen and Philippe Germond. It meets at least once a year. During 2003, the Committee met twice and the attendance rate of its members was 100%.

The Committee is responsible for:

- Determining the principal objectives of the bonus scorecards of the Management Board for the financial year.
- Making recommendations to the Supervisory Board concerning remuneration (both fixed and variable parts), pension benefits, benefits in kinds and stock subscription or purchase options to be awarded to the Chairman of the Supervisory Board and members of the Management Board. In this regard, 100% of the variable part of the remuneration of Management Board members was based on financial objectives in 2003. This evaluation is made on a regular basis at the end of the fiscal year, on the basis of the Group financial statements.
- Making recommendations to the Supervisory Board for employee share ownership plans.
- Making recommendations to the Supervisory Board for the allocation of stock subscription or purchase options to Company employees.

Based on such recommendations:

- The lower threshold of the variable portion of the compensation of Management Board members has been defined at a substantially higher amount than last year and the maximum amount of the same variable portion was set at 100% of the defined objective.
- An annual stock option grant amounting to 965,312 options was made in March 2003 at a price of EUR 25.92, including 110,655 options issued to the Management Board.
- Three other grants for a total of 4,762 options were made in June, July and October 2003 to new employees.

THE NOMINATION COMMITTEE

The Nomination Committee's members in 2003 were Messrs Henri Pascaud, Dominique Bazy and Jan Hommen. The Nomination Committee is currently comprised of Messrs. Henri Pascaud and Jan Hommen. The Committee is responsible for recommending suitable candidates for appointment to the Supervisory Board should any vacancy arise. The Committee met twice in 2003 and the attendance rate of its members was 83%.

DIRECTORS' COMPENSATION

Total compensation of EUR 6.0 million was paid to members of the Atos Origin Management Board and Supervisory Board (15 individuals) in 2003, including EUR 0.15 million in directors' fees. The summary below presents information on total gross compensation (which includes salaries, bonuses, fringe benefits and directors' fees) before tax paid to the 7 members of the Management Board and the 8 members of the Supervisory Board.

(In EUR)	2003 Total (a)	2003 Of which variable	2003 Of which fringe Benefits	2003 Of which Directors' fees	2002 Total (a)	2002 Of which Directors' fees
Management Board						
Jeremy Anderson (b)	353,680		15,323	-	184,965	-
Bernard Bourigeaud	1,606,388	840,000	106,388	-	1,325,974	-
Eric Guilhou	640,959	336,000	4,959	-	556,574	-
Dominique Illien	792,292	444,000	2,692	-	694,196	-
Wilbert Kieboom	825,522	444,000	30,692	-	720,824	-
Timothy G. Lomax	751,387	423,309	17,154	-	733,691	-
Jans Tielman	665,938	336,000	59,938	-	565,982	-
Supervisory Board						
Dominique Bazy	19,470	-	-	19,470	18,672	18,672
Gérard Bauvin	19,470	-	-	19,470	15,624	15,624
Cor Boonstra	19,470	-	-	19,470	18,672	18,672
Dominique Ferrero	9,528	-	-	9,528	12,576	12,576
Jan Hommen	22,784	-	-	22,784	21,720	21,720
Henri Pascaud	202,784	-	-	22,784	206,037	21,720
Jean-François Theodore	16,156	-	-	16,156	21,720	21,720
Arie Westerlaken	22,784	-	-	22,784	21,720	21,720
Philippe Germond (c)		-	-		-	-

(a) Total includes salaries, bonuses, fringe benefits and directors' fees
(b) Since August 16th, 2002, following the acquisition of KPMG Consulting activities
(c) Appointed in March 2003: directors' fees relating to 2003 will be paid in 2004

Following the announcement of the acquisition of Sema Group in September 2003, the Management Board has been modified. Therefore, Jeremy Anderson left the Board and has been appointed to a new position in the Atos Origin UK organization, and Tim G. Lomax left the Company with compensation of EUR 1,962,000 including a retirement allowance.

There is no additional pensions package for any member of the Management Board.

The Company reports to the Autorité des Marchés Financiers transactions on the shares of the Company made by members of its boards during the year. The principles of the rules on insider trading, detailed in section 'Code of ethics' of this document apply to such transactions.

INTERNAL CONTROL PROCEDURES

Introduction: Reminder of internal control objectives

Internal control procedures include rules, procedures and processes implemented throughout the Group. They form part of a broader framework constituting the internal control system. Within Atos Origin, internal control procedures are intended to ensure:

- Effective management and monitoring of operations
- Preparation of reliable financial information
- Compliance with applicable laws and regulations

One of the objectives of internal control procedures is to prevent and control risks of error and fraud, in particular in the accounting and financial areas. As for any internal control system, this mechanism can only provide reasonable assurance and in no event gives an absolute guarantee against these risks.

General organisation of internal controls within the Atos Origin Group

Over the last few years, the Group has developed primarily through external growth transactions (Origin, KPMG Consulting) or through partnerships with clients outsourcing to Atos Origin the management of their computing operations (Euronext, KPN, etc.). In this context, and while ensuring satisfactory control, Atos Origin has chosen to maintain a decentralised organisation. This organisation is structured with three levels: Corporate Management, Regional Divisions and Management of Subsidiaries. As regards the organisation of internal control procedures, Corporate Management determines the rules applicable to the Group as a whole as well as limitations of powers. These instructions are then implemented within the subsidiaries through more detailed local procedures. In order to ensure consistency in the local implementation of Group policies and procedures, the managers in charge of the support functions (Finance, Human Resources, IT, etc.) in each region report to Corporate Management through a functional reporting line.

The main bodies involved in the implementation of internal control procedures at Atos Origin are as follows:

Supervisory Board and Audit Committee

The Supervisory Board meets whenever necessary in the Company's interest and at least four times a year. The Supervisory Board has prepared internal governance rules detailing the Board's role in various areas as well as the scope of responsibility of the various Committees.

According to these rules, the Audit Committee has been granted a number of responsibilities in terms of review of internal controls:

- The Committee reviews the internal audit work plan and has access to internal audit reports
- The Committee reviews the procedures leading to the preparation of the financial statements

The Group's main accounting decisions are also discussed with the Audit Committee. In 2003, the Audit Committee reviewed in particular the recognition of pension provisions, the transition to IFRS standards, as well as the evaluation of intangible assets and off-balance sheet commitments. The Committee reviews the financial statements of Atos Origin SA and the consolidated financial statements for the Group before they are submitted to the Supervisory Board.

Management Board

The Management Board is comprised of 7 members and is chaired by Bernard Bourigeaud. The Management Board determines strategic orientation and takes decisions concerning the management of operations. Each member of the Management Board is in charge of a specific operational or functional area and is, for that area, responsible for the implementation of the decisions taken by the Board. The clear definition of the roles and responsibilities of each of the members of the Management Board contributes to ensuring an effective implementation of strategic decisions.

Corporate Finance

The Corporate Finance Department receives the financial information prepared by the subsidiaries, conducts a number of reviews and is responsible for the production of the consolidated financial information.

The Corporate Finance Department is responsible for the preparation of the internal control procedures concerning the processing of financial information.

Internal Audit

The Internal Audit Department was created in 2003. It is responsible for checking whether the internal control procedures are actually applied and for supporting the development of these procedures, taking into account the risks that are to be covered.

The Department's objectives, work plan and operating principles have been presented to the Audit Committee and to all Finance Managers of the Group's subsidiaries. The Internal Audit Director informs the Audit Committee of the progress of the Department's missions. In particular, the Committee has access to the reports and recommendations issued by the Internal Audit Department as a result of the reviews conducted in the Group.

Statutory Auditors

The Statutory Auditors review and certify the financial information disclosed by the Company. The Statutory Auditors also attend the meetings of the Audit Committee. As part of their audit, the Statutory Auditors review the internal control procedures concerning the preparation of the financial statements and submit where applicable their observations to the Group's Management.

Presentation of the main internal control procedures

Effective management an monitoring of operations

The Group has set up an operational monitoring procedure based on the monthly financial reporting and placed under the authority of the Finance Division. Based on the reported data, operational review meetings are held each month at all levels of the Company. These frequent meetings are based on the monitoring of Key Performance Indicators in order to make the Group as responsive as possible to any market changes or evolution of the competition. In 2003, the performance of the existing system was enhanced through the introduction of a new financial reporting tool.

The management of human resources has also been identified as a key challenge for the Group. In this respect, the Human Resources Department has defined a number of rules for the management of the compensation of the Group's key executives. The Human Resources Department ensures that the compensation criteria are fully in line with the objectives set by the Group, in particular with regards to bonus compensations.

Atos Origin has defined authorisation rules applicable throughout the Group and providing for strict rules as to the right of officers of subsidiaries to incur commitments binding on the Group vis-à-vis clients or suppliers. Specific monitoring procedures and authorisation rules have been prepared by the Corporate Finance Department in order to track and control the Group's exposure to financial risks (in particular as regards guarantees and foreign exchange and interest rate risks).

Compliance with laws and regulations

Atos Origin pays particular attention to compliance with ethical rules in connection with the conduct of its operations. A code of ethics setting forth the principles applicable to conflicts of interest, insider trading and business ethics has been prepared and adopted by the Management Board. A procedure has been developed in order to circulate this Code of Ethics with the executives of each of the Group's units and to ask them to comply with the Code. This process is monitored by Corporate Management and the Audit Committee.

The purpose of this procedure is to ensure that all persons entrusted with responsibilities are aware of the Group's standards in terms of integrity and legal compliance and agree to abide by these principles. In order to avoid conflicts of interest and protect the Company's legal security, employees must also inform the Management Board of any offices or activities that they may hold or conduct outside the Group and of any financial interests that they may have in competing companies.

Also, the Group has determined that, in the event of a dispute involving a subsidiary, the cost of the settlement must be borne by the operational unit concerned, with a corresponding reduction of its financial performance. This rule is intended to raise the awareness of operational managers, whose evaluation is partly linked to the achievement of financial targets.

Finally, in order to reduce its exposure to contractual legal risks, Atos Origin has also defined a number of principles for the drafting of contracts with clients, any departure from these principles being subject to a specific approval procedure.

Preparation of reliable financial information

Procedures and tools for the preparation of financial data in subsidiaries

The Group has drawn up accounting rules applicable to the preparation of financial information. These rules have been shared with the auditors and the Audit Committee. Control procedures have also been defined for tax and cash management issues.

Training and information sessions are organised regularly in order to circulate these rules and tools within the Group. This was in particular the case in 2003 in order to prepare the changeover to the IFRS standards.

During the annual and half-year closings, each subsidiary's CEO and CFO certify in writing that they have complied with accounting rules and that, to the best of their knowledge, there is, within their scope of consolidation, no major deficiency in the control system in place within the subsidiary.

In 2003, the Group pursued the roll-out of the SAP information system in its subsidiaries. Such roll-outs are a good opportunity to review existing procedures in the subsidiaries and to increase the level of formalisation.

The Group is using specific Hyperion IT tools for the reporting and consolidation of financial information from the subsidiaries. These tools allow in particular to carry out automatically a number of consistency checks and are designed to accelerate the processing of the information transmitted.

Procedures for the reporting of information to, and consolidation by, the Finance Division

The reporting of financial information by subsidiaries is carried out in a format and within a timetable defined by the Corporate Finance Department. Such information is subject to a detailed review by the Corporate Finance teams. Financial information is reported through the controlling channel (for operational reviews) and through the statutory accounting channel. Such information packages are checked by separate teams and thereafter reconciled.

Each subsidiary reports its financial statements on the basis of its standalone accounts, which are then consolidated at Group level. There is no intermediary consolidation level and all accounting entries linked to the consolidation remain under the direct control of the Corporate Finance Department. The cash management function is also centralised. Any transfer of cash not directly related to operations must be approved by the Corporate Treasury Department.

Audit Procedures

The review of the procedures linked to the processing of financial information is a major component of the reviews conducted by the Internal Audit team. The Internal Audit Department works with the Corporate Finance Department to identify the main risks and to focus its work plan as effectively as possible to control such risks.

In 2003, for its first year of operation, the Internal Audit Department co-ordinated a first self-assessment of financial processes by the Group subsidiaries CFOs. The Internal Audit Unit also conducted a number of missions in the subsidiaries in order to review and assess local internal control procedures. The Internal Audit Unit works in close contact with external auditors in order to co-ordinate missions and issues to be covered.

2004 Outlook

In 2004, the Group plans to pursue the development of its internal control system for financial reporting, in particular through the roll-out of improved self-assessment tools and through a more in-depth risk analysis effort.

The Internal Audit Unit will also be strengthened and will pursue the review program initiated in 2003.

The Group will pay specific attention to maintaining the quality of existing internal controls throughout the integration of Sema Group.

REPORT BY THE CHAIRMAN OF THE SUPERVISORY BOARD (PURSUANT TO SECTION L 225-68 OF THE COMMERCIAL CODE)

Ladies and Gentlemen,

Pursuant to the last paragraph of article L 225-68 of the Commercial Code, please find hereafter our report on the conditions of preparation and organization of the work of the Supervisory Board, as well as on the internal control procedures implemented by the Company.

Conditions of preparation and organization of the work of the Supervisory Board

1. The organization of the work of the Supervisory Board and of its four Committees during the year has been led in compliance with the bylaws of the Company and with the internal regulations of the Supervisory Board, as explained by the Management Board in the paragraphs ‘the Supervisory Board’, ‘the Audit Committee’, ‘the Investment Committee’, ‘the Remuneration Committee’ and ‘the Nomination Committee’ of the Reference Document.

2. The Supervisory Board met eight times during the year, as it felt necessary.

3. The members of the Supervisory Board have received preparatory documents prior to each meeting, sufficiently in advance in order to provide a good view of the elements submitted for their review.

4. Similarly, the members of the four Committees of the Supervisory Board have received preparatory documents prior to each meeting, sufficiently in advance to have a good view of the elements submitted for their review. In this respect, it should be noted that the Supervisory Board decided during the year to hold meetings of the Audit Committee on a date prior to the Supervisory Board meeting in order to give that Committee more time for its review.

5. The number of Committees currently existing within the Supervisory Board and the items reviewed by each Committee are considered satisfactory.

6. Regarding the work of the Investment Committee on the acquisition of the Sema business during the year, meetings have been held in full session during the Supervisory Board meetings, in view of the importance of the acquisition for the Company.

7. As far as review of corporate governance and internal audit rules by the Supervisory Board is concerned, the Management Board reported regularly to the Audit Committee on the advancement of the projects, on the action plan and procedures implemented as mentioned above. Moreover, a specific session of the Audit Committee was held in order to review the various actions conducted. The Finance Department regularly reported to the Audit Committee on all the processes conducted and the Audit Committee regularly reported to the Supervisory Board.

Internal Control Procedures implemented by the Company

8. The organization of the internal control and procedures implemented by the Company are duly reported in the paragraph ‘Internal Control Procedures’ of the Reference Document.

Consequently, the said paragraphs are deemed to be attached to this report and shall be attached to the copy delivered to the statutory auditors.

Based on the above, we have no other observation with regard to internal control and procedures implemented by the company.

REPORT BY THE STATUTORY AUDITORS ON THE REPORT BY THE CHAIRMAN OF THE SUPERVISORY BOARD

auditors to provide

FINANCIAL REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Auditors' Report on the Consolidated Financial Statements

(should be fulfilled later)

FINANCIAL REPORT

Consolidated Income Statement

(In EUR millions)	Notes (*)	Period ended Dec 31st, 2003	Period ended Dec 31st, 2002	Period ended Dec 31st, 2001
Revenue		**3,034.6**	**3,042.9**	**3,037.6**
Personnel expenses	*a*	(1,667.3)	(1,642.0)	(1,548.5)
Operating costs and expenses	*d*	(1,119.5)	(1,135.3)	(1,227.9)
Income from operations		**247.8**	**265.6**	**261.2**
% of revenue		**8.2%**	**8.7%**	**8.6%**
Net financial expense	*e*	(26.6)	(27.3)	(9.6)
Income on ordinary activities		**221.2**	**238.3**	**251.6**
Non-recurring items	*f*	(54.9)	(70.8)	(2.9)
Corporate income tax	*g*	(40.9)	(46.9)	(84.0)
Net income before equity affiliates, minority interests and amortization of goodwill		**125.4**	**120.6**	**164.7**
Share in income of equity affiliates		(0.1)	(0.1)	(0.1)
Minority interests	*h*	(11.2)	(11.3)	(18.3)
Net income before amortization of goodwill – Group Share		**114.1**	**109.2**	**146.3**
% of revenue		**3.8%**	**3.6%**	**4.8%**
Amortization of goodwill	*j*	(283.1)	(38.4)	(23.3)
Net income for the period – Group Share		**(169.0)**	**70.8**	**123.0**
% of revenue		**(5.6%)**	**2.3%**	**4.0%**
In EUR				
Net earnings per share				
Weighted average number of shares (**)		**45,458,166**	**43,954,677**	**43,806,925**
Basic earnings per share before amortization of goodwill		2.51	2.48	3.34
Basic earnings per share		(3.72)	1.61	2.81
Diluted average number of shares		**47,754,039**	**50,846,590**	**53,801,424**
Diluted earnings per share before amortization of goodwill		2.42	2.15	2.93
Diluted earnings per share		(3.51)	1.39	2.49

(*) See Notes to the consolidated financial statements.
(**) On December 31st, 2002 ORA bonds issued in consideration for the acquisition of KPMG Consulting in the UK and the Netherlands are not included in the weighted average number of shares. The ORA bonds are included in the diluted average number of shares.

Consolidated Balance Sheet

(In EUR millions) ASSETS	Notes (*)	Dec. 31st, 2003	Dec. 31st, 2002	Dec. 31st, 2001
Goodwill	*j*	742.3	1,029.1	405.4
Other intangible fixed assets	*k*	27.1	32.2	22.9
Tangible fixed assets	*l*	156.0	217.3	303.9
Investments	*m*	18.3	21.3	39.5
Total Fixed Assets		**943.6**	**1,299.9**	**771.7**
Trade accounts and notes receivable	*n*	754.7	871.9	970.9
Other receivables, prepayments and accrued income	*o*	249.7	264.2	260.1
Transferable securities	*s*	458.7	133.1	83.2
Cash at bank and in hand	*s*	65.5	288.7	93.3
Total Current Assets		**1,528.6**	**1,557.9**	**1,407.5**
Total Assets		**2,472.2**	**2,857.8**	**2,179.2**

(In EUR millions) LIABILITIES AND SHAREHOLDERS' EQUITY	Notes (*)	Dec. 31st, 2003	Dec. 31st, 2002	Dec. 31st, 2001
Common stock	*p*	47.9	44.1	43.9
Additional paid-in capital		279.4	44.0	35.2
Consolidated reserves		413,6	343.0	226.0
Translation adjustments		(36,2)	3.8	7.1
Net income for the period		(169.0)	70.8	123.0
Other Shareholders' Equity		-	234.8	-
Shareholders' Equity – Group Share		535.7	740.5	435.2
Minority interests	*q*	48.2	43.6	43.5
Total Shareholders' equity		**583.9**	**784.1**	**478.7**
Provisions for contingencies and losses	*r*	**239.4**	**266.6**	**251.1**
Borrowings	*s*	790.2	862.1	411.7
Trade accounts payable	*t*	236.6	342.8	423.2
Other liabilities, accruals and deferred income	*u*	622.1	602.2	614.5
Total Liabilities		**1,648.8**	**1,807.1**	**1,449.4**
Total Liabilities and Shareholders' equity		**2,472.2**	**2,857.8**	**2,179.2**

(*) See Notes to the consolidated financial statements.

