

2011 REGISTRATION DOCUMENT

ANNUAL FINANCIAL REPORT



Contents

The English language version of this report is a free translation from the original, which was prepared in French. All possible care has been taken to ensure that the translation is an accurate presentation of the original. However, in all matters of interpretation, views or opinions expressed in the original language version of the document in French take precedence over the translation.

1. FINANCIAL HIGHLIGHTS

5

2. INTRODUCTION TO THE CAPGEMINI GROUP

7

2.1 Milestones in the Group's history	8
2.2 The Group's activities	9
2.3 The market and competitive environment	11
2.4 2011, a year of innovation and expansion	13
2.5 Main Group subsidiaries and simplified organization chart	23
2.6 The Group's investment policy	25
2.7 Risk analysis	26
2.8 Cap Gemini S.A. and the stock market	30

3. CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY

33

3.1 Our commitment and strategy	35
3.2 Ethics	38
3.3 Our people	40
3.4 Our stakeholders	56
3.5 The Group and the environment	62
3.6 GRI correlation table	66

4. MANAGEMENT REPORT PRESENTED BY THE BOARD OF DIRECTORS TO THE COMBINED SHAREHOLDERS' MEETING OF MAY 24, 2012

69

4.1 General comments on the Group's activity over the past year	70
4.2 Comments on the Capgemini Group Consolidated Financial Statements and outlook for 2012	73
4.3 Comments on the Cap Gemini S.A. Financial Statements	75
4.4 Environmental and social impact of the Group's operations	84
4.5 Financing policy and market risks	85
4.6 Financial authorizations	86

5. SPECIAL REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

89

5.1 The Board of Directors and its activities	91
5.2 Role and composition of the four Specialized Board Committees	96
5.3 Compensation of Directors, non-voting Directors and executive corporate officers	99
5.4 General organization of the Group	100
5.5 Internal control and risk management procedures	103
5.6 Statutory Auditors' report	111

6. CONSOLIDATED FINANCIAL STATEMENTS

113

6.1 Statutory auditors' report on the consolidated financial statements	114
6.2 Consolidated income statement	115
6.3 Statement of income and expense recognized in equity	116
6.4 Consolidated statement of financial position	117
6.5 Consolidated statement of cash flows	118
6.6 Consolidated statement of changes in equity	119
6.7 Notes to the consolidated financial statements	120

7. CAP GEMINI S.A. FINANCIAL STATEMENTS

177

7.1 Balance sheet	178
7.2 Income statement	180
7.3 Notes to the financial statements	181
7.4 Subsidiaries and investments	196
7.5 Five-year financial summary	197
7.6 Statutory auditors' reports	198

8. TEXT OF THE DRAFT RESOLUTIONS PRESENTED BY THE BOARD OF DIRECTORS TO THE COMBINED SHAREHOLDERS' MEETING OF MAY 24, 2012

205

8.1 Resolutions presented at the Ordinary Shareholders' Meeting	206
8.2 Resolutions presented at the Extraordinary Shareholders' Meeting	208

9. SPECIFIC INFORMATION

215

9.1 Legal information	216
9.2 Share capital	218
9.3 Corporate governance	223
9.4 Agreements with executive corporate officers	229
9.5 Employee profit-sharing and incentive plans	230
9.6 Group management structure	231
9.7 Persons responsible for the audit of the financial statements	232
9.8 Person responsible for information	233
9.9 2012 provisional financial calendar	234
9.10 Declaration by the person responsible for the Reference Document	235

10. CROSS-REFERENCE TABLE

237

10.1 Information required under Commission Regulation (EC) no.809/2004	238
10.2 Information required in the Annual Financial Report	238

BOARD OF DIRECTORS

Serge KAMPF, Chairman

Daniel BERNARD

Yann DELABRIÈRE

Laurence DORS

Paul HERMELIN, Vice-Chairman, Chief Executive Officer

Michel JALABERT

Phil LASKAWY

Bernard LIAUTAUD

Thierry de MONTBRIAL

Ruud van OMMEREN

Terry OZAN

Pierre PRINGUET

Bruno ROGER

NON-VOTING DIRECTORS “CENSEURS”

Pierre HESSLER

Geoff UNWIN

STATUTORY AUDITORS

PricewaterhouseCoopers Audit
represented by Serge VILLEPELET

KPMG S.A.
represented by Jean-Luc DECORNOY

1.