Consolidated Cash Flow Statement

(In EUR millions)	Period ended Dec. 31st, 2003	Period ended Dec. 31st, 2002	Period ended Dec. 31st, 2001
Net Income before equity affiliates, minority interests and amortization of goodwill	125.4	120.6	164.7
Depreciation, amortization and provisions	97.1	123.0	150.9
Financial provisions	4.2	10.5	5.4
Exceptional depreciation, amortization and provisions	(47.1)	(23.6)	(198.8)
Net gains on disposals of fixed assets and acquisition costs	(4.1)	(6.1)	(20.1)
Deferred taxes	(13.0)	18.2	36.8
Net cash from operations before changes in working capital	162.5	242.6	138.9
Changes in working capital	79.5	51.2	48.9
Net cash from operating activities	**242.0**	**293.8**	**187.8**
Purchases of tangible and intangible fixed assets	(70.0)	(102.3)	(139.3)
Proceeds from disposals of tangible and intangible fixed assets	3.5	62.3	11.7
Net Operating Investments	(66.5)	(40.0)	(127.6)
Purchases of financial investments	(11.0)	(478.4)	(207.8)
Proceeds from disposals of financial investments	26.7	45.4	33.6
Net cash and cash equivalents of companies purchased or sold during the year	(2.9)	25.1	4.2
Net Financial Investments	12.8	(407,9)	(170.0)
Net Cash used in investing activities	**(53.7)**	**(447.9)**	**(297.6)**
Common stock issues	4.4	9.1	2.4
Dividends paid to minority shareholders of subsidiaries	(6.0)	(11.3)	(4.4)
New loans	25.7	634.1	191.2
Repayments of long and medium-term borrowings	(106.7)	(228.2)	(35.1)
Net cash from financing activities	**(82.6)**	**403.7**	**154.1**
Increase (Decrease) in cash and cash equivalents	**105.7**	**249.6**	**44.3**
Opening cash and cash equivalents	**421.9**	**176.5**	**130.3**
Increase (decrease) in cash and cash equivalents	105.7	249.6	44.3
Impact of exchange rate fluctuations on cash and cash equivalents	(3.4)	(4.2)	1.9
Closing cash and cash equivalents	**524.2**	**421.9**	**176.5**
Opening Net Debt	**(440.3)**	**(235.2)**	**(113.5)**
New loans	(25.7)	(634.1)	(191.2)
Repayments of long- and medium-term borrowings	106.7	228.2	35.1
Increase (decrease) in cash and cash equivalents	105.7	249.6	44.3
Other movements (*)	(12.4)	(48.8)	(9.9)
Closing net debt	**(266.0)**	**(440.3)**	**(235.2)**

(*) 'Other movements' include the net long and medium-term debt of companies purchased or sold during the period, the impact of foreign exchange rates on net debt and profit-sharing amounts payable to French employees transferred to debt.

Consolidated Statement of changes in shareholders' equity

(In EUR millions)	Number of shares at period end (*)	Common Stock	Addit. paid-in capital	Consolidated reserves	Translation Adjustments	Net income for the period	Other Share-holders' equity	Equity, Group share
At December 31st, 2001	**43,854**	**43.9**	**35.2**	**226.0**	**7.1**	**123.0**		**435.2**
* Common stock issues for cash	202	0.2	8.8					9.0
* Translation adjustments				1.4	(3.3)			(1.9)
* Appropriation of prior period net income				123.0		(123.0)		0.0
* Net Income for the period						70.8		70.8
* Treasury stock				(7.4)				(7.4)
* ORA bonds							234.8	234.8
At December 31st, 2002	**44,056**	**44.1**	**44.0**	**343.0**	**3.8**	**70.8**	**234.8**	**740.5**
* Common stock issues for cash	157	0.1	4.3					4.4
* Translation adjustments					(40.0)			(40.0)
* Appropriation of prior period net income				70.8		(70.8)		0.0
* Net Income for the period						(169.0)		(169.0)
* Other				(0.2)				(0.2)
* ORA bonds	3,657	3.7	231.1				(234.8)	0.0
At December 31st, 2003	**47,870**	**47.9**	**279.4**	**413.6**	**(36.2)**	**(169.0)**	**0.0**	**535.7**

(*) in thousands

Segment information

Information by Service Line

(In EUR millions)	Consulting	Systems Integration	Managed Operations	Corporate	Group
2003					
Revenue	363.3	1,089.4	1,581.9		**3,034.6**
Income from operations	26.5	55.6	198.7	(33.0)	**247.8**
Fixed assets	0.7	54.7	124.2	3.5	**183.1**
Year-end number of employees	1,934	12,671	11,773	95	**26,473**
2002					
Revenue	174.5	1,243.0	1,625.4		**3,042.9**
Income from operations	16.0	65.9	213.6	(30.0)	**265.6**
Fixed assets	8.8	37.5	197.9	5.3	**249.5**
Year-end number of employees	2,383	13,954	12,166	99	**28,602**
2001					
Revenue	19.2	1,470.3	1,548.1		**3,037.6**
Income from operations	5.5	128.2	172.7	(45.2)	**261.2**
Fixed assets	0.4	47.9	272.1	6.4	**326.8**
Year-end number of employees	126	14,805	11,237	110	**26,278**

Information by geographical area

(In EUR millions)	France	The Netherlands	UK	EMEA others (1)	Americas (2)	Asia Pacific (3)	Corporate	Group
2003								
Revenue	1,049.7	961.3	330.7	561.1	76.5	55.4		**3,034.6**
Income from operations	113.2	114.3	15.7	31.8	0.5	5.2	(33.0)	**247.8**
Fixed assets	85.9	58.0	5.4	24.3	1.7	4.3	3.5	**183.1**
Year-end number of employees	7,894	8,424	1,847	6,036	1,014	1,163	95	**26,473**
2002								
Revenue	1,086.2	912.8	238.4	610.0	132.3	63.2		**3,042.9**
Income from operations	116.2	124.2	12.9	28.6	7.8	5.8	(30.0)	**265.6**
Fixed assets	106.1	95.5	5.5	27.6	3.3	6.2	5.3	**249.5**
Year-end number of employees	8,685	9,019	2,139	6,319	1,210	1,131	99	**28,602**
2001								
Revenue	1,089.1	797.4	159.8	717.6	207.5	66.2		**3,037.6**
Income from operations	107.2	117.0	12.9	62.9	5.4	1.0	(45.2)	**261.2**
Fixed assets	141.6	132.8	8.8	21.8	7.4	8.0	6.4	**326.8**
Year-end number of employees	8,419	7,114	1,133	6,838	1,517	1,147	110	**26,278**

(1) Europe, Middle East, Africa: Germany, Switzerland, Italy, Spain, Portugal, Andorra, Belgium, Luxembourg, Poland, Austria, Hungary, Czech Republic, Saudi Arabia.
(2) United States, Canada, Mexico, Argentina, Brazil, Peru.
(3) Australia, China, Hong-Kong, India, Malaysia, Singapore, Taiwan, Thailand.

SCOPE OF CONSOLIDATION

Major changes to the scope of consolidation during the period were as follows:

Acquisitions

January 2003: increase from 93% to 100% of the interest held by Atos Origin in Atos Odyssée pursuant to the memorandum of understanding for the gradual acquisition of the shares. Atos Odyssée is a French company and part of to the Consulting service line.

April 2003: Aréma (in which the Group has a 95% interest), a French company formed jointly with the Redcats Group (Pinault Printemps Redoute) under a facilities management agreement, fully consolidated since April 1st, 2003.

Disposals

July 2003: disposal of Atos Origin Engineering Services, a Dutch company forming part of the Systems Integration service line.

August 2003: disposal of the document processing operations previously contributed by Atos Origin Services-France to Atos Origin DMS.

October 2003: disposal of the 100% interest in Atos Origin Information Technology Kft, a Hungarian company.

Accounting Policies

With effect from January 1st, 2001, the consolidated financial statements have been prepared in accordance with the 'new accounting rules and methods applicable to consolidated financial statements' approved by the Order of June 22nd, 1999, implementing the Accounting Standards Committee Regulation CRC 99-02.

In accordance with the option offered by Regulation 99-02, Atos Origin has not retroactively adjusted investment and divestment transactions entered into prior to January 1st, 2001.

With effect from January 1st, 2002, the Group adopted CRC Regulation 00-06 regarding liabilities. The implementation of this Regulation does not affect shareholders' equity at the beginning of financial year 2002.

As part of the preparation of the consolidated financial statements, Atos Origin has aligned itself with the provisions of certain standards established by the IASB with respect to measurement and recognition since the fiscal years 2000 or 2001. In particular, Atos Origin has aligned itself with the measures prescribed for the recognition of revenue from services involving fixed price contracts based on the percentage of completion method (IAS 11), the determination of income taxes (IAS 12) the recording of property, plant and equipment (IAS 16) and leases (IAS 17), the measurement and recognition of employee benefits (IAS 19), the effects of changes in foreign exchange rates (IAS 21), the impairment of assets (IAS 36) and the recognition of provisions, contingent liabilities and contingent assets (IAS 37).

Consolidation rules

Methods of consolidation

The financial statements of companies over which Atos Origin (hereinafter referred to as 'the Company') exercises exclusive control, whether directly or indirectly, are fully consolidated.

The financial statements of companies in which voting rights are split between the Company and another shareholder are consolidated as follows:

- companies over which the Company has effective control of their business operations are fully consolidated;
- companies over which the Company exercises significant influence are accounted for using the equity method. Significant influence is assumed to exist where more than 20% of voting rights are held.

Basis of consolidation

All companies are consolidated on the basis of financial statements or accounts drawn up to December 31st and adjusted, where necessary, in accordance with Group accounting policies.

Foreign companies

The balance sheets of subsidiaries that do not use the single European currency are translated into euros at year-end rates of exchange and their income statements are translated at average exchange rates for the year. The impact of exchange rate movements on the balance sheet and net income for the year is taken to shareholders' equity under 'Translation adjustments' (IAS21).

Review of the value in use of long-term assets

Long-term assets (property, plant and equipment, intangible assets and goodwill) are adjusted to their value in use when significant adverse changes are identified indicating that the value in use of an asset appears to be lower than its net carrying amount on a long-term basis.

The value in use is reviewed for each asset category by taking into account the Group expectations in terms of economic and operational trends relating to the use of the assets concerned. When an impairment charge appears necessary, the amount recognized is equal to the difference between the net carrying amount and the value in use. The value in use is determined by referring to discounted future cash flows, market prices and replacement costs for the used equipment.

For goodwill, the value in use takes into account, in addition to future economic benefits, the benefits expected from the acquisition, such as the synergies resulting from the integration of the acquired enterprise with the Group's activities and the enterprise's strategic value for the Group.

The Group is therefore in line with the provisions of IAS 36, which provided the basis for CRC regulation 2002-10 regarding asset depreciation and impairment.

Goodwill

Goodwill represents that portion of the difference between the cost of an investment and the Group's share of the adjusted net assets of the company acquired as of the date of acquisition, not allocated to fair value adjustments. Goodwill is amortized on a straight-line basis over the estimated period of benefit, not exceeding 20 years.

In accordance with accounting rules in force and pursuant to the COB Recommendation of January 1988 (Monthly Bulletin No. 210), Atos Origin applied against its shareholders' equity a fraction of the goodwill arising in connection with business combinations In particular, this was the case with the acquisition of Origin, in connection with which EUR 181 million was applied against the share premium. If this goodwill had not been applied against the share premium, the transaction would have generated an annual notional depreciation expense of EUR 9.0 million. Atos Origin acquired, on August 16th, 2002, 100% of the shares of KPMG Consulting in the UK and in the Netherlands. This acquisition was paid for by (i) the issuance of 3,657,000 bonds redeemable in shares ('ORA') and warrants ('ORABSA') at the price of EUR 64.20 each, in an amount of EUR 235 million; and (ii) the balance in cash in an amount of EUR 417 million.

Pursuant to Article 210 of CRC Regulation 99-02, the acquisition cost of the KPMG Consulting in the United Kingdom and the Netherlands securities is equal, at the date on which control becomes effective, to the fair value of securities issued. The fair value of the ORA bonds presented in consideration in August 2002 was determined using a multi-criteria approach taking into account the stock market price of the Atos Origin share and the transaction value set by the parties. This method produced a value of EUR 64.20 per share, or a total value for the ORA bonds of EUR 235 million.

The stock subscription warrants attached to the shares underpin the earn-out clause granted in favour of the KPMG Consulting partners in the United Kingdom and the Netherlands.

The stock subscription warrants detached from the ORA bonds represent an additional component of the purchase price for the KPMG consulting activity, payable solely on the realization of certain activity results (earn-out clause). These stock subscription warrants may only be exercised if revenue and profitability objectives of the activities purchased are realized.

Atos Origin has not recorded the stock subscription warrants in its balance sheet and will treat them as an off-balance sheet commitment until their exercise date.

Effective date of acquisitions and disposals

The consolidated income statement includes the results of companies acquired during the financial year starting from the date of the change of control. The results of companies sold during the year are included up to the date of sale.

Research and development expenditure

Research and development expenditure in respect of specific applications or products is expensed in the period incurred.

Other intangible fixed assets

Other intangible fixed assets primarily comprise software acquired by the Group and amortized on a straight-line basis over periods specific to each acquisition, subject to a maximum of five years. The cost of software developed for internal or commercial use is generally expensed in the period incurred. However, it may be capitalised within intangible fixed assets where the following conditions are satisfied:

- the project is clearly identified and the corresponding costs are itemized and monitored in a reliable manner;
- the technical design feasibility of the software is demonstrated;
- the Group intends to produce, commercialise or use the software internally;
- a potential market exists for software intended for rental, sale or marketing in any other form and the utility of the software to the Group has been approved in the case of internal use;
- sufficient resources exist to carry the project through to commercialisation or internal use;
- the Group possesses the management and monitoring tools necessary to satisfy these conditions.

Only costs incurred during the software production phase are capitalised, with costs incurred during design, user configuration and follow-up phases expensed in the period.

The Group holds a number of patents but has not granted any licenses in respect thereof. The Group incurs license fees in respect of licenses granted to it. These fees are recorded in the Income statement under Operating costs and expenses.

Tangible fixed assets

Tangible fixed assets are recorded at acquisition cost net of any interest expenses. They are depreciated on a straight-line or reducing-balance basis over the following expected useful lives:

• Buildings	20 years
• Fixtures and fittings	5 to 10 years
• Computer hardware	3 to 5 years
• Vehicles	4 years
• Office furniture and equipment	5 to 10 years

Assets acquired under operating lease contracts are not capitalised. Assets acquired under finance lease contacts are capitalized and the corresponding borrowing recorded in liabilities in the balance sheet. The accounting policy adopted by the Group is consistent with IAS 17 'Leases'.

Investments

Non-consolidated participating interests are stated at the lower of acquisition cost and fair value. Fair value corresponds to fair value to the Group, taking into account the Group's share in adjusted net worth and the future profitability prospects of the Company. A provision for impairment is recorded where the fair value of an investment falls below its acquisition cost.

Treasury stock

The Atos Origin shares held by the parent company are charged against consolidated shareholders' equity. The accounting treatment for these shares is attributable to the purpose of their holding. In the event of a disposal, the gain or loss and the corresponding tax impact are recorded in changes in consolidated shareholders' equity.

Operating Receivables

Operating receivables are recorded at nominal value. They are assessed individually and, where appropriate, a provision is raised to take likely recovery problems into account.

Transferable securities

Transferable securities are recorded in the balance sheet at the lower of acquisition cost and market value. For listed securities, market value is equal to the stock market price at the fiscal year-end. SICAV units are recorded at net asset value. Unrealised capital gains are not recognized.

Provisions for contingencies and losses

Provisions for contingencies and losses are recognized in compliance with the rulings of the Comité de la Réglementation Comptable governing liabilities (CRC N° 2000-06), whose application is mandatory for fiscal years beginning on, or after, January 1st, 2002. This application had no impact on shareholders' equity.

The regulation defines a liability as an element of the asset base with a negative economic value for the entity, i.e. an obligation (legal, regulatory, or contractual) of the entity with respect to a third party for which an outflow of resources benefiting this third party is probable or certain, without a consideration expected from the latter that is at least equivalent. The accounting policy adopted by the Group is consistent with IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'

Atos Origin merger provisions

These provisions concern the Atos Origin merger and include the following:

- Origin fair value adjustment initially established to cover long-term commitments to purchase software licenses for which there was no corresponding business, disputes, litigation and claims as well as previously identified employee-related and tax contingencies and losses to completion on fixed-price contracts
- provisions for discontinued operations;
- provisions for reorganization (employee costs);
- provisions for real estate and data center rationalization (closure of business sites, regrouping, optimisation, etc.).

Other provisions on acquisitions

These provisions concern the acquisition of KPMG Consulting in the United Kingdom and the Netherlands and primarily comprise:

- provisions for employee-related restructuring costs;
- provisions for adjustments to the opening balance sheet recorded to cover shared service contractual commitments subscribed with KPMG International Group without corresponding resources, due to the progressive integration of purchased activities in Atos Origin.

Provisions for employee benefits

The Group valuation policy for employee benefits is in line with IAS 19. In accordance with the requirements detailed in this standard, a periodic valuation of these commitments is performed by independent actuarial experts using the projected unit credit method.

This actuarial method requires, in particular, in order to value employee benefits, assumptions concerning the future likelihood of presence within the Group, the rate of salary increases or the anticipated future return of plan assets allocated to the financing of the commitments. The present value of these obligations is then calculated on the basis of a discounting rate determined by reference to the financial environment of the various countries concerned and is then multiplied by a coefficient taking into account the number of years of service remaining until the employee concerned is entitled to benefit from the rights granted under the relevant schemes.

The plan assets allocated to finance these employee commitments are recorded at fair value and the expected yield on plan assets is determined taking into account the composition of plan assets.

Actuarial gains and losses resulting from changes in assumptions, plan amendments or differences between actual and expected returns on plan assets, are amortized over the activity period or the expected remaining life of beneficiaries, in so far as they exceed the 10% corridor provided for by IAS 19.

Where the value of assets allocated to the financing of regimes exceeds commitments (surplus position), the Group applies IAS 19, which seeks to limit the recognition of prepaid expenses in the balance sheet.

Charges relating to defined benefit plans are expensed as incurred.

Debt issuance costs and bond redemption premiums

Debt issuance costs are included in deferred charges and released to the income statement on a straight-line basis over the life of the loan. Bonds are recorded in liabilities in an amount corresponding to the issue proceeds and a provision raised over the life of the loan to cover the net-of-tax amount of the related premiums. A provision for the redemption premium is recognized over the life of the loan for the net-of-tax-amount. The Group has decided to adopt the position expressed by the COB in its 1994 Annual Report and reiterated in its recommendations for the 2002 year-end closing, which consists of providing for all redemption premiums at the closing from the time the share price falls below the discounted value of the bond redemption. This recommendation was applied from the financial year 2002 as regards the Atos Origin bond issue maturing in October 2004.

Accounting classification of ORA bonds in the consolidated balance sheet

The bonds redeemable in shares (ORA bonds) issued on the acquisition of KPMG Consulting in the United Kingdom and the Netherlands by Atos Origin are recorded in 2002 in shareholders' equity in accordance with French accounting rules and due, primarily, to the absence of any remuneration and the suppression of the escape clause. On August 16th, 2003, these bonds were fully converted into shares.

Financial Instruments

The Group uses various financial instruments to hedge against foreign exchange and interest rate risks. All hedging instruments are traded with leading counterparts. Foreign exchange risks are hedged using forward contracts and currency swaps and interest rate risks using standard interest rate swap agreements. Hedging gains and losses are matched against the loss or gain on the hedged item.

Revenue

Revenue corresponds to the proceeds from sales of services and equipment carried out by fully consolidated companies in the normal course of business. The Group is therefore in line with IAS 11.

Consulting and Systems Integration revenue from fixed-price contracts is recognized in line with the technical completion of projects. When income from fixed-price contracts to develop individual applications or integrated systems is recorded over the course of several fiscal years, it is recognized using the percentage completion method. The excess of costs over billings is recorded in the balance sheet under 'Accounts and notes receivable – trade' and the excess of billings over costs under 'Deferred income'.

Managed Services revenue is generally determined based on a fixed-price and/or a number of IT work units. On-line services revenue within Managed Operations largely corresponds to transaction volumes and IT services rendered.

Net income on ordinary activities

Net income on ordinary activities comprises the results of operations and financing transactions of the various Group business lines and any write-downs of non-consolidated participating interests.

Non-recurring items

Non-recurring items include income and expenses relating to events or operations clearly outside the ordinary activities of the Group due to their nature, amount or unusual occurrence.

Corporate Income Tax

The tax charge recorded in the Income Statement is the total of the current and deferred tax charge.

The Group accounts for deferred tax using the liability method on all temporary differences between the book value and tax base of assets and liabilities recorded in the consolidated balance sheet, with the exception of goodwill and the undistributed earnings of consolidated companies.
The deferred tax charge is not discounted to present value. Deferred tax assets and liabilities are netted off at taxable entity level. Deferred tax assets corresponding to temporary differences and tax loss carry-forwards are recognized in the accounts and a provision raised where the likelihood of realization of taxable profits at tax entity level is considered low, based on available historical and forecast information.

The accounting policy adopted by the Group is consistent with IAS 12 'Income Taxes'.

Earnings per share

Earnings per share (basic and diluted) is calculated by dividing net income before or after amortization of goodwill by:

- the weighted average number of shares outstanding during the period (basic earnings per share);
- the weighted average number of shares outstanding during the period, plus the number of shares that could be issued as a result of the exercise in full of all convertible securities outstanding (diluted earnings per share).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Comparability of financial years:
The financial data for 2003, 2002 and 2001 are not fully comparable.The financial year ended on December 31st, 2002 includes, from September 1st, 2002, the operations of KPMG Consulting in the United Kingdom and the Netherlands.

a) Personnel expenses

(In EUR millions)	Period ended Dec 31st, 2003	Period ended Dec 31st, 2002	Period ended Dec 31st, 2001
Wages and salaries	(1,344.7)	(1,290.8)	(1,187.0)
Other expenses	(322.6)	(351.2)	(361.5)
Total	**(1,667.3)**	**(1,642.0)**	**(1,548.5)**

b) Breakdown of employee numbers by geographical region

Geographical region	Year-end number of employees 2003	Year-end number of employees 2002	Year-end number of employees 2001	Average number of employees 2003	Average number of employees 2002	Average number of employees 2001
France	7,894	8,685	8,419	8,467	8,657	10,319
The Netherlands	8,424	9,019	7,114	8,667	8,184	6,259
United Kingdom	1,847	2,139	1,133	1,933	1,592	1,081
Other EMEA	6,036	6,319	6,838	6,216	6,571	6,767
Americas	1,014	1,210	1,517	1,070	1,367	1,740
Asia Pacific	1,163	1,131	1,147	1,130	1,134	1,149
Corporate	95	99	110	96	100	125
Total	**26,473**	**28,602**	**26,278**	**27,577**	**27,606**	**27,440**

c) Management compensation

Total compensation (which includes salaries, bonuses and fringe benefits) allocated between January 1st, 2003 and December 31st, 2003 to the members of the Management Board and to the Chairman of the Supervisory Board (8 individuals) amounted to EUR 7,299,546. Members of the Supervisory Board received directors' fees of EUR 152,446 during the same period.

d) Operating costs and expenses

(In EUR millions)	Period ended Dec 31st, 2003	Period ended Dec 31st, 2002	Period ended Dec 31st,2001
Equipment, supplies and sub-contracting costs	(316.8)	(340.9)	(425,5)
Premises and equipment costs and maintenance	(302.4)	(307.6)	(262.1)
Travel expenses	(57.1)	(81.8)	(102,2)
Telecommunications	(105.7)	(121.4)	(114,4)
Depreciation and amortization	(102.4)	(125.1)	(136,5)
Taxes other than corporate income tax	(21.8)	(21.4)	(25,1)
Other operating costs and expenses	(213.3)	(137.1)	(162.1)
Total	**(1,119.5)**	**(1,135.3)**	**(1,227.9)**

e) Net financial expense

(In EUR millions)	Income	Expense	Period ended Dec 31st, 2003	Period ended Dec 31st, 2002	Period ended Dec Dec 31st,2001
Convertible bond issues		(1.7)	(1.7)	(3.8)	(3.9)
Long and medium-term borrowings		(22.9)	(22.9)	(14.1)	(3.5)
Lease financing		(0.8)	(0.8)	(1.3)	(1.7)
Short-term financing	24.8	(17.6)	7.2	2.5	0.1
Net interest expense	**24.8**	**(42.9)**	**(18.2)**	**(16.7)**	**(9.0)**
Exchange gains and losses	6.3	(10.5)	(4.2)	(2.0)	0.4
Financial provisions (*)	1.8	(6.0)	(4.2)	(8.5)	(3.2)
Other	0.2	(0.2)	0.0	(0.1)	2.2
Total	**33.1**	**(59.7)**	**(26.6)**	**(27.3)**	**(9.6)**

(*) Financial Provisions expense amounted to EUR 4.2 million, representing the extraordinary amortisation of issuance expenses borne in connection with the 2002 syndicated loan, which was fully repaid in January 2004 as part of the arrangement of the new EUR 900 million syndicated loan to fund the Sema Group acquisition.

Average Group borrowings increased from approximately EUR 333 million in 2002 to EUR 399 million in 2003. The cost of borrowings fell to 4.6% from 5.0% in 2002.

f) Non-recurring items

Net non-recurring expenses totalled EUR 54.9 million and included:

- restructuring expenses amounting to EUR 52.8 million, of which EUR 15.9 million related to provisions set aside in respect of restructuring announced in 2002 and remaining to be completed in 2004;
- a capital gain of EUR 5.0 million generated by the sale of Atos Origin DMS to Experian in September 2003.

g) Corporate income tax

Net income before tax and amortization of goodwill was as follows:

(In EUR millions)	Period ended Dec 31st, 2003	Period ended Dec 31st, 2002	Period ended Dec 31st,2001
Net income on ordinary activities	221.2	238.3	251.6
Non-recurring items	(54.9)	(70.8)	(2.9)
Net income before tax and amortization of goodwill	**166.3**	**167.5**	**248.7**
Deductible amortization of goodwill	(26.9)	(12.7)	-
Theoretical tax base	**139.4**	**154.8**	**248.7**

The deductible goodwill amortisation expense amounted to EUR 26.9 million and relates to the goodwill created upon the integration of the operations of KPN Datacenter and KPN End User Services, and KPMG Consulting in the UK.

(In EUR millions)	Period ended Dec 31st, 2003	Period ended Dec 31st, 2002	Period ended Dec 31st,2001
Theoretical tax base	139.4	154.8	248.7
Group’s tax burden	(40.9)	(46.9)	(84.0)
Group’s notional taxation rate	29.3%	30.3%	33.8%

Current and deferred taxes

(In EUR millions)			Period ended Dec 31st, 2003			Period ended Dec 31st, 2002			Period ended Dec 31st,2001
	France	International	Total	France	International	Total	France	International	Total
Current taxes	(31.6)	(22.4)	**(54.0)**	(18.2)	(10.6)	**(28.8)**	(24.9)	(22.3)	**(47.2)**
Deferred taxes	(1.4)	14.5	**13.1**	3.4	(21.5)	**(18.1)**	(0.6)	(36.2)	**(36.8)**
Total	(33.0)	(7.9)	**(40.9)**	(14.8)	(32.1)	**(46.9)**	(25.5)	(58.5)	**(84.0)**

The deferred tax gain of EUR 13.1 million in 2003 arises from deferred tax assets recognised in respect of the extraordinary deductible depreciation of the Atos KPMG Consulting UK goodwill, amounting to EUR 67 million (depreciation of EUR 225 million, using a 30% nominal UK tax rate), for which provisions of EUR 47 million were set aside (i.e. EUR 20 million, net).

The corporate income tax charge for the period ended December 31st, 2003 was EUR 40.9 million, corresponding to an effective rate of 29.3% of income before tax and after deductible amortization of goodwill.

Effective rate of tax (before depreciation of goodwill)

The difference between the standard French corporate income tax rate and the effective tax rate was as follows :

(In EUR millions)	Period ended Dec 31st, 2003	Period ended Dec 31st, 2002	Period ended Dec 31st,2001
Net income before tax and after goodwill amortization	108.5	129.1	225.3
French standard rate of tax	35.4%	35.4%	36.4%
Theoretical tax charge at French standard rate	**(38.4)**	**(45.7)**	**(82.0)**
Impact of permanent differences	(17.0)	(8.0)	(8.6)
Foreign income taxed at different rates	2.9	1.7	2.7
Unrecognized deferred tax assets	13.8	2.0	5.8
Others	(2.2)	3.1	(1.9)
Group tax charge	**(40.9)**	**(46.9)**	**(84.0)**
Effective tax rate	**37.7%**	**36.3%**	**37.3%**

Analysis of deferred tax assets by type and origin

(In EUR millions)	Gross value	Provision	Net value Dec 31st, 2003	Net value Dec 31st, 2002
* Loss carryovers	150.1	(102.9)	47.2	16.7
* Timing differences, adjustments and provisions	47.9	(13.6)	34 .3	51.0
Total	**198.0**	**(116.5)**	**81.5**	**67.7**

Deferred tax assets not provided represent profits recognized in the accounts, tax unit by tax unit, in respect of probable future tax savings. Such savings are restricted to the ability of each tax unit to recover these assets in the near future. Deferred tax assets are not discounted to present value as the impact of discounting is not material at an individual tax unit level and certain tax units are unable to produce a reliable reversal schedule.

The Group is providing for its tax assets depending on their likelihood of utilisation, which is determined on the basis of the forecast capabilities of the entities, taking into account legal restructuring in progress.

Tax losses carried forward are as follows:

(In EUR millions)	Dec 31st, 2003	Dec 31st, 2002	Dec 31st, 2001
2002		-	1.4
2003		2.5	2.6
2004	5.0	0.6	4.1
2005	0.9	2.2	1.7
2006	1.8	3.5	5.3
2007	1.3	5.6	
2008	11.3		
Tax losses available for carry forward more than 5 years	34.1	67.3	54.7
Ordinary tax losses carried forward	**54.4**	**81.7**	**69.8**
Evergreen tax losses carried forward	**259.8**	**45.4**	**63.2**
Total tax losses carried forward	**314.2**	**127.1**	**133.0**

The countries with the largest tax losses available for carry forward are the United Kingdom (EUR 198.0 million), Germany and Switzerland (EUR 42.4 million), the United States (EUR 26.2 million) and Brazil (EUR 12.2 million).

h) Minority interests

The minority interest share in net income is EUR 11.2 million. The most significant balances include:

- AtosEuronext, Bourse Connect and companies in partnership with Euronext, EUR 7.6 million
- Atos Origin Processing Services (AOPS), a German payment services specialist, EUR 2.2 million
- Atos Origin Middle East, a systems integration specialist in Saudi Arabia, EUR 0.6 million

i) Earnings per share

The Group applies the earnings per share calculation rules described in ‘Accounting Principles’. Under this method it is assumed that funds received on the date of exercise of rights are invested at either the money market rate or the Group internal rate of return. Basic and diluted earnings per share were as follows:

	Period ended Dec 31st, 2003	Period ended Dec 31st, 2002	Period ended Dec 31st,2001
Net income – Group share (a)	(169.0)	70.8	123.0
Impact of the conversion of dilutive instruments	1.4	0.1	11.3
Diluted net income - Group share (b)	**(167.6)**	**70.9**	**134.3**
Weighted-average number of shares outstanding (c)	**45,458,166**	**43,954,677**	**43,806,925**
Impact of dilutive instruments			
Convertible bonds (OCEANE)	-		1,440,501
BSA Philips	-	2,387,413	4,774,826
ORA KPMG	-	3,657,000	
Earn-out KPMG Consulting	847,500	847,500	
Share subscription option plans, where the share price during the financial year has been lower than the share price as of 31 December 2003	1,448,373		3,779,172
Diluted average number of shares outstanding (d)	**47,754,039**	**50,846,590**	**53,801,424**
Earnings per share in EUR (a)/(c)	**(3.72)**	**1.61**	**2.81**
Diluted earnings per share in EUR (b)/(d)	**(3.51)**	**1.39**	**2.49**

The potential capital increase linked to the conversion of the OCEANE bonds maturing in October 2004 is not taken into account in the calculation. Based on the current share price, the likelihood of exercise is minimal.

Notes to the consolidated balance sheet

j) Goodwill

(in EUR million)	31/12/01	Acquisitions Expenses	Disposals Reversals	31/12/02	Acquisitions Expenses	Disposals Reversals	Translation differential	31/12/03
Gross value	**503.1**	690.9		**1 194.0**	35.3	(10.7)	(35.0)	**1 183.6**
Current amortisation	**(97.7)**	(38.4)		**(136.1)**	(57.8)	4.8	5.2	**(183.9)**
Extraordinary depreciation		(28.7) (*)		**(28.7)**	(228.8)(**)			**(257.5)**
Net value	**405.4**	**623.8**		**1 029.2**	**(251.3)**	**(5.9)**	**(29.8)**	**742.3**

(*) The amortisation expense for the financial year 2002, which amounted to EUR 67.1 million (38.4 + 28.7), included an extraordinary amortisation expense related to the Origin goodwill in an amount of EUR 28.7 million. Such extraordinary amortisation expense sets off provision reversals that have become irrelevant and had been recognised in the Origin opening balance sheet at October 1st, 2000. The notional depreciation expense for the financial year 2002 amounted to EUR 38.4 million.

(**) The extraordinary depreciation expense for the financial year 2003 of EUR 228.8 million included an extraordinary expense of EUR 3.5 million intended to set off provisions included in the Origin opening balance sheet that have become irrelevant. It also includes an extraordinary impairment charge in the amount of EUR 225.3 million. There has been no change in the valuation methods used at December 31st, 2002, but due to a deterioration in the Consulting market since that date, the Group decided to recognise an extraordinary goodwill impairment of EUR 225.3 million in respect of Atos KPMG Consulting in the United Kingdom.

Such extraordinary goodwill impairment was calculated in accordance with the Group's accounting rules and principles concerning the valuation of long-term assets. In accordance with this note, asset valuation tests were conducted at the level of each of the Atos Origin cash generating units. Such cash generating units include the divisions/countries or divisions within a country where it is possible to monitor cash flows. The methodology used consists of preparing discounted net cash-flow forecasts, relying on the main assumptions below:

- medium-term business plans prepared by operational units and validated by Management on the basis of a 3-year horizon,
- discounting forecast cash flows resulting from these plans, on the basis of a hurdle rate representing the weighted average cost of capital (WACC) for each division country, determined on the basis of Atos Origin's WACC (8.5%) after tax and adjustment for risk factors specific to each division/country (industry, currency and country risks),
- determining the terminal value by capitalising the last flow of the forecasting period (i.e. year 3) on the basis of the WACC rate without any long-term growth rate and discounting on the basis of the same rate.

The discount rate used for the UK Consulting sector that gave rise to the extraordinary impairment charge is 9.1%.

Goodwill movements between December 31st. 2002 and 2003 were as follows:

(in EUR million)	
Net value as of December 31st, 2002	**1,029.2**
Exits from the scope of consolidation	(5.9)
Goodwill amortisation expenses	(57.9)
Extraordinary impairment of the Atos KPMG Consulting goodwill in the UK	(225.3)
Adjustments and other	2.2
Net value as of December 31st, 2003	**742.3**

k) Other intangible fixed assets

(In EUR millions)	Gross value	Amortization	Net value
December 31st, 2001	**93.0**	**(70.1)**	**22.9**
Additions. Charges	19.5	(11.7)	7.8
Disposals. Reversals	(6.3)	3.7	(2.6)
Changes in Group structure / Translation differences	3.5	0.6	4.1
December 31st, 2002	**109.7**	**(77.5)**	**32.2**
Additions. Charges	11.4	(12.7)	(1.3)
Disposals. Reversals	(9.8)	9.3	(0.5)
Changes in Group structure / Translation differences	(7.7)	4.4	(3.3)
December 31st, 2003	**103.6**	**(76.5)**	**27.1**

Intangible assets at December 31st, 2003 primarily consist of software acquired in order to meet internal requirements or the requirements of clients. The software developed by the Group is principally expensed during the year in which the costs have been incurred.

l) Tangible fixed assets

(In EUR millions)	Land	Buildings	Computer hardware	Other assets	Fixed assets in progress	Payments on account	Total
Gross value at Dec. 31st. 2001	**5.3**	**121.1**	**504.1**	**135.7**	**5.6**	**0.8**	**772.6**
Additions		23.4	37.6	12.9	8.5	(0.1)	82.3
Disposals	(4.0)	(44.1)	(68.1)	(18.6)			(134.8)
Changes in Group structure and other	(0.1)	14.9	5.8	(6.0)	(10.8)	(0.5)	3.3
Gross value at Dec. 31st, 2002	**1.2**	**115.3**	**479.4**	**124.0**	**3.3**	**0.2**	**723.4**
Additions		7.0	32.2	5.0	(0.3)	0.1	44.0
Disposals		(8.4)	(22.4)	(11.8)			(42.6)
Changes in Group structure and other	(0.1)	(1.4)	(20.7)	(3.6)	(2.6)	(0.2)	(28.6)
Gross value at Dec. 31st, 2003	**1.1**	**112.5**	**468.5**	**113.6**	**0.4**	**0.1**	**696.2**
Accumulated depreciation at Dec. 31st, 2001	**0.0**	**(42.2)**	**(326.8)**	**(99.6)**	**0.0**	**(0.1)**	**(468.7)**
Charge		(12.6)	(82.1)	(17.1)			(111.8)
Release		7.7	52.8	14.0		0.1	74.6
Changes in Group structure and other		(1.9)	(9.7)	11.4			(0.2)
Accumulated depreciation at Dec. 31st, 2002	**0.0**	**(49.0)**	**(365.8)**	**(91.3)**	**0.0**	**0.0**	**(506.1)**
Charge		(14.6)	(67.7)	(13.2)			(95.5)
Release		6.0	20.3	11.2			37.5
Changes in Group structure and other		2.5	18.9	2.5			23.9
Accumulated depreciation at Dec. 31st, 2003	**0.0**	**(55.1)**	**(394.3)**	**(90.8)**	**0.0**	**0.0**	**(540.2)**
Net Value at Dec. 31st, 2003	**1.1**	**57.4**	**74.2**	**22.8**	**0.4**	**0.1**	**156.0**

m) Investments

Investments include securities accounted for through the equity method, non-consolidated interests, loans, security deposits and guarantees. This includes:

- non-consolidated interests representing an amount of EUR 2.4 million, including an 8.4% stake in B+S Card Services, a German company.
- loans, deposits and guarantees (primarily linked to property rentals) in an amount of EUR 15.8 million.

n) Trade accounts and notes receivable

(In EUR millions)	2003(*)	2002(*)	2001
Gross value	788.9	908.0	1,007.7
Provisions	(34.2)	(36.1)	(36.8)
Net asset value	**754.7**	**871.9**	**970.9**
Payments on account received on orders	(86.8)	(87,2)	(87,8)
Deferred income and amounts due to customers	(106.0)	(66.0)	(67.5)
Net accounts receivables (incl. VAT) at December 31st	**561.9**	**718.7**	**815.6**
Number of days revenue outstanding	**57**	**68**	**79**

(*) The average customer turnover period in fiscal 2002 and 2003 was determined based on revenues for the months October to December.

o) Other receivables, prepayments and accrued income

(In EUR millions)	2003	2002	2001
Recoverable VAT	33.2	56.3	41.0
Tax-related assets (carry back, minimum tax charge, tax credits)	28.4	43.7	34.1
Deferred tax assets	89.9	77.4	90.0
Amounts receivable on disposals of tangible assets and investments	5.2	5.9	17.5
Other receivables	34.2	25.2	30.7
Prepayments and accrued income	58.8	55.7	46.8
Total	**249.7**	**264.2**	**260.1**

p) Common stock

	Number of shares	Par value	Total (in EUR thousands)
Common stock at 12/31/01	43,853,704	EUR 1	43,853.7
Common stock at 12/31/02	44,055,676	EUR 1	44,055.7
Common stock at 12/31/03	**47,869,633**	**EUR 1**	**47,869.6**

Capital increases took place as follows:

Dates of the Management Board Meeting	Nature of the capital increase	Number of issued shares	(In EUR millions) Impact on the share capital	Effect on the share premium
August 18th, 2003	Conversion of the KPMG ORA	3,657,000	3.7	231.1
September 30th, 2003	Exercise of options	77,020	0.0	2.1
December 31st, 2003	Exercise of options	79,937	0.1	2.2
Total at December 31st, 2003		**3,813,957**	**3.8**	**235.4**

q) Minority interests

Minority interests in shareholders' equity totalled EUR 48.2 million. The most significant balances were:
- AtosEuronext, Bourse Connect and companies in partnership with Euronext: EUR 38.6 million
- Atos Origin Processing Services (AOPS), a German payment specialist company: EUR 5.3 million
- Atos Origin Middle-East: EUR 1.8 million

r) Provisions for contingencies and losses

(In EUR millions)	2001	Other (*)	Charge	Release	2002	Other (*)	Charge	Release	2003
Fair value adjustment Origin	75.2	(18.9)		(15.5)	40.8	1.8		(9.0)	33.6
Merger integration	24.7	(4.5)		(14.0)	6.2	(3.1)		(2.8)	0.3
Other provisions on acquisitions		25.0	8.7	(9.6)	24.1	36.0	0.4	(22.1)	38.4
Operating provisions	58.2	12.1	52.4	(36.6)	86.1	0.1	26.5	(50.8)	61.9
Pensions	93.0	4.8	16.8	(5.2)	109.4	(3.8)	33.2	(33.6)	105.2
Total	**251.1**	**18.5**	**77.9**	**(80.9)**	**266.6**	**31.0**	**60.1**	**(118.3)**	**239.4**

(*) The 'Other' column comprises adjustments to the opening balance sheet, changes in Group structure and translation differences, together with amounts transferred to operating liabilities.

Fair value adjustment Origin

(In EUR millions)	2001	Changes (b)	Charge	Release	2002	Changes (b)	Charge	Release	2003
Fair value adj. Origin	75.2	(18.9)		(15.5)	40.8	1.8		(9.0)	33.6

(a) Adjustments on goodwill & translation differences
(b) Changes in Group structure & translation differences

Provisions were set aside in the opening Origin balance sheet at October 1st, 2000 to cover long-term commitments concerning the acquisition of excess software licences, identified litigation and other disputes, labour and tax risks and project-related losses. These provisions were decreased by EUR 15.5 million during financial year 2002, as a result of the use of these provisions to cover corresponding expenses. Provisions amounting to EUR 18.9 million were written back to goodwill/equity because they were no longer needed. An amount of EUR 9 million was used during financial year 2003. The balance mainly represents residual commitments relating to the acquisition of software licences over a period of 3 years, and remaining labour and tax risks.

Origin merger

(In EUR millions)	2001	Adjust (a)	Charge	Release	2002	Adjust (a)	Charge	Release	2003
Reorganization	20.2	(4.5)		(11.9)	3.8	(2.5)		(1.2)	0.1
Rationalization	3.1			(0.9)	2.2	(0.6)		(1.4)	0.2
Integration costs	1.4			(1.2)	0.2			(0.2)	0.0
Total	**24.7**	(4.5)		(14.0)	**6.2**	(3.1)		(2.8)	**0.3**

(a) Adjustments on goodwill & translation differences

Restructuring provisions related to the merger with Origin in 2000. These provisions covered the restructuring of the organisation and workforce, the rationalisation of premises and production facilities, and the cost of integration into the new Group. The balance of EUR 6.2 million at December 31st, 2002 was used during the financial year 2003.

Other acquisitions

(In EUR millions)	2001	Adjust. (*)	Charge	Release	2002	Adjust. (*)	Charge	Release	2003
Atos KPMG Consulting	**-**	**25.0**	**8.7**	**(9.6)**	**24.1**	**36.0**	**0.4**	**(22.1)**	**38.4**

(*) Adjustments on goodwill & translation differences

The provisions recorded on the acquisition of KPMG Consulting in the Netherlands and the United Kingdom cover three types of cost:
- services shared with KPMG Audit and not used until their final discontinuation date,
- employee-related costs resulting from economies of scale between Atos Origin activities in the United Kingdom and KPMG Consulting,
- employee-related costs associated with downsizing measures implemented in respect of identified over-capacity,
- loss-making contracts identified at the time of the acquisition.

These provisions were increased by EUR 36.0 million in 2003 to cover the cost of finalising the facilities rationalisation programme and losses on contracts identified at the time of announcing the acquisition. These provisions were reduced by EUR 22.1 million to cover the cash cost of restructuring in 2003.

Operating provisions

(In EUR millions)	2001	Adjust (a)	Charge	Release	2002	Adjust (a)	Charge	Release	2003
Provisions for project commitments	18.1	2.0	9.4	(15.4)	14.1	(1.1)	4.1	(8.2)	8.9
Provisions for reorganization and rationalisation	10.1	9.3	28.4	(7.7)	40.1	2.8	16.2	(32.3)	26.8
Other	30.0	0.8	14.6	(13.5)	31.9	(1.6)	6.2	(10.3)	26.2
Operating provisions	**58.2**	12.1	52.4	(36.6)	**86.1**	0.1	26.5	(50.8)	**61.9**

(a) Adjustments on goodwill & translation differences

Operating provisions include restructuring in response to current market conditions (i.e. not connected with the Atos Origin merger and the KPMG Consulting acquisition), project commitments, the convertible bond redemption premiums, and various contingencies and losses. The decrease in operational provisions resulted from the settlement of disputes, the elimination of loss-making contracts and the cash cost of rationalisation.

At December 31st, 2003, a balance of EUR 26 million remained regarding the 'other provisions', to cover the following:

(In EUR millions)	Convertible bond	Tax litigations	Disposals	Client disputes	Supplier disputes	Social disputes	Others	Total
Other	11	5	3	2	2	2	1	**26**

Pensions

(In EUR millions)	2001	Adjust (a)	Charge	Release	2002	Adjust (a)	Charge	Release	2003
Pensions	**93.0**	4.8	16.8	(5.2)	**109.4**	(3.8)	33.2	(33.6)	**105.2**

(a) Adjustments on goodwill & translation differences

The Atos Origin Group offers its employees a number of post-retirement benefits and benefits contingent on the accumulation of years of service within the Group. These include defined benefit pension schemes and retirement termination payments. The terms and conditions of these schemes (services, financing and asset investment policy) vary according to applicable legislation and regulations within each country.

Based on the IAS accounting standard, the EUR 105.2 million provision at December 31st, 2003, mainly covers the following countries:
- The Netherlands,
- the United Kingdom,
- Germany,
- Italy (leaving service),
- France (retirement termination payments).

The largest commitments concern entities located in the United Kingdom and the Netherlands, where Group employee pensions are partly assured by separate legal entity pension funds that are jointly administered by employees and management. Commitments are funded by employer and employee contributions and the plan assets are mainly invested in shares and bonds. The solvency of the fund is monitored by local regulators and is reviewed as part of independent periodic actuarial valuations designed to ensure that contribution levels will be sufficient to cover future liabilities and services.

Other Group entities. notably Germany, offer to certain categories of employees a complementary pension scheme aimed at increasing expected services provided by mandatory schemes, together with retirement termination payments and long-service bonuses provided for by industry-wide collective bargaining agreements.

In France, the reform of the pension system adopted in August 2003 (Fillon Act) had a negative impact of EUR 0.7 million on commitments in the accounts as of December 31st, 2003.

The principal assumptions incorporated in the actuarial valuations, performed in accordance with IAS 19 recommendations, are as follows:

	United Kingdom		The Netherlands		Other Euroland countries	
	2003	**2002**	**2003**	**2002**	**2003**	**2002**
Rate of salary increase	2.75%	3.75%	3.35%	3.35%	2 to 3%	2 to 3%
Expected return on plan assets	7.70%	7.70%	7.00%	7.00%	Not applicable	
Discount rate	5.50%	5.75%	5.25%	5.50%	5.25%	5.50%

(In EUR millions)	2003	2002
Provisions for pension commitments and equivalent	105.2	109.4
Including, Group commitments at the end of 2003	57.1	70.7
Including, commitments in respect of which the multi-employer funds will be taken over by the Group from January 1st, 2004 (KPN/KPMG)	48.1	38.7

The main defined benefit plans are as follows:

	The Netherlands	UK	Others	2003	2002
Total commitments	(472.3)	(158.2)	(92.8)	(723.3)	(689.4)
Fair value of plan assets	411.5	125.4	20.9	557.8	484.8
Net financing surplus/(deficit)	(60.8)	(32.8)	(71.9)	(165.5)	(204.6)
Prepaid expenses		(5.8)		(5.8)	0.0
Provisions (*)	12.7	-	68.4	81.1	70.7
Unrecognized losses	**(48.1)**	**(38.6)**	**(3.5)**	**(90.2)**	**(133.9)**
Corridor (10% of commitments)	46.0	15.8		61.8	60.1
Amortization base	(2.1)	(22.8)		(24.9)	(69.8)
Average remaining activity period of employees	9 years	12 years			
Forecast 2004 actuarial amortization charge	**(0.2)**	**(1.9)**		**(2.1)**	**(7.3)**

(*) Provisions before reclassification of the EUR 24 million as financial debt.

A plan for refinancing the main Dutch pension fund was renegotiated with the Dutch pension fund during 2004 and was approved by the Dutch supervisory authority (PVK). In consideration for a decrease in future indexation commitments, additional contributions will be paid by Atos Origin in 2004 and 2005. These actions will restore the pension fund's prudent criteria in accordance with national standards. Taking into account the fact that this commitment is certain, the EUR 24 million contribution was reclassified as of December 31st, 2003 as a financial debt instead of a provision. In addition, an agreement was signed with the Atos Origin UK pension fund, which also restricted the future indexation criteria and therefore reduced the pension fund's future commitments.

Finally, the yield of equity assets improved in 2003. All of the above factors contributed to a reduction in unrecognised actuarial losses from EUR 134 million in 2002 to EUR 90 million in 2003. Accordingly, the provision expense for actuarial losses linked to pension expenses will decrease from EUR 7.3 million in 2003 to EUR 2.1 million in 2004.

Analysis of amounts recorded in the Balance Sheet and the Income Statement in respect of existing regimes in the United Kingdom and the Netherlands are as follows:

(In EUR millions)	2003	2002
Prepaid expenses / accrued expenses	(4.0)	(6.4)
Impact of limitations on the recognition of surpluses	(2.9)	0
Net amount recognized in the balance sheet	**(6.9)**	**(6.4)**
Current service cost	(25.4)	(24.9)
Interest expense	(30.6)	(32.1)
Expected return on plan assets	33.2	38.3
Amortization of actuarial gains/losses	(7.0)	(0.9)
Effect of specific events (*)	15.1	0.0
Effect of the limitations concerning the recognition of surpluses	(2.9)	0.0
Total profit / (loss)	**(17.6)**	**(19.6)**

(*) In 2003, the Group amended the regulations of the main pension funds in the Netherlands and in the United Kingdom, in order to improve the funding status of its commitments. Because these changes had an impact on vested rights, a gain was recognised in accordance with IAS 19. These events related to the Dutch and UK pension funds, resulting in a net gain of EUR 15.1 million.

The Group took into account the amendment made in 2002 to the limitations imposed by IAS 19 as regards the recognition of prepaid expenses on the balance sheet when the value of the assets earmarked for the financing of the schemes (plus where applicable unrecognised actuarial losses) exceeds the value of obligations.

The Group decided to post impairment provisions as regards those prepaid expenses that were not limited because of the strict application of this amendment concerning the Dutch pension fund at December 31st, 2003. Surpluses assimilated with prepaid expenses in the amount of EUR 2.9 million are due to the specific events occurred in connection with the Dutch pension fund. As no future savings would result from the recognition of this surplus, the Group has decided to recognise its impairment.

s) Net debt

(In EUR millions)	2003						2002	2001
	Falling due within							
	Total	1 year	2 years	3 years	4 years	5 years or more	Total	Total
Bonds	(173.0)	(173.0)					(173.0)	(173.0)
Finance leases	(6.8)	(5.4)	(1.1)	(0.2)	(0.1)	(0.0)	(17.2)	(27.1)
Long-term borrowings	(568.9)	(559.7)(*)	(5.4)	(2.3)	(0.2)	(1.3)	(636.7)	(181.3)
Other borrowings	(41.5)	(25.4)	(1.9)	(2.3)	(5.3)	(6.5)	(35.3)	(30.3)
Total borrowings	**(790.2)**	**(763.5)**	**(8.4)**	**(4.8)**	**(5.6)**	**(7.9)**	**(862.1)**	**(411.7)**
Transferable securities	458.7	458.7					133.1	83.2
Cash at bank and in hand	65.4	65.4					288.7	93.3
Total cash and cash equivalents	**524.2**	**524.2**					**421.8**	**176.5**
Net debt	**(266.0)**	**(239.3)**	**(8.4)**	**(4.8)**	**(5.6)**	**(7.9)**	**(440.3)**	**(235.2)**

(*) Following the acquisition of the Sema Group in January 2004, Atos Origin arranged a new syndicated loan to refund existing debt and pay the cash element of the acquisition purchase consideration. As a consequence, the unused part of the 2002 syndicated loan in an amount of EUR 550 million at December 31st, 2003 was recognised with a maturity of less than one year, out of which EUR 250 million will be rescheduled to 2008 based on the new syndicated loan (tranche A). The remaining EUR 300 million will be repaid in 2004.

Fixed and floating-rate borrowings were as follows:

(In EUR millions)	2003	2002	2001
Fixed-rate borrowings	(188.1)	(183.0)	(178.8)
Floating-rate borrowings	(602.1)	(679.1)	(232.9)
Total borrowings	**(790.2)**	**(862.1)**	**(411.7)**

Fixed-rate financial debt primarily relates to the convertible bond issue and to the French mandatory employee profit-sharing scheme. Floating-rate borrowings primarily consist of the syndicated loan and credit facilities, and overdrafts used occasionally by Group companies.

At December 31st, 2003, EUR 451 million of net debt (57% of the Group's gross debt) was fixed or hedged rate. The Group's policy is to hedge 50% of the floating-rate debt, primarily through fixed-rate swap agreements. All borrowings are denominated in Euros.

Convertible bonds (1999-2004)

In June 1999 Atos issued a EUR 172.5 million convertible bond, represented by 1,440,501 bonds with a nominal value of EUR 119.8. The bonds pay interest at 1% per year. They are redeemable at any time after October 1st, 2002, at the issuer's initiative, with a redemption premium of EUR 11.60, or on October 1st, 2004 at a price of EUR 131.4, representing a yield to maturity of 2.75%. The repayment premium is fully provided for in the balance sheet.

Syndicated loan (2002-2007)

On August 6th, 2002 Atos Origin secured a syndicated loan for an amount of EUR 800 million, in order to finance :
- The acquisition of KPMG Consulting in UK and in the Netherlands,
- The repayment of the syndicated loan, signed in 2001,
- General company purposes.

The principal characteristics of this syndicated loan were :
- Tranche A of EUR 475 million, 5 years amortizing,
- Tranche B of EUR 150 million, 4 years amortizing, with one year repayment holiday,
- Tranche C of EUR 175 million, 3 years revolving credit facility,

At December 31st, 2003 EUR 550 million had been drawn down. Interest rate swaps fixing the rate payable were entered into for an amount of EUR 263 million.

In addition, the Group must comply with two covenants throughout the term of the loan:
- Net indebtedness less than consolidated shareholders' equity, Group share,
- Net indebtedness less than two-times consolidated EBITDA.

The debt-equity ratio at December 31st, 2003 was 50%, while net debt divided by EBITDA was 0.77.

The syndicated loan was repaid as part of the arrangement of a new 2004-2009 syndicated loan used at the same time to acquire the Sema Group (EUR 400 million) and refinance the 2002-2007 syndicated loan in the amount of EUR 250 million and an unused financing capability of EUR 250 million.

Structure of the new syndicated loan (2004-2009)

The new EUR 900 million syndicated loan is structured in three tranches as follows:

(in EUR million)	Amount	Maturity	Repayment
Term loan – Tranche B	400	5 years	Progressive
Term loan – Tranche A	250	5 years	At the end
Revolving loan –Tranche C	250	3 years	Progressive
Total	**900**		

(in EUR million)			Repayment schedule			
	Amount	2004	2005	2006	2007	2008
Term loan – Tranche B	400	-	(100)	(100)	(100)	(100)
Term loan – Tranche A	250	-				(250)
Revolving loan –Tranche C	250	-	(125)	(125)		
Total	**900**	**-**	**(225)**	**(225)**	**(100)**	**(350)**

The new syndicated loan was partly drawn down at the end of January 2004 in order to refinance the existing debt, including existing loan facilities, and to repay the EUR 400 million cash component of the acquisition of the Sema Group, as well as the costs and expenses linked to that acquisition.

Pursuant to the terms of the new syndicated loan, Atos Origin is required to comply with two covenants, which are applied on a semi-annual basis on June 30th, and December 31st, and on a rolling 12-month annualized basis:

- Atos Origin's Consolidated Leverage Ratio (Consolidated Net Debt divided by Consolidated EBITDA) may not be greater than1.75 for test periods up to and including December 31st, 2004, and may not exceed 1.5 thereafter.
- Atos Origin's Consolidated Interest Cover Ratio (Consolidated EBITA divided by Consolidated Net Interest Expense) may not be less than 5.0 throughout the term of the New Facilities.

t) Trade accounts and notes payable

(In EUR millions)	2003	2002	2001
Trade payables	232.6	325.7	403.2
Amounts payable on assets	4.0	17.1	20.0
Total	**236.6**	**342.8**	**423.2**

u) Other liabilities. Accruals and deferred income

(In EUR millions)	2003	2002	2001
Advances and down payments received in connection with client orders	86.8	87.2	87.8
Employee-related liabilities	175.5	176.4	189.8
Social security and other employee welfare liabilities	98.0	106.6	111.5
VAT payable	87.3	102.3	95.3
Corporate income tax payable	52.7	39.0	35.2
Deferred tax liabilities	8.3	9.7	12.3
Liabilities on acquisitions of participating interests	-	4.6	5.0
Miscellaneous creditors and other operating liabilities	57.3	29.3	32.0
Deferred income	56.1	47.1	45.6
Total	**622.1**	**602.2**	**614.5**

Payments on account received on orders and deferred income are included in the accounts receivable calculation.

v) Off-Balance sheet commitments

Financial commitments

(In EUR millions)		Instalments by period		
Contractual obligations	**Total**	**- 1 year**	**1 to 5 years**	**More than 5 years**
Long term liabilities (> 5 years)	0.0	0.0	0.0	0.0
Financial leases	6.8	5.4	1.4	0.0
Operating leases: land, building, fittings	484.3	90.0	265.4	128.9
Operating leases: IT equipment	69.6	36.9	32.7	0.0
Operating leases: other fixed assets	76.9	40.3	36.6	0.0
Non-cancellable purchase obligations (>5 years)	36.6	16.4	20.2	0.0
Other long term obligations	0.0	0.0	0.0	0.0
Total	**674.2**	**189.0**	**356.3**	**128.9**

As a matter of general policy, Atos Origin does not own office space or processing centres. Lease agreements having a standard term provide for the necessary flexibility in the Group's organisation. As regards IT equipment, Atos Origin focuses on the rental of desktop computers taking into account (i) the need to constantly renew such equipment in response to changes in technology and software; and (ii) the financial effectiveness of rental agreements having a term of less than 48 months. Other fixed assets primarily correspond to the value of vehicles made available to employees in accordance with individual or collective contractual terms.

Other external commitments (*)

(In EUR millions)		Amount of commitments by period		
	Total	**- 1 year**	**1 to 5 years**	**More than 5 years**
Performance guarantees	115.4	35.2	77.7	2.5
Other guarantees	6.0	2.0	2.7	1.3
Bank guarantees	2 .0	0	0	2.0
Penalties and other commercial commitments	6.8	3.3	0.3	3.2
Total	**130.2**	**40.5**	**80.7**	**9.0**

(*) In 2003, the Group started listing its commercial commitments. This process must still be completed during the course of 2004, the commitments having the highest value being posted in the above table. The Group endeavours to control the amount of performance guarantees and banking guarantees given to clients. The issuance of such guarantees is subject to exclusive control by the Group's legal units and is submitted to the Group's Supervisory Board. Unused non-banking credit lines cover countries where the Group's typical financing tools (cash-pooling) are difficult to use.

EVENTS OCCURRING AFTER THE YEAR END

On January 22nd, 2004 the Atos Origin Group received the approval of the extraordinary general meeting of its shareholders concerning the acquisition of Sema Group. The acquisition was completed on January 29th, 2004.

The benefits of this acquisition for the Group and its financial consequences have been detailed in the schedule to the Management Board's report submitted to the extraordinary shareholders' meeting of January 22nd, 2004. Under COB Regulation No. 98-021, the Autorité des Marchés Financiers (AMF – French Financial Markets Authority) registered this transaction under the number E04-004 on January 16th, 2004. Such document was made available to the public.

This transaction will enable Atos Origin to become one of the international leaders on the IT services market with annual revenues in excess of EUR 5 billion and a workforce of approximately 47,000 individuals operating in 50 countries.

Atos Origin's strategy consists of building a strong presence in its main European markets in order to provide a broad range of IT services to its international clients. With the acquisition of the Sema Group, Atos Origin will have a major presence in the IT services markets of France, Benelux, United Kingdom, Spain and Italy. Atos Origin wants to reach critical mass in central Europe. This transaction will also strengthen Atos Origin's ability to serve its international clients in North and South America and in the Asia Pacific region.

In consideration for the acquisition of Sema Group, Atos Origin delivered 19.3 million shares to Schlumberger representing 28.9% of the capital of Atos Origin, including 0.3 million treasury shares, as well as EUR 400 million in cash. This transaction, based on the average closing price weighted by the volumes of Atos Origin shares traded during the 20 days preceding the date of announcement on September 19th, 2003 corresponds to a valuation of the Sema Group at EUR 1,287 million. The acquisition price may be adjusted after completion of the acquisition, upwards or downwards, in accordance with the terms set forth under Chapter A.2.1.1. of document E04-004. In connection with this acquisition, a new syndicated loan has been signed as explained within this document.

Upon completion of the transaction, the percentage of the capital held by the main shareholder of Atos Origin – Philips Belgium SA, a wholly-owned subsidiary of Koninklijke Philips Electronics N.V ('Philips') – has been diluted from 44.7% to 31.9%. After the closing of the transaction, Schlumberger reduced its interest in Atos Origin from 28.9% to 14.5%. This increases the liquidity of Atos Origin shares in the market (please refer to section 'Investor Information').

COMBINED PRO FORMA FINANCIAL STATEMENTS AS OF DECEMBER 31ST, 2003

To be completed after full audit review.

Scope of consolidation as of December 31st ,2003

	Percentage interest	Consolidation method	Percentage control	Address
HOLDING COMPANY				
Atos Origin SA		Consolidating parent company		18. avenue dAlsace – 92400 COURBEVOIE
Atos Origin International SAS	100	FC	100	18. avenue dAlsace – 92400 COURBEVOIE
Atos Origin BV	100	FC	100	Polarisaveneue 97. 2132 JH HOOFDDORP
Atos Origin International BV	100	FC	100	Polarisaveneue 97. 2132 JH HOOFDDORP
Atos Investissement 5	100	FC	100	18. avenue dAlsace – 92400 COURBEVOIE
St Louis Ré	100	FC	100	65, avenue de la gare – L16111 LUXEMBOURG
FRANCE				
A2B	66	FC	66	18. avenue dAlsace – 92400 COURBEVOIE
Idée Industrie Services (2IS)	100	FC	100	18. avenue dAlsace – 92400 COURBEVOIE
Arema	95	FC	95	18. avenue dAlsace – 92400 COURBEVOIE
AtosEuronext	50	FC	50	Palais de la Bourse. Place de la Bourse. 75002 PARIS
Atos Odyssée	100	FC	100	6/8, boulevard Haussman - 75009 PARIS
Atos Origin Formation	100	FC	100	7/13. rue de Bucarest – 75008 PARIS
Atos Origin Infogérance	100	FC	100	18. avenue dAlsace – 92400 COURBEVOIE
Atos Origin Intégration	100	FC	100	18. avenue dAlsace – 92400 COURBEVOIE
Atos TPI	51	FC	51	18. avenue dAlsace – 92400 COURBEVOIE
Atos Worldline	100	FC	100	18. avenue dAlsace – 92400 COURBEVOIE
Bourse Connect	59	FC	59	4. rue de la Bourse - 75002 PARIS
Diamis	30	FC	30	18. avenue dAlsace – 92400 COURBEVOIE
Mantis	100	FC	100	24. rue des Jeûneurs – 75002 PARIS
THE NETHERLANDS				
Atos Origin IT Nederland B.V.	100	FC	100	Papendorpseweg 93, 3528 BJ UTRECHT
Atos Origin IT Systems Management Nederland BV	100	FC	100	Groenewoudseweg 1. 5621 BA EINDHOVEN
Atos Origin Telco Services	100	FC	100	Henri Dunantlaan 2. 9728 HD GRONINGEN
Atos Origin End User Services	100	FC	100	Regulusweg 11, 2516 AC S GRAVENHAGE
Atos Origin Telecom Software Solutions	100	FC	100	Regulusweg 11, 2516 AC S GRAVENHAGE
Atos Origin KPMG Consulting NV	100	FC	100	Rijnzathe 10, 3454 PV DE MEERN
Atos NLC Holding BV	100	FC	100	Rijnzathe 10, 34545 PV DE MEERN
E.M.E.A. (Europe – Middle East – Africa)				
Germany				
Atos Origin Gmbh	100	FC	100	Curiestraße 5 - D70563 STUTTGART
Atos Origin Processing Services Gmbh	58	FC	58	Hahnstraße 25. 60528 FRANKFURT
Saudi Arabia				
Atos Origin Middle East	75	FC	75	Po Box 30862 – Al Khobar 31952 – Saudi Arabia
Austria				
Atos Origin Information Technology GmbH	100	FC	100	Triester Strasse 66. Postfach 289. A-1101 VIENNA
Belgium				
AtosEuronext (Belgium)	50	FC	50	Place de la Bourse. Palais de la Bourse. 1000 BRUXELLES
Atos Origin Belgium N.V.	100	FC	100	Minervastraat 7. B 1930 ZAVENTEM
Atos Origin International Competencies and Alliances (ICA)	100	FC	100	Imperiastraat 12. B 1930 ZAVENTEM
Spain				
Atos ODS Origin	98	FC	98	Calle Sardenya 521/523 - 08024 BARCELONA
Twinsoft (Espagne)	50	FC	50	C/cerro del castena 72. 28034 MADRID
Italy				
Atos Origin SPA	100	FC	100	Piazza IV Novembre 3 – 20124 MILANO
Luxembourg				
Atos Origin Luxembourg S.A.	100	FC	100	ZA Bourmicht – L 8070 BERTRANGE
Poland				
Atos Origin Sp.z.o.o.	100	FC	100	Al. Jerozolimskie 195 b 02-222 Warszawa
Portugal				
Atos Origin Portuguesa (Tecnologias de Informaçao). LDA	98	FC	98	Taguspark. Ed. Inovaçao III. no. 512. 2780-920 Porto Salvo

United Kingdom				
Atos Origin UK Limited	100	FC	100	1-2 Dorset Rise – London EC4Y 8EN
Atso Origin UK Holding	100	FC	100	1-2 Dorset Rise – London EC4Y 8EN
Atos KPMG Consulting	100	FC	100	1-2 Dorset Rise – London EC4Y 8EN
Suède				
Atos Consulting AB	55	FC	55	Walligatan 11 – 11160 STOCKHOLM
Switzerland				
Atos Origin (Schweiz) AG	100	FC	100	Industriestrasse 19 – 8304 Wallisellen
ASIA PACIFIC				
Australia				
Atos Origin Australia Pty Limited	100	FC	100	Philips House Level 16 - 15 Blue Street - NORTH SYDNEY NSW 2060
China				
Atos Origin Information Technology (Shangai) Co. Ltd.	100	FC	100	Room 1103-B4 -Pu Dong Software Park-498 Guo Shou Jing Road - Zhang Jiang Hi-Tech. Zone - SHANGAI 201203. P.R.
Atos Origin Hong Kong Ltd.	100	FC	100	43/F Hopewell Centre. 17 Kennedy Road. 17 Kennedy Road. WANCHAI
India				
Atos Origin India Private Limited	100	FC	100	Unit No. 126/127. SDF IV. SEEPZ. Andheri (East). MUMBAI - 400 096
Malaysia				
Atos Origin (Malaysia) Sdn. Bhd.	100	FC	100	5th Floor. Menara Merais. No.1. Jalan 19/3. 46300 Petaling Jaya. Selangor Darul Ehsan. West Malaysia
Singapore				
Atos Origin (Singapore) Pte	100	FC	100	8 Temasek Boulevard. # 07-01 Suntec Tower Three. Singapore 038988
Taiwan				
Atos Origin Taiwan Ltd.	100	FC	100	9F.. No.117. Sec 3. Ming Sheng E. Rd.. Taipei 105. TAIWAN
Thailand				
Atos Origin IT (Thailand) Limited	100	FC	100	200 Moo 4. 25th Floor. Jasmine international Tower. Room No. 2502. Chaengwattana Road. Pakkret. Nonthaburi 11120. Thailand
AMERICAS				
Argentina				
Atos Origin Argentina S.A.	100	FC	100	Vedia 3892 P.B.. capital federal. C1430 DAL - BUENOS AIRES. Argentina
Brazil				
Atos Origin Brasil Ltda.	100	FC	100	Rua Itapaiuna. 2434 - 2° andar- Parte. Santo Amaro. SAO PAULO
Peru				
Atos ODS	98	FC	98	Avenue Ricardo Rivira – Navarrete 765 – LIMA 27
United States of America				
Atos Origin Inc.	100	FC	100	430. Mountain Avenue – MURRAY HILL NJ 0797

FC: full consolidation
EA: equity affiliate

PARENT COMPANY SUMMARY FINANCIAL STATEMENTS

Nota Bene

The Atos Origin financial statements present only a partial picture of the financial position of the Atos Origin Group as a whole. This overall picture is presented in the Consolidated Financial Statements section of the Annual Report. The following Atos Origin parent company financial statements provide a summary of the material figures and information of greatest interest to readers.

Comparability

The following parent company financial statements have been audited by the statutory auditors and a clean audit report has been issued. The Auditors report is available on request at the Companys registered office.

Atos Origin SA activity in 2004

The main activities of Atos Origin SA are:

- Management of the Atos Origin brand,
- Management of Holding Group investments,
- Management of Group financing activities.

The financial statements of the Company reflect its activities. Revenue consists of brand royalties received from Group subsidiaries. In 2003 and 2002, other expenses of EUR 7.5 million were exceptionally high and comprise Group management costs and Origin brand royalties paid to Atos Origin BV. Atos Origin BV is a subsidiary of Atos Origin SA and owns the Origin brand.

The net financial income of the holding company comprises dividends received from subsidiaries and loan interest.

The Balance Sheet shows participating interests of EUR 1,157.8 million at December 31st, 2003 and borrowings of EUR 801.2 million.

Income statement

(In EUR millions)	Period ended Dec 31st 2003	Period ended Dec 31st 2002	Period ended Dec 31st 2001
Revenue	**27.5**	**32.5**	**23.8**
Other income	4.0	0.0	0.0
Total operating income	**31.5**	**32.5**	**23.8**
Cost of sales	(4.1)	(2.1)	(2.8)
Taxes and duties other than CIT	(1.2)	(0.1)	(0.1)
Personnel expenses	(0.1)	(0.1)	(0.2)
Other expenses	(7.5)	(10.4)	(3.2)
Depreciation. amortization and provisions	(0.7)	(3.2)	(2.6)
Total operating expenses	**(13.6)**	**(15.9)**	**(8.9)**
Income from operations	**17.9**	**16.6**	**14.9**
Net financial income	13.6	(1.0)	4.3
Net income on ordinary activities	**31.5**	**15.6**	**19.2**
Non-recurring items	-11.9	(0.8)	(0.7)
Corporate income tax	2.9	3.8	1.9
Net income for the period	**22.5**	**18.6**	**20.4**

Balance sheet

(In EUR millions) **ASSETS**	Dec 31st 2003	Dec 31st 2002	Dec 31st 2001
Intangible fixed assets	5.2	5.7	6.1
Tangible fixed assets	1.1	1.3	1.2
Participating interests	1,157.8	1,155.7	515.2
Other investments	16.6	12.3	181.7
Total fixed assets	**1,180.7**	**1,175.0**	**704.3**
Trade accounts and notes receivable	0.8	3.5	3.0
Other receivables*	10.9	37.7	153.1
Transferable securities	434.2	30.0	0.0
Cash at bank and in hand	0.0	244.1	39.6
Total current assets	**445.9**	**315.3**	**195.7**
Prepayments and accrued income	**7.0**	**6.6**	**1.4**
TOTAL ASSETS	**1,633.6**	**1,496.9**	**901.4**
* of which inter-company accounts	**4.1**	**28.5**	**130.2**

(In EUR millions) **LIABILITIES AND SHAREHOLDERS EQUITY**	Dec 31st 2003	Dec 31st 2002	Dec 31st 2001
Common stock	47.9	44.0	43.9
Additional paid-in capital	463.8	228.5	219.6
Legal reserves	4.4	4.4	4.4
Other reserves and Retained earnings	130.6	112.0	91.6
Net income for the period	22.5	18.6	20.4
Shareholders equity	**669.2**	**407.5**	**379.9**
Other Shareholders equity (a)	**-**	**234.8**	**-**
Provisions for contingencies and losses	**17.4**	**21.1**	**14.0**
Borrowings	801.3	714.8	382.0
Trade accounts payable	13.9	23.3	12.1
Other liabilities *	131.8	95.4	113.4
Total liabilities	**947.0**	**833.5**	**507.5**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**1,633.6**	**1,496.9**	**901.4**
* of which inter-company accounts	126.6	92.9	96.8

(a) On August 16th, 2002, the Company issued 3,657,000 bonds redeemable in shares (ORA) to finance the acquisition of KPMG Consulting in the UK. ORA bonds were issued at the price of EUR 64.20 each, in an amount of EUR 234.8 millions, and were converted to ordinary Atos Origin shares on August 16th, 2003.

Subsidiaries and investments

(in EUR millions)	Gross value at Dec 31st 2003	Net value at Dec 31st 2003	% interest	Common stock/ Additional paid-in capital	Reserves and retained earnings	Outstanding loans and advances granted by Atos Origin	Guarantees given by the Company	Dec 31st 2003 Revenues	Dec 31st 2003 Net income	Dividends received during the period
I - Detailed information										
A – Subsidiaries										
(50% or more of common stock)										
France										
Atos Worldline	40,014.9	40,014.9	100	28,974	3,618			271,700	22,611	18,420.1
Atos Investissement 5	476,300.7	472,685.1	100	476,301	2,327			0	0	
Immobilière Industrielle Faidherbe	15.2	0	100	15	0			0	2	
Atos Origin Infogérance	64,776.2	64,776.2	100	23,348	168			277,563	15,638	14,167.8
Atos TPI	316.3	316.3	51	150	19			35,162	382	856.8
Atos Origin Formation	1.8	1.8	100	436	(427)			8,174	529	
Atos Origin Intégration	40,376.5	40,376.5	100	13,941	8,501			198,174	3,993	6,216.5
Atos Odyssée	14,049.8	14,049.8	100	42	960			24,100	2,121	3,342.7
AtosEuronext	33,853.9	32,243.7	15	57,170	(1,877)			225,714	(11,185)	
Origin France	30,300.0	28,270.0	100	15,235	(15,937)			0	20,158	
Atos Origin International	2,378.2	2,378.2	100	1,003	760			29,421	1,024	
Italy										
Atos Multimédia	67.5	52.0	100	52	(48)			49	299	
Atos SPA	54,218.6	36,901.0	100	47,000	(13,287)			130,253	(12,045)	
Benelux										
Atos Service NV	0.0	0.0	100	334	(536)			0	(4)	
St Louis RE	1,224.0	1,224.0	100	1,225	0			0	0	
Spain - Portugal										
Atos-ODS Origin	18,798.6	18,798.6	98.2	639	18,509			59,174	749	
GTI	721.6	493.0	100.0	31	476			922	(89)	
Germany										
Atos Origin GMBH	40,750.2	32,205.0	100	41,926	(18,360)			135,220	25,130	
The Netherlands										
Atos Origin BV	372,736.4	372,736.4	100	229,034	337,800			0	(8,754)	
B – Investments										
(less than 50% of common stock)										
Twinsoft	190.5	146.0	50	381	80			846	(169)	
II - Summary informations										
Other investments	594.4	135.4								
TOTAL	**1,191,685.3**	**1,158,127.5**								

Company five-year financial summary

(In EUR millions)	2003	2002	2001	2000	1999
I - COMMON STOCK AT PERIOD END					
Common stock	47.9	44.0	43.9	43.8	21.4
Number of shares outstanding	47,869,633	44,055,676	43,853,704	43,764,396	21,366,235
Maximum number of shares that may be created by:					
* conversion of convertible bonds	1,440,501	1,440,501	1,440,501	1,440,501	1,440,501
* exercise of stock subscription options	5,356,430	10,782,146	8,553,998	7,057,716	1,377,420
II - INCOME FOR THE PERIOD					
Revenue. Net	27.5	32.5	23.8	16.4	13.0
Net income before tax. employee profit-sharing and incentive schemes Depreciation, amortization and provisions	31.0	46.6	23.4	27.7	14.6
Corporate income tax	2.9	3.8	1.9	0.0	(1.5)
Net income after tax, employee profit-sharing, depreciation, amortization and provisions	22.5	18.6	20.4	29.9	23.1
III - PER SHARE DATA (in EUR)					
Net income after tax and employee profit-sharing but before depreciation	0.71	1.14	0.58	0.63	N.A.
Amortization and provisions.					
Net income after tax, employee profit-sharing, depreciation, amortization and provisions	0.47	0.42	0.47	0.68	1.08
IV – EMPLOYEES					
Average number of employees during the period	0	0	0	0	0
Total payroll for the period	0.1	0.1	0.2	0.3	0.1
Employee social security and welfare payments	0	0	0	0	0

Auditors special report on agreements involving Directors

(should be fulfilled later)

INVESTOR INFORMATION

COMMON STOCK

Atos Origin shares are traded on the Paris Euronext *Premier Marché*, under Euroclear code 5173, where they are part of the SBF 120 and Euronext 100 indices. They were first listed in Paris in 1995. The shares are not listed on any other stock exchange and Atos Origin SA is the only listed company in the Group.

Change in common stock

At December 31st, 2003, the Company's issued common stock amounted to EUR 47.9 million, comprising 47,869,633 fully paid-up shares of EUR 1 par value each. The major changes in the structure of the stock during the year were as follows:

- On August 16th, 2003, the Company issued 3,657,000 new ordinary shares following the conversion on a one-for-one basis of the ORA bonds as part consideration for the acquisition of KPMG Consulting in the United Kingdom and The Netherlands in 2002.
- A total of 156,957 stock subscription options and warrants were exercised and taken up during the year.

Transactions	Number of shares issued	Common stock (In EUR millions)	Additional paid-in capital (In EUR millions)	Total (In EUR millions)
At December 31st, 2002	44,055,676	44.1	44.0	88.1
Exercise of stock options	156,957	0.1	4.3	4.4
Exercise of ORA bonds	3,657,000	3.7	231.1	234.8
At December 31st, 2003	**47,869,633**	**47.9**	**279.4**	**327.3**
New shares	19,000,000	19.0	854.1	873.1
At January 29th, 2004	**66,869,633**	**66.9**	**1,133.5**	**1,200.4**

In consideration for the acquisition of Sema Group on January 29th, 2004, Atos Origin issued 19.3 million shares to Schlumberger, including 0.3 million existing treasury stock, and paid EUR 400 million in cash. Based on the average volume-weighted closing price of Atos Origin shares for the 20 days preceding September 19th, 2003, which was EUR 45.95, the total consideration for the acquisition of Sema Group was valued at EUR 1,287 million at the date of the announcement. The terms of the acquisition were approved at a Special Meeting of the shareholders of Atos Origin on January 22nd, 2004.

Changes in common stock over the last five years

Year	Changes in Common stock	New shares	Total number of shares	Common stock (In EUR millions)	Additional paid-in capital (In EUR millions)	New Common stock (In EUR millions)
1999	Stock split		21,207,314	-	-	
	Shares issued to Employees Savings plan and exercise of stock options	158,921	21,366,235	0.1	8.6	16.3
	Conversion into euros		21,366,235	5.1	(5.1)	21.4
2000	Shares issued to Employees Savings plan and exercise of stock options	156,513	21,522,748	0.2	8.9	21.5
	Shares issued in consideration for Euronext	324,955	21,847,703	0.3	-	21.8
	Atos Origin merger	21,916,693	43,764,396	21.9	-	43.8
2001	Exercise of stock options	89,308	43,853,704	0.1	2.3	43.9
2002	Shares issued through AOwner plan and exercise of stock options	201,972	44,055,676	0.2	8.8	44.1
2003	**Shares issued through exercise of stock options**	**156,957**	**44,212,633**	**0.1**	**4.3**	**44.2**
	and ORA bonds	**3,657,000**	**47,869,633**	**3.7**	**231.1**	**47.9**
2004	**Shares issued in consideration for Sema Group**	**19,000,000**	**66,869,633**	**19.0**	**854.1**	**66.9**

Share ownership structure

Main shareholders

Principal changes in the ownership of the Group's shares in the past three years have been as follows:

	December 31st, 2003		December 31st, 2002		December 31st, 2001	
	Shares	%	Shares	%	Shares	%
Philips (a)	21,321,043	44.6%	21,321,043	44.7%	21,321,585	48.6%
Management Board	86,243	0.2%	52,764	0.1%	43,414	0.1%
Supervisory Board	5,474	0.0%	5,444	0.0%	5,444	0.0%
Total Directors	91,717	0.2%	58,208	0.1%	48,858	0.1%
Employees (b)	1,507,408	3.1%	2,316,158	4.9%	311,161	0.7%
Treasury stock	301,293	0.6%	301,293	0.6%	199,300	0.5%
Audit partners of KPMG	-	-	1,753,184	3.7%		
Threadneedle (c)	2,398,047	5.0%				
Bearer shares	20,433,287	42.7%	19,123,866	40.0%	18,504,914	42.2%
Registered shares	1,816,838	3.8%	2,838,924	6.0%	3,467,886	7.9%
Public	22,250,125	46.5%	21,962,790	46.0%	21,972,800	50.1%
Total	**47,869,633**	**100%**	**47,712,676**	**100%**	**43,853,704**	**100%**

(a) Philips Belgium SA, 100% owned subsidiary of Koninklijke Philips N.V.
(b) Including KPMG Consulting partners
(c) Based on the latest disclosure of interests

Only those shareholders holding more than 5% of the share capital of Atos Origin SA are shown.

Audit partners of KPMG held 1,753,184 ORA bonds and were obliged to hold their securities for a minimum of one year from August 16th, 2002. After the conversion of ORA bonds into new ordinary shares on August 16th, 2003, the Audit partners of KPMG sold their shares in full through an accelerated book building placement in September, 2003.

Former Consulting partners of KPMG Consulting received 1,903,816 new ordinary shares August 16th, 2003 and must retain their securities for up to four years, with one-quarter of their shares being realizable each year, from August 16th, 2002. At the end of December, 2003 they held 1,170,053 shares (included in 'employees' above, except for the part hold by a member of the Management Board).

Distribution of capital before and after the acquisition of Sema Group

Schlumberger received 19.3 million Shares, or 28.9% of the share capital of Atos Origin, as part consideration for the sale of Sema Group to Atos Origin. The transaction completed on January 29th, 2004. On September 22nd 2003, the date on which the transaction was announced, Schlumberger stated its intention at, or shortly after closing, depending on market conditions, to reduce its ownership in Atos Origin to 19% or less. On February 2nd 2004, Schlumberger announced the placement of 9.6 million ordinary shares, or 14.4 per cent of Atos Origin, assuming exercise of the over-allotment option in full.

Ownership of the capital and voting rights of Atos Origin before and after the share contribution, and before and after the placement by Schlumberger, is shown below:

	Before contribution		After January 29th, 2004		After February 2nd, 2004		
	Shares	% of capital	Shares	% of capital	Shares	% of capital	% of voting rights
Philips	21,321,043	44.6%	21,321,043	31.9%	21,321,043	31.9%	31.9%
Schlumberger			19,300,000	28.9%	9,700,000	14.5%	14.5%
Treasury	301,293	0.6%	1,293	0.0%	1,293	0.0%	
Public	22,247,297	53.8%	22,247,297	39.2%	35,847,297	53.6%	53.6%
Total	**47,869,633**	**100%**	**66,869,633**	**100%**	**66,869,633**	**100%**	**100%**

Only those shareholders holding more than 5% of the share capital of Atos Origin SA are shown.

Disclosure of interests

Since the beginning of 2003 the Company has been given notice of eleven instances of the reporting thresholds being crossed (eight from BNP Paribas, one from Morgan Stanley, one from Threadneedle and one from Philips), pursuant to Section L233-13 of the Commercial Code. The latest statements in relation to these four shareholders were as follows:

	Date of statement	Shares	% interest (a)	% voting rights (b)
Threadneedle (upwards)	03/11/03	2,398,047	5.02%	5.05%
Philips (c)	08/10/03	21,321,043	44.61%	44.90%
BNP Paribas (d) (downwards)	07/08/03	2,176,234	4.55%	4.58%
Morgan Stanley (downwards)	04/08/03	1,744,530	3.65%	3.67%

(a) Based on the issued capital as at the end of December 2003

(b) Based on the issued capital at the end of December 2003, excluding treasury stock

(c) Transfer of shares between Royal Philips Electronics NV and Philips Belgium SA

(d) Groupe BNP Paribas, excluding BNP Paribas Asset Management

The Company has not been informed of any change in percentage interest since these notifications.

Since the beginning of 2004 the Company has been given notice of two instances of thresholds in relation to the Sema Group acquisition:

	Date of statement	Shares	% interest (a)	% voting rights (b)
Schlumberger (Upwards))	29/1/04	19,300,000	28.86%	28.86%
Schlumberger (downwards))	06/02/04	9,700,000	14.51%	14.51%

(a) On the basis of the capital as of January 29th , 2004

(b) On the basis of the capital as of January 29th , 2004, excluding treasury stock

Voting rights

Voting rights are in the same proportion as shares held. No shares carry double voting rights.

Shareholders agreement (Philips, KPMG and Schlumberger)

The Company has not received copies of any shareholder agreements for filing with the stock exchange authorities and to the best of the Management Board's knowledge, no 'Actions de Concert' or similar agreements exist.

As part of the framework agreements signed on August 27th, 2000 between the Atos and Philips groups, the parties entered into an agreement relating to the management of Philips's shareholding in the common stock of Atos Origin. The terms and conditions of this agreement were set forth in section 1.2.1.3 of the document registered with the *Commission des Opérations de Bourse*, *now the AMF*, on October 16th, 2000 under the number E00-519.

In particular, Royal Philips Electronics agreed, except under certain circumstances, to limit its voting rights to 35% of shares present or represented at Atos Origin Shareholder Meetings. The Schlumberger group owns more than 10% of the share capital of Atos Origin since January 29th, 2004, which is one of the exceptions defined in the agreement of August 27th, 2000 between the Atos Origin and Philips groups. Since that date, Philips has recovered the unlimited exercise of its voting rights as long as another shareholder will be holding more than 10% of the share capital of Atos Origin. The other terms and conditions of the agreement remain in force.

As part of agreement signed on June 4th, 2002 between Atos Origin and KPMG audit and consulting partners, the parties entered into an agreement providing for restrictions on the free trading of the shares issued as a result of the conversion of the convertible bonds and the exercise of warrants under the 'Lock-Up Agreement', as well as an agreement relating to the orderly marketing of the shares (the 'Orderly Marketing Agreement'). The terms and conditions of these agreements were set forth in sections 2.2.16.2 and 2.5.2.1 of the document registered with the *Commission des Opérations de Bourse* on July 1st, 2002 under the number 02-812.

As part of the agreements signed on September 21st, 2003 between Atos Origin and the Schlumberger group, a Liquidity Agreement was signed between Atos Origin, Royal Philips Electronics and Schlumberger, in order to determine the conditions under which the Schlumberger and Philips shareholders may dispose of their respective participations in the capital of Atos Origin. The terms and conditions of this agreement were set forth in section A.2.1.3 of the document registered with the Autorité des Marchés Financiers under number E 04-004 on January 16th, 2004.

Immediately after closing, Schlumberger SA and Schlumberger Investments Ltd held approximately 28.9% of Atos Origin, in the form of shares of common stock traded on the Premier Marché of Euronext Paris. Schlumberger indicated at the time of announcement its intention to reduce its holding in Atos Origin from 28.9% to 19%, or less, depending on market conditions. On February 2nd 2004, Schlumberger Investments Limited, a subsidiary of Schlumberger Limited, announced the sale of 9.6 million ordinary shares.

Following completion of that sale, the Schlumberger Group now holds 14.5 percent of the share capital of Atos Origin, assuming exercise of the over-allotment option in full. The Schlumberger Group, Koninklijke Philips Electronics N.V. and Atos Origin have agreed, subject to customary exceptions, to a 3-month lock up in respect of Atos Origin shares.

To the knowledge of the company, there is no other clause capable of having a material effect on the financial situation, results, activity or capital of the company.

Employee share ownership

At December 31, 2003, the common stock held by employees through employee shareholder ownership plans, such as mutual funds and Corporate Savings Plans, amounted to 366,215 shares, representing 0.8% of the total common stock. Atos KPMG Consulting partners held 1,170,053 ordinary shares following the conversion of the ORA bonds.

Treasury stock

On January 29th, 2004 300,000 treasury stock were used as part of the consideration for the acquisition of Sema Group. After the operation, the common treasury stock held by the Company amounted to 1,293 shares.

The 4th resolution to the Annual General Meeting of May 27th, 2003 renewed the authorisation to trade in the Company's shares. The number of shares purchased may not exceed 10% of the Company's common stock as of the date of this Annual General Meeting (i.e. 4,405,568 shares). A new resolution will be proposed at the next Annual General Meeting on June 4th, 2004, which will supersede the earlier authorisation and increase the number of shares that may be purchased to. 6,686,963 shares, equivalent to 10% of the Company's common stock as of the date of the 2004 Annual General Meeting.

The purpose of this authorisation is to allow the Company to:

- Stabilize the market price of its shares,
- Sell shares to employees of the Company and the Group as provided for by law,
- Remit shares in connection with financial or external growth transactions
- Optimise cash flow and equity management.

Shareholders also authorize the Management Board, subject to prior approval by shareholders in Extraordinary General Meeting, to cancel all or part of the shares acquired by the Company. Shares may be purchased, sold or transferred by any means, including derivative instruments. The maximum aggregate amount of shares purchased, expressed in EUR, represents a maximum price multiplied by the number of shares. The maximum purchase price per share will be determined at an early date before the next Annual General Meeting. Where all or part of the shares acquired under the aforementioned conditions are used to exercise stock purchase options pursuant to Article L 225-179 of the Commercial Code, the selling price shall be set in accordance with the legal provisions applicable to stock purchase options.

Shareholders grant full powers to the Management Board to adjust the aforementioned unit prices in proportion to any changes in the number or value of shares resulting from financial transactions performed by the Company. This authorisation is granted for a maximum period of 18 months as of the shareholders' meeting. The Management Board will report to shareholders at the next Annual General Meeting on any transactions performed pursuant to this authorisation.

Legal documents relating to the trading in the Company's shares may be viewed at the Company's registered office (Legal Department) by prior appointment and are available through the AMF database.

Potential common stock

The exercise of all the options and warrants would have the effect of increasing total shareholders' equity by EUR 280.4 million and common stock by EUR 4.5 million. Nonetheless, over two thirds of stock subscription options and stock subscription warrants granted to employees have exercise terms and conditions higher than the stock market price at December 31st, 2003 (EUR 50.70).

Dilutive influence of the issue of share equivalent (evolution)

	December 31st, 2003	December 31st, 2002	Change /Dec. 31st, 2002
Number of shares outstanding	**47,869,633**	**44,055,676**	**3,813,957**
Stock subscription options	3,800,930	3,042,705	758,225
Stock subscription warrants: classes C, D and E	708,000	847,528	-139,528
Total Employees	4,508,530	3,890,233	-618,697
2004 convertible bonds	1,440,501	1,440,501	
Philips stock subscription warrants – Class B		2,387,413	-2,387,413
KPMG Audit partner ORA bonds		1,753,184	-1,753,184
KPMG Consultant partner ORA bonds	-	1,903,816	-1,903,816
KPMG Consultants' incentive consideration	847,500	847,500	-
Total potential dilution	**6,796,931**	**12,222,647**	**-5,425,716**
Total potential common stock	**54,666,564**	**56,278,323**	**-1,611,759**

Convertible bonds

In June 1999, Atos issued a convertible bond in the amount of EUR 172.5 million (traded under Euroclear code 18081), represented by 1,440,501 bonds with a face value of EUR 119.8. The bonds pay interest at 1% per annum. They are redeemable on October 1st, 2004 at a price of EUR 131.4 each - representing a yield to maturity of 2.75% - or at any time from October 1st, 2002 at the issuer's initiative, with a redemption premium of EUR 11.6. The bonds may be converted at any time from July 6th, 1999 onwards, on the basis of one share per bond.

The main features of this bond issue are as follows:

- Face value EUR 119.75
- Coupon date October 1st, 2001
- Redemption date October 1st, 2004
- Parity (bond/share) 1/1
- Coupon EUR 1.20
- Redemption price EUR 131.40
- Amortization bullet

Given current share price trends, the likelihood of conversion of the 2004 bond issue remains low. Consequently, the convertible bond redemption premium has been fully charged to maturity in October, 2004, at the end of December 2002.

Philips warrants

As consideration for its shares in Origin transferred to Atos in October 2000, Royal Philips Electronics received approximately 21.3 million new Atos Origin shares, representing 48.7% of the Group's common stock. Philips also received Class A and Class B stock subscription warrants, each entitling it to subscribe to around 2.4 million Atos Origin shares under specific terms and conditions. Class A and Class B stock subscription warrants were granted to Philips in October 2000 and available for exercise if the Atos Origin share price reached respectively EUR 156 by June 30th, 2002 and EUR 208 by June 30th, 2003, which it did not. Those warrants have therefore been cancelled.

Atos KPMG Consulting ORA bonds

On August 16th, 2003, the Company issued 3,657,000 new ordinary shares as a result of the conversion of 3,657,000 ORA bonds, which were issued as part consideration for the acquisition of KPMG Consulting in the United Kingdom and The Netherlands in August 2002. A total of 1,753,184 shares were issued to Audit partners of KPMG and 1,903,816 to Consulting partners of KPMG Consulting.

Atos KPMG Consulting Earn-out

KPMG Consulting partners may potentially receive an earn-out in the form of stock subscription warrants, linked to the financial performance of Atos KPMG Consulting in 2003. The exercise of these warrants could result in the issue of a maximum of 847,500 new Atos Origin shares in 2004 if fiscal 2003 profitability and revenue objectives are reached. Based on 2003 results, it is unlikely that these warrants will be issued and they will therefore be formally cancelled during the course of 2004.

Other marketable securities

The Board was authorized to increase the common stock by 5%, by issuing shares to employees in connection with an Employees Savings Plan. This authorization was partially used (29%) for the purposes of the common stock increase reserved for Atos Employee Saving Plan mutual funds, which resulted in the creation of 119,441 shares in 1999, 94,513 shares in 2000, and 98,877 shares in 2002. It is the Group's intention that an opportunity to subscribe to this plan should be offered to Atos Origin employees every year, provided that program does not create share dilution more than 1% of the common stock.

Dilutive influence of the issue of share equivalent (weight)

	Number of shares	EUR millions	% dilution	Weight of dilution
Number of shares at December 31st, 2003	**47,869,633**			
Stock subscription options	3,800,930	234.0	6.9%	
Stock subscription warrants: classes C, D and E	708,000	46.4	1.3%	
Total Employees	4,508,930	280.4	8.2%	67%
2004 convertible bonds	1,440,501	172.5	2.6%	21%
KPMG Consultants additional consideration	847,500	54.4	1.6%	12%
Total potential dilution	**6,796,931**	**507.3**	**12.4%**	**100%**
Total potential common stock	**54,666,564**			

Unused authorizations to issues shares and share equivalents

Authorization	Amount authorize Par value (in EUR)	Amount utilized Par value (in EUR)	Amount not utilized Par value (in EUR)	Authorization expiry date
EGM 25/02/1999 11th /12th resolutions: Common stock increase reserved for employees	1,066,036	119,441(ESP) in 1999 94,513 (ESP) in 2000 98,877 (ESP) in 2002	753,205 not included due to expiry date	25/02/2004
EGM 31/10/2000 5th resolution: Stock subscription options or stock purchase options	3,500,000	723,750 in 2000 669,450 in 2001 295,231 in 2002 970,074 in 2003	842,495	31/10/2005
EGM 31/10/2000 7th /8th resolutions: Common stock increase reserved for employees (in connection with an Employees Savings Plan)	2,188,219		2,188,219	31/10/2005
EGM 27/05/2003 6th resolution: Common stock increase with retention of preferential subscription rights	4,405,567		4,405,567	22/07/2005
EGM 27/05/2003 7th resolution: Common stock increase with waiver of preferential subscription rights	4,405,567		4,405,567	22/07/2005
EGM 22/01/2004 5th resolution: Stock subscription options or stock purchase options	800,000		800,000	22/03/2007
Total			**12,641,848**	

The amount of potential authorization to issue shares of 12,641,848 represents 26% of actual common stock or 19% of future common stock after acquisition of Sema Group.

Stock subscription options outstanding at December 31st, 2003

Date of SHs' meeting	Date of MB meeting	Number of options initially granted	Of which members of MB	Of which ten employees	Number of options exercised	Of which during the period	Of which members of MB	Of which ten employees	Number of options cancelled	Closing 31/12/03	Of which members of MB	Numbers of benef.	Exercise period start date	Exercise period end date	Strike Price (EUR)
16/12/1993	23/02/1996	74,000	24,000	49,000	32,600	5,400		5,400		41,400	24,000	13	23/02/2001	23/02/2004	33.79
28/05/1996	19/09/1996	402,000		91,200	117,371	20,090		19,250	75,420	209,209		127	19/09/2001	19/09/2006	26.11
28/05/1996	11/12/1996	58,800	29,400							58,800	29,400	2	11/12/2001	11/12/2006	40.84
16/12/1993	07/03/1997	121,600	30,000	16,700	9,700				2,700	109,200	30,000	57	07/03/2002	07/03/2005	52.75
30/06/1997	10/12/1997	284,200	37,000	47,400	1,800				35,200	247,200	37,000	156	10/12/2002	10/12/2007	57.29
30/06/1997	01/04/1998	5,100								5,100		1	01/04/2003	01/04/2008	79.04
30/06/1997	19/10/1998	1,400								1,400		1	19/10/2003	19/10/2008	68.45
30/06/1997	02/11/1998	600								600		1	02/11/2003	02/11/2008	68.80
30/06/1997	08/12/1998	236,400	36,000	32,000	500				24,100	211,800	36,000	192	08/12/2003	08/12/2008	94.80
30/06/1997	04/01/1999	9,000								9,000		1	04/01/2004	04/01/2009	95.26
30/06/1997	17/05/1999	3,600								3,600		3	17/05/2004	17/05/2009	79.27
30/06/1997	07/06/1999	400								400		1	07/06/2004	07/06/2009	84.04
30/06/1997	01/10/1999	1,000								1,000		1	01/10/2004	01/10/2009	120.29
30/06/1997	30/11/1999	259,000	37,500	27,000					27,800	231,200	37,500	292	30/11/2004	30/11/2009	134.55
30/06/1997	01/03/2000	1,500								1,500		2	01/03/2005	01/03/2010	159.94
30/06/1997	03/04/2000	300								300		1	03/04/2005	03/04/2010	153.82
30/06/1997	01/06/2000	4,500								4,500		5	01/06/2004	01/06/2010	110.15
30/06/1997	01/07/2000	10,000								10,000		1	03/07/2004	03/07/2010	106.67
30/06/1997	01/09/2000	2,500								2,500		2	01/09/2004	01/09/2010	109.50
30/06/1997	02/10/2000	500								500		1	02/10/2004	02/10/2010	112.97
31/10/2000	18/12/2000	514,100	301,500	12,000					113,125	400,975	211,500	385	18/12/2003	18/12/2010	78.27
31/10/2000	18/12/2000	428,650	140,000	22,800					57,450	371,200	100,000	479	18/12/2004	18/12/2010	78.27
31/10/2000	15/01/2001	5,000								5,000		2	15/01/2004	15/01/2011	76.23
31/10/2000	15/01/2001	500								500		1	15/01/2005	15/01/2011	76.23
31/10/2000	23/04/2001	4,000							1,500	2,500		3	23/04/2004	23/04/2011	84.33
31/10/2000	23/04/2001	3,200							2,200	1,000		3	23/04/2005	23/04/2011	84.33
31/10/2000	31/10/2001	2,200								2,200		1	18/09/2005	18/09/2011	80.71
31/10/2000	08/10/2001	1,800								1,800		3	08/10/2004	08/10/2011	74.06
31/10/2000	11/12/2001	5,000								5,000		1	11/12/2004	11/12/2011	79.36
31/10/2000	12/12/2001	410,350		33,000					20,100	390,250		774	12/12/2004	12/12/2011	79.04
31/10/2000	12/12/2001	236,400		8,500					5,300	231,100		522	12/12/2005	12/12/2011	79.04
31/10/2000	14/01/2002	2,500								2,500		2	14/01/2005	14/01/2012	75.17
31/10/2000	14/01/2002	1,000								1,000		2	14/01/2006	14/01/2012	75.17
31/10/2000	16/04/2002	1,350								1,350		3	16/04/2005	15/04/2012	87.51
31/10/2000	16/04/2002	1,000								1,000		1	16/04/2006	15/04/2012	87.51
31/10/2000	20/06/2002	11,101		6,943					915	10,186		815	20/06/2005	28/06/2012	63.06
31/10/2000	20/06/2002	12,574	5	331					378	12,196	5	1 536	20/06/2006	28/06/2012	63.06
31/10/2000	20/06/2002	6,000							3,000	3,000		4	20/06/2005	20/06/2012	63.06
31/10/2000	01/07/2002	45,000	45,000							45,000	45,000	4	01/07/2005	01/07/2012	62.32
31/10/2000	01/07/2002	20,000	20,000							20,000	20,000	2	01/07/2006	01/07/2012	62.32
31/10/2000	09/07/2002	5,000								5,000		3	09/07/2006	09/07/2012	61.49
31/10/2000	16/08/2002	184,606	4,000	24,650					20,816	163,790	4,000	146	16/08/2005	16/08/2012	41.52
31/10/2000	02/10/2002	2,000								2,000		4	02/10/2005	02/10/2012	41.52
31/10/2000	15/10/2002	3,000								3,000		1	15/10/2005	15/10/2012	26.02
31/10/2000	15/10/2002	100								100		1	15/10/2005	15/10/2012	26.02
31/10/2000	27/03/2003	616,410	80,000	25,300						616,410	80,000	1 447	01/01/2006	27/03/2013	25.92
31/10/2000	27/03/2003	348,902	30,655	10,564						348,902	30,655	3 444	01/01/2007	27/03/2013	25.92
31/10/2000	16/06/2003	2,000								2,000		2	16/06/2007	16/06/2013	30.84
31/10/2000	08/07/2003	500								500		1	08/07/2006	08/07/2013	31.81
31/10/2000	01/10/2003	1,500								1,500		2	10/10/2006	10/10/2013	49.87
31/10/2000	01/10/2003	762								762		1	10/10/2007	10/10/2013	49.87
Stock options		**4,352,905**	**815,060**	**407,388**	**161,971**	**25,490**		**24,650**	**390,004**	**3,800,930**	**685,060**				
22/06/2001	08/11/2001	198,590	26,000		190,529	131,467			8,061		26,000	28	23/12/2001	23/12/2003	28.13
22/06/2001	08/11/2001	236,000	22,000						2,000	234,000	22,000	56	28/07/2002	28/07/2004	52.18
22/06/2001	08/11/2001	493,000	42,000						19,000	474,000	42,000	183	29/05/2003	30/06/2006	72.15
Warrants Classes C.D.E		**927,590**	**90,000**		**190,529**	**131,467**			**29,061**	**708,000**	**90,000**				
Stock options and warrants		**5,280,495**	**905,060**	**407,388**	**352,500**	**156,957**		**24,650**	**419,065**	**4,508,930**	**775,060**				

A total of 970,074 stock subscription options were allotted to employees in 2003, 156,957 have been exercised, and 194,420 have been cancelled.

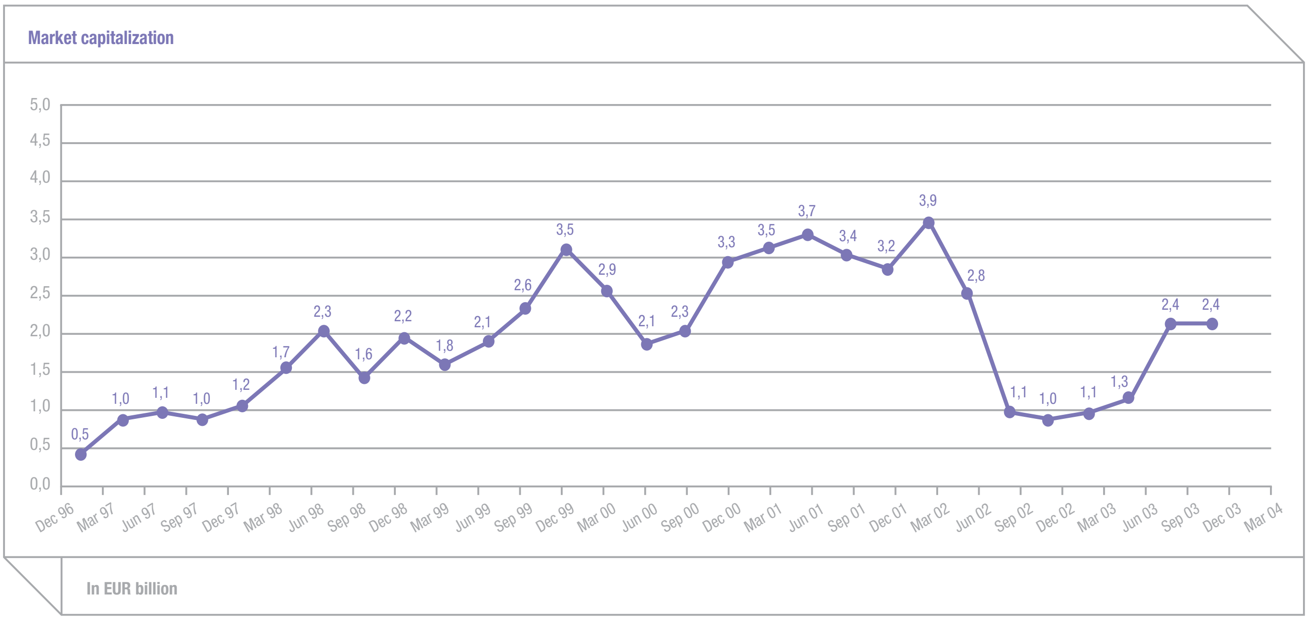
1,619,050 new stock subscription options were granted on February 9th, 2004 after the year-end, at a share price of EUR 54.14, including 795,700 welcome options for 669 Sema Group employees (of which 200,000 options for 2 members of the Management Board) in relation with the 5th resolution of the extraordinary shareholders meeting held on January 22nd, 2004, and 823,350 options corresponding to the 2004 annual grant for 1,202 Atos Origin employees (of which 160,000 options for 5 members of the Management Board) in relation with the amount not utilized of the 5th resolution of the extraordinary shareholders meeting held on October 10th, 2000.

DIVIDENDS

The Company has not paid any dividends in the last five years and does not intend to pay a dividend in respect of the financial year 2003.

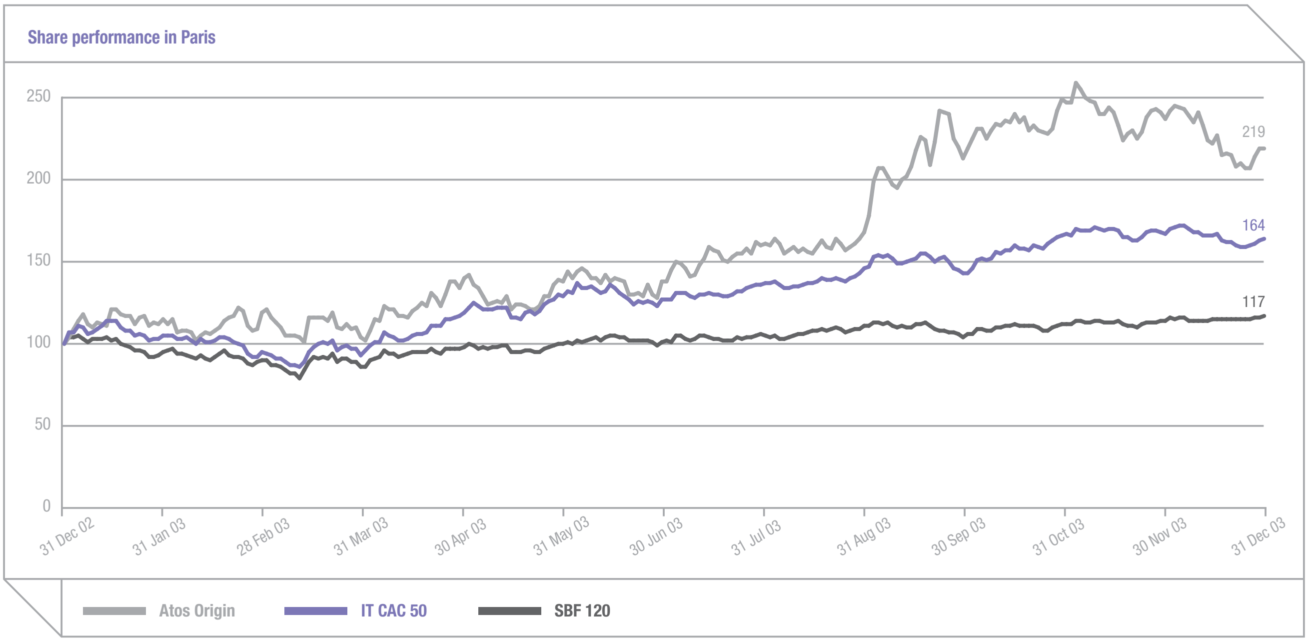
SHARE PERFORMANCE

Based on a closing share price of EUR 50.70 and 47,869,633 shares, the Group's market capitalization on December 31st, 2003 was EUR 2,427 million. The market capitalization over the last seven years has been as follows:



The market capitalization reached EUR 3,758 million on February 29th, 2004 based on a closing share price of EUR 56.2 and 66,869,633 shares after the acquisition of the Sema Group.

Atos Origin share performance in 2003 in comparison with the SBF 120 index and the IT CAC 50 index (base index 100)



Since January 1st, 2004 (base index 100), Atos Origin share performance reached 111 at the end of February versus the SBF 120 (106) and IT CAC 50 (107).

Monthly and quarterly trading volumes

Source: Euronext	High	Low	Closing	Weighted average price	Trading Volume	Trading volume
		(in EUR per share)			(in thousands of shares)	(in EUR thousands)
2002						
January	87.3	71.2	85.8	80.5	2,763	222,360
February	86.6	77.4	84.3	82.7	2,055	169,963
March	94.4	83.0	89.6	89.4	2,554	228,305
1st Quarter					**7,372**	**620,627**
April	89.6	80.0	81.0	84.7	2,202	186,619
May	79.0	61.4	64.1	69.0	4,645	320,242
June	66.5	56.2	64.5	62.5	3,768	235,320
2nd Quarter					**10,615**	**742,181**
July	66.0	36.9	42.3	52.1	4,614	240,421
August	48.8	33.2	37.3	39.0	4,815	187,675
September	40.0	22.2	25.3	31.8	6,038	191,798
3rd Quarter					**15,466**	**619,894**
October	38.0	21.5	37.3	28.3	7,289	205,981
November	41.0	28.0	35.4	33.4	5,569	185,983
December	36.4	22.7	23.2	27.5	2,898	79,774
4th Quarter					**15,756**	**471,738**
Total 2002					**49,210**	**2,454,440**
% of capital traded during the period: 112%						
2003						
January	28.4	23.2	25.9	25.7	4,327	111,313
February	28.8	23.6	27.7	23.4	3,881	90,980
March	28.4	23.6	24.1	25.0	4,085	102,240
1st Quarter					**12,294**	**304,533**
April	32.3	23.5	32.0	27.3	3,005	81,962
May	33.2	27.3	31.5	27.0	4,404	118,920
June	34.5	29.5	30.1	31.2	3,015	94,029
2nd Quarter					**10,425**	**294,912**
July	37.7	29.2	37.1	34.5	3,630	125,294
August	38.6	35.3	38.1	37.0	2,337	86,450
September	57.4	37.5	49.5	47.4	11,520	546,472
3rd Quarter					**17,488**	**758,216**
October	58.4	49.2	57.4	53.5	6,215	332,224
November	60.9	50.5	55.0	55.5	4,333	240,387
December	56.9	47.0	50.7	49.0	4,445	217,889
4th Quarter					**14,993**	**790,499**
Total 2003					**55,199**	**2,148,160**
% of capital traded during the period: 115%						
2004						
January	58.9	51.1	53.0	54.7	8,357	457,255
February	59.4	52.5	56.2	54.8	8,358	457,672
2 months						
% of capital traded during the period: 35%						

Share value for French wealth tax ('ISF') purpose

The closing share price on December 31st, 2003 was EUR 50.70. The average closing share price over the last 30 stock market trading days was EUR 52.88.

Purchase or sale by the Company of its own shares

The Company did not purchase shares during the year. As of December 31st, 2002, the Company held 301,293 shares in treasury stock, representing 0.63% of the common stock. On January 9th , 2004, the Company used 300,000 shares as a part of the remuneration of Sema Group' acquisition. As a consequence, as of today, the Company held 1,293 shares in treasury stock.

Atos Origin convertible bonds

The Atos Origin 1%- 2004 convertible bond has traded on the Paris Euronext market (Euroclear code 18081) since its issue on July 6th , 1999. The Closing price on December 31st, 2003 was EUR 129.00.

Trading volume over the last 26 months, including January and February 2004 (2 months)

Source: Euronext	High	Low (in EUR per bond)	Weighted Average price	Trading Volume (in thousands)	Trading Volume (in EUR thousands)
2002					
1st Quarter	130.0	114.0	125.5	72	9,084
2nd Quarter	129.0	115.0	121.9	98	11,919
3rd Quarter	123.0	102.0	113,2	31	3,556
4th Quarter	119.0	105.1	115.8	27	3,111
Total 2002			**121.1**	**228**	**27,670**
2003					
1st Quarter	130.0	118.0	120.7	69	8,369
2nd Quarter	128.0	124.0	125.7	4	522.4
3rd Quarter	129.5	125.2	127.6	46	5,911
4th Quarter	129.0	127.5	128.3	32	4,138
Total 2003			**124.6**	**152**	**18,941**
2004					
2 months	130.0	125.0	128.8	1	77

SHAREHOLDER RELATIONS

Communication

The Company's objective is to provide regular and clear information to all its shareholders, whether private individuals or institutions. We aim to ensure the uniformity and transparency of information, through the distribution of formal financial documents, the Company's web site and personal meetings, in order to provide all shareholders with the same level of information.

Contacts

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

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Shareholder Documentation

In addition to the Annual Report, which is published in English and French, the following information is available to shareholders:

- A Half-year Report
- Quarterly Revenue and Trading Update Announcements
- The Company's informational website at **www.atosorigin.com**
- Regular press releases, available through the web site or via the AMF database

Legal documents relating to the Company (bylaws, minutes of Shareholder Meetings, Auditors' reports, etc.) may be viewed at the Company's registered office (Legal Department) by prior appointment.

Registrar
The Company's share registrar and paying agent is Société Générale.

Financial Calendar

- Friday, May 14th, 2004
  First quarter revenue

- Friday June 4th, 2004
  Annual General Meeting
  at the Hotel Bristol in Paris

- Wednesday, September 8th, 2004
  Half-year results

- Wednesday, November 10th, 2004
  Third quarter revenue

- March, 2005
  Full-year results for 2004

LEGAL INFORMATION

CORPORATE FORM AND PURPOSE

- **Company name (article 3 of the bylaws):** Atos Origin
- **Legal form (article 1 of the bylaws):** Limited Liability Company (société anonyme) with a Management Board and Supervisory Board, governed by Articles 210-1 et seq. of the French Commercial Code.
- **Nationality:** French.
- **Registered office and principal place of business (article 4 of the bylaws):** 18 avenue d'Alsace - 92926 Paris la Défense.
- **Registration:** Registered in Nanterre under Siren number 323 623 603.
- **Business identification code (APE code):** 723Z
- **Date of incorporation:** 1982
- **Term:** up to March 2nd, 2081.
- **Corporate purpose (Article 2 of the bylaws):** Information processing, systems development, technical, consulting and support services, research, development, production and sale of products and services that contribute to the promotion or development of data automation and transmission systems, including the design, application and installation of software and data processing, online data transfer and office automation systems.
- **Fiscal year (article 27 of the bylaws):** January 1st to December 31st
- **Common stock as at December 31st, 2003:** The Company's common stock amounted to EUR 47,869,633 divided into 47,869,633 shares with a par value of EUR 1.00 each at December 31st, 2003.

PROVISIONS OF THE BYLAWS

Members of the Supervisory Board (article 17-3 of the bylaws)

Each member of the Supervisory Board is required to own at least 10 Atos Origin shares.

Shareholder Meetings (article 24 of the bylaws)

All shareholders are entitled to attend Shareholder Meetings, regardless of the number of shares held. Meetings are called by means of a notice published in a newspaper authorized to carry legal announcements in the *département* where the Company has its principal place of business and in the *Bulletin des Annonces Légales*. In addition, a notice is sent directly to all holders of registered shares.

Shareholders are required to present evidence of the ownership of their shares at the time of the meeting. To comply with this requirement, registered shares must be recorded in the shareholder's name in the account maintained by or on behalf of the Company at least 5 days prior to the meeting. Holders of bearer shares are required to deposit with the Company, at least 5 days prior to the meeting, a certificate issued by their bank or broker confirming that the shares have been placed in a blocked account up to the date of the meeting. Shareholder meetings are held at the Company's principal place of business or at any other location specified in the notice of meeting.

Voting rights (article 24-4 of the by-laws)

Each share carries one vote only. At December 31st, 2003, a total of 47,869,633 voting rights were attached to the Company's shares. No shares carry double voting rights.

Income appropriation (Article 29 of the bylaws)

Net income for the year less any losses brought forward from prior years is appropriated as follows :
- 5% to the legal reserve
- to other reserves required by law
- to revenue reserves, if appropriate

Disclosure thresholds provided for in the Company's bylaws (article 11-3 of the bylaws)

The bylaws require disclosure to the Company, within 10 days, of the acquisition (or sale) of 1% of the Company's common stock or any multiple thereof, except in cases where the total interest represents less than 5%. Disclosure must be made in accordance with the provisions of Article L 233-7 of the Commercial Code, subject to the sanctions applicable in the event of non-disclosure (see Article L 233-14 of the Commercial Code). These provisions were adopted by the Extraordinary General Meetings of December 16th, 1993 and January 28th, 1997.

Information concerning the identity of holders of bearer shares (article 11-2 of the bylaws)

The Company is entitled, at any time, to request Euroclear to disclose the identity of holders of bearer shares.

OTHER COMMITMENTS

These commitments with shareholders are described in section 'Investor Information' in this document.

MANAGEMENT BOARD

Chairman of the Management Board
Bernard Bourigeaud
Elected: 1997
Re-elected: Supervisory Board meeting of January 23rd, 2004
Term expires: January 23rd, 2009
Other directorships:
- Chairman of the Management Board Atos Origin B.V. (Netherlands)
- Chairman of the Supervisory Board

Atos Origin Nederland B.V. (Netherlands)
- Member of the Supervisory Board
  Atos Origin Processing Services GmbH (Germany)
- Permanent representative
  Atos Origin S.A., member of the AtosEuronext SBF SA Supervisory Board (France)

Member of the Management Board
Jans Tielman
Elected: 2000
Re-elected: Supervisory Board meeting of January 23rd, 2004
Term expires: January 23rd, 2009
- Member of the Management Board
  Atos Origin B.V. (Netherlands)
- Member of the Supervisory Board
  Atos Origin Nederland B.V. (Netherlands)

Member of the Management Board
Wilbert Kieboom
Elected: 2000
Re-elected: Supervisory Board meeting of January 23rd, 2004
Term expires: January 23rd, 2009
Other directorships:
- Director
  Atos Origin Belgium SA (Belgium)
  Atos Origin Luxembourg SA (Luxembourg)
  Atos Origin ICA (International Competences & Alliances) NV (Belgium)
  Atos Origin Global Services SA (Belgium)
  Sema Global Services SA (Belgium)
  Atos Origin Information Technology BV (Netherlands)
  Atos Origin AB (Sweden)
  Atos Origin PA Konsult AB (Sweden)
  Atos Origin Sweden AB (Sweden)
  Sema Infosynergi AB (Sweden)
  Sema Konsult AB (Sweden)
  Sema Ronneby AB (Sweden)
- Member of the Management Board
  Atos Origin B.V. (Netherlands)
  Atos Origin Nederland B.V. (Netherlands)
  Atos Origin I.T. Services Nederland B.V. (Netherlands)
  Atos Origin I.T. Systems Management Nederland B.V. (Netherlands)
  Atos Origin Telco Services B.V. (Netherlands)

Member of the Management Board
Giovanni Linari
Elected: 2004
Appointed: Supervisory Board meeting of January 23rd, 2004.
Term expires: January 23rd, 2009.

Other directorships:
- President and Managing Director
  Atos Origin SpA (Italy)
  Atos Origin IT Services SpA (Italy)
- Director
  Atos ODS Origin (Spain)
  Origin SoftTech (Saudi Arabia)
  Servizi Telematici Siciliani (Italie)
  Atos Origin Pty Ltd (South Africa)
  Atos Origin Hellas SA (Greece)

Member of the Management Board
Jeremy Anderson
Elected: 2002
Appointed by: Supervisory Board meeting of June 13th, 2002
Term expired: January 23rd, 2004
Other directorships prior to expiration of membership:
- Member of the Management Board
  Atos Origin B.V. (Pays-Bas)
- Director
  Atos Origin UK Ltd (United Kingdom)
  Atos Kpmg Consulting Ltd (United Kingdom)
  Management Consultancies Association (United Kingdom)
  Atos Consulting AB (Sweden)

Member of the Management Board
Xavier Flinois
Elected: 2004
Appointed: Supervisory Board meeting of January 23rd, 2004
Term expires: January 23rd, 2009
Other directorships:
- Director
  Atos Origin Holding Corp. (U.S.)
  Atos Origin Inc. (U.S.)
  Atos Origin Inc. Greece Branch (Greece)
  Atos Origin IT Services Ltd (UK)
  Atos Origin IT Services Inc. (US)
  Atos Origin KPMG Consulting Ltd (UK)
  Atos Origin UK Ltd (UK)

Member of the Management Board
Timothy G. Lomax
Elected: 2000
Appointed by: Supervisory Board meeting of October 31st, 2000
Term expired: January 23rd, 2004
Other directorships prior to expiration of membership:
- Chairman
  Atos Origin Holding Corp. (USA)
  Atos Origin Inc. (USA)
- Member of the Management Board
  Atos Origin B.V. (Netherlands)
  Atos Origin I.T. Services Nederland B.V. (Netherlands)
  Atos Origin I.T. Systems Management Nederland B.V. (Netherlands)
  Atos Origin Nederland B.V. (Netherlands)
- Director
  Origin SoftTech Ltd. (Saudi Arabia)

Member of the Management Board
Eric Guilhou
Elected: 2000
Re-elected: Supervisory Board meeting of January 23rd, 2004
Term expires: January 23rd, 2009
Other directorships:
- Chairman and director
  Atos Origin Inc (British Virgin Islands)
- Member of the Supervisory Board
  AtosEuronext SBF SA (France)
  Atos Origin Nederland B.V. (Netherlands)
- Member of the Management Board
  Atos Origin B.V. (Netherlands)
- Director
  Atos Origin Belgium SA (Belgium)
  Atos Origin SpA (Italy)
  Atos Origin Luxembourg (Luxembourg)
  Atos Consulting AB (Sweden)
  Sema SA (France)
  Atos Origin IT Services Ltd (UK)
- General manager
  EURL F. Clamart
- Permanent representative
  Atos Origin S.A., member of the Origin France SA Board of Directors (France)
  Atos Origin S.A., member of the Atos Investissement 5 SA Board of Directors (France)
  Atos Origin S.A., member of the Atos Ods Origin SA Board of Directors (Spain)

Member of the Management Board
Dominique Illien
Elected: 1997
Re-elected: Supervisory Board meeting of January 23rd, 2004
Term expires: January 23rd, 2009
Other directorships:
- General Manager
  Atos Origin GmbH (Germany)
  Origin GmbH (Germany)
  Competence Center Informatik GmbH (Germany)
  Atos Origin IT Services GmbH (Germany)
  Atos Origin Managed Services GmbH (Germany)
  Atos Origin Food Business GmbH (Germany)
  Sema GmbH (Germany)
- Chairman of the Board of Directors
  Origin France (France)
- Chairman of a Simplified joint stock company
  Atos Origin International (France)
  Mantis (France)
- Vice-Chairman of the Supervisory Board
  AtosEuronext SBF (France)
- Member of the Supervisory Board
  Atos Origin Processing Services GmbH (Germany)
  A2B (France)
  Atos Odyssée (France)
- Member of the Management Board
  Atos Origin B.V. (Netherlands)
- Director
  Atos Origin Inexis Conseil (France)
  Atos Ods Origin SA (Spain)
  Atos Origin SpA (Italy)
  Parelli SA (France)
  Sema IT Services (France)
  Atos Origin Global Services SA (France)
  Sema SA (France)
  Atos Origin Telecom Services (France)
- Permanent representative
  Atos Origin, member of the Diamis SA Board of Directors (France)
  Atos Origin, member of the Atos Participation 1 Board of Directors (France)

SUPERVISORY BOARD

Chairman and Member of the Supervisory Board
Henri Pascaud
Elected: 1997
Term expires: Annual General Meeting called to approve the fiscal year 2004 financial statements

Vice Chairman and Member of the Supervisory Board
Jan Hommen
Elected: 2000
Term expires: Annual General Meeting called to approve the fiscal year 2004 financial statements
Other directorships:
Main position:
- Executive Vice-Chairman and Chief Financial Officer
  Royal Philips Electronics (Netherlands)

Other positions:
- Chairman of the Supervisory Board
  Academic Hospital Maastricht (Netherlands)
- Member of the Supervisory Board
  TPG (Netherlands)
  Royal Ahold (Netherlands)
- President
  College van Beheer of Philips Pension Fund (Netherlands)

Philippe Germond
Elected: 2003
Term expires: Annual General Meeting called to approve the fiscal year 2004 financial statements
Main Position :
- Chief Executive
  Alcatel (France)

Other positions:
- Member of the Supervisory Board
  Alcatel Deutschland GmbH (Allemagne)

- Director
  Alcatel Inc. (U.S.)

Dominique Bazy
Elected: 1997
Term expires: Annual General Meeting called to approve the fiscal year 2004 financial statements
Other directorships:
Main position:
- Chairman and Chief Executive
  U.B.S Securities France SA (France)

Other positions:
- Vice-Chairman of the Supervisory Board
  Grand Vision (France)
- Director
  Vinci (France)

Jan Oosterveld
Elected: 2004
Term expires: Annual General Meeting called to approve the fiscal year 2007 financial statements
Other directorships :
Main position:
- Member of the Group Management Committee
  Responsible for Corporate Strategy and the Asia Pacific region Royal Philips Electronics (Netherlands)

Other positions:
- Chairman of the Board of Directors
  LG Philips LCD Seoul (Korea)
- Member of the Supervisory Board
  Continental AG, Hannover (Germany)
- Director
  LG Philips Displays Holding BV (Netherlands)
  Philips Electronics China BV (Netherlands)
  Philips Venture Capital Fund BV (Netherlands)

Jean-François Théodore
Elected: 2000
Term expires: Annual General Meeting called to approve the fiscal year 2004 financial statements
Other directorships:
Main position:
- of the Management Board
  Euronext N.V (Netherlands)

Other positions:
- Chairman of the Board of Directors and Chief executive Euronext Paris (France)
- Chairman of simplified joint stock company
  Marché de Titres-France (MTS France)
- Chairman of the Board of Directors
  Euronext (USA)
- Chairman of the Supervisory Board
  AtosEuronext SBF (France)
- Director
  Euronext Liffe (United Kingdom)
  Euronext Bruxelles (Belgium)
  Euroclear banque (Belgium)
  Euronext Lisbonne (Portugal)
  Euronext Amsterdam (Netherlands)
  Euronext UK (United Kingdom)
- Permanent representative of Euronext Paris,
  Director GL Trade (France)
  Financière Montmartre (France)
  General manager
  Euronext (Germany)

Michel Soublin
Elected: 2004
Term expires: Annual General Meeting called to approve the fiscal year 2007 financial statements
Other directorships:
Main position:
- Group treasurer
  Schlumberger Ltd (Netherlands Antilles)

Other positions:
- Director
  Yukos, Moscow (Russia)
  Axalto, a subsidiary of Schlumberger Ltd

Gerard J. Ruizendaal
Elected: 2004
Term expires: Annual General Meeting called to approve the fiscal year 2007 financial statements
Other directorships :
Main position:
- Executive Vice-President
  Philips International B.V. (Pays-Bas)

Other positions:
- Director
  Philips Electronics China B.V.

RESOLUTIONS

OBSERVATIONS OF THE SUPERVISORY BOARD

In accordance with the law, the Management Board has presented to the Supervisory Board the consolidated financial statements of the Atos Origin Group, Management's Discussion and Analysis of the Group's activities and financial results for the period ended December 31st, 2003, and the parent company financial statements for the same period.

The Supervisory Board has reviewed the financial statements, the Management Discussion and Analysis and the text of the resolutions that are to be presented to the Annual General Meeting. The Supervisory Board is satisfied that these statements describe accurately the performance of the Group for the year ended December 31st, 2003 and set out the financial position of the Group at that date.

PROPOSED RESOLUTIONS TO BE SUBMITTED TO THE ANNUAL GENERAL MEETING OF JUNE 4TH, 2004

First resolution
Approval of the fiscal year 2003 financial statements

Second resolution
Appropriation of net income

Third resolution
Related-party agreements

Fourth resolution
Renewal of the authorization to trade in the Company's shares

Fifth resolution
Ratification of the appointment of a member of the Supervisory Board

Sixth resolution
Appointment of a member of the Supervisory Board

Seventh resolution
Authorization given to the Management Board to grant options for the subscription or buying of shares

Eight resolution
Resolution presented in compliance with Article L225-129 VII of the Commercial Code

Ninth resolution
Powers to carry our formalities

MANAGEMENT BOARD'S REPORTS TO THE ANNUAL GENERAL MEETING PURSUANT TO ARTICLE L225-184 OF THE COMMERCIAL CODE

Dear Shareholders,
We hereby inform you that:

1. The following stock subscription options were granted during the fiscal year to members of the Management Board by the Company or its associates;

Name	Management Board of	Start of the subscription period	End of the subscription period	Number of options	Subscription price (in euro)
Bernard BOURIGEAUD	27/03/2003	31/12/2004	27/03/2013	20,000	25.92
Jeremy ANDERSON	27/03/2003	31/12/2004	27/03/2013	15,000	25.92
Eric GUILHOU	27/03/2003	31/12/2004	27/03/2013	15,491	25.92
Dominique ILLIEN	27/03/2003	31/12/2004	27/03/2013	15,164	25.92
Wilbert KIEBOOM	27/03/2003	31/12/2004	27/03/2013	15,000	25.92
Tim LOMAX	27/03/2003	31/12/2004	27/03/2013	15,000	25.92
Jans TIELMAN	27/03/2003	31/12/2004	27/03/2013	15,000	25.92

2. No shares were subscribed during the year 2003 following the exercise of one or more subscription options by a member of the Management Board;

Number of stock subscription options granted	Weighted average price in euros
35,864	25.92

3. The total number and weighted average price of stock subscription options granted during 2003 by the Company to the ten employees of all associated companies and groupings (as defined by Article L225-180) who received the greatest number of stock subscription options, were as follows:

Number of stock subscription options exercised	Weighted average price in euros
24,650	27.79

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