FINANCIAL HIGHLIGHTS

In millions of euros

	2007	2008	2009	2010	2011
Revenues	8,703	8,710	8,371	8,697	9,693
Operating expenses	(8,063)	(7,966)	(7,776)	(8,110)	(8,980)
Operating margin	640	744	595	587	713
% of revenues	7.4%	8.5%	7.1%	6.8%	7.4%
Operating profit	493	586	333	489	595
% of revenues	5.7%	6.7%	4.0%	5.6%	6.1%
Profit for the year	440	451	178	280	404
% of revenues	5.1%	5.2%	2.1%	3.2%	4.2%
Earnings per share					
Number of shares at December 31	145,425,510	145,844,938	154,177,396	155,770,362	155,770,362
Earnings per share at December 31 (in euros)	3.03	3.09	1.16	1.80	2.59
Dividend per share for the year (in euros)	1.00	1.00	0.80	1.00	1.00*
NET CASH AND CASH EQUIVALENTS AT DECEMBER 31	889	774	1,269	1,063	454
Average number of employees	79,213	86,495	90,238	97,571	114,354
Number of employees at December 31	83,508	91,621	90,516	108,698	119,707

* Subject to approval by the Combined Shareholders' Meeting of May 24, 2012.

Financial Direction

Deputy General Manager
and Chief Financial Officer: **Nicolas Dufourcq**

to whom report directly:

GROUP FUNCTIONS

Finance Director

Alain de Marcellus

Tax and Corporate Finance

Lucia Sinapi-Thomas

Business Control

Anne Trizac

Transformation

Eric Jahn

Mergers and Acquisitions

José Gonzalo

Financial Communications and Investor Relations

Walter Vejdovsky

STRATEGIC BUSINESS UNITS

Application Services One

Christophe du Vignaux

Application Services Two

Eric Hanania

Infrastructure Services

Luc Bourguignon

Consulting

Michel Ginet

BPO

Oliver Pfeil

Sogeti

Laurent Llavall

MAIN COUNTRIES

United States

Richard Plessner

United Kingdom

Tony Deans

Netherlands

Andy Berrens

France

Eric Michel

India

Cyrille Desjonquères

2.

INTRODUCTION TO THE CAPGEMINI GROUP

2. INTRODUCTION TO THE CAPGEMINI GROUP	7
2.1 Milestones in the Group's history	8
2.2 The Group's activities	9
2.3 The market and competitive environment	11
2.4 2011, a year of innovation and expansion	13
2.5 Main Group subsidiaries and simplified organization chart	23
2.6 The Group's investment policy	25
2.7 Risk analysis	26
2.8 Cap Gemini S.A. and the stock market	30

2.1 Milestones in the Group's history

- 1967** Formation of SoGETI by Serge Kampf, on October 1, in Grenoble (France).
- 1970** SoGETI and OBM (Organization Bossard Michel) agree to combining IT and consulting services.
- 1971** Creation of Eurinfor, "facilities management" company, by SoGETI with the Cofradel Group and Lyonnaise de Banque.
- 1973** The 7th "Rencontres SoGETI" in Djerba (Tunisia), the last "Rencontres" to which all Group employees (440) are invited.
- 1974** SoGETI takes control of C.A.P. (the leading French IT service company at the time) and of Gemini Computer Systems (US).
- 1975** January 1 marks the official birth of the Cap Gemini Sogeti Group, which, with a headcount of 1,000, becomes Europe's top IT services company. 9th "Rencontres" in Istanbul (Turkey), with 270 participants.
- 1976** The Group moves its headquarters to 17, avenue Georges V, Paris. The first Annual Report is published (financial year 1975).
- 1977** The French authorities veto EDS acquiring a stake in the Group.
- 1978** The Group takes on the US market and sets up its first "outpost" in Washington DC (Cap Gemini Inc.).
- 1980** After a long tussle with the SESA, the Group gets the DGT contract to produce the French electronic phonebook by the DGT.
- 1981** The sale of SORINFOR marks the Group's withdrawal from processing activities.
- 1982** Revenues exceed the one billion French franc (150 million euros) mark, of which half is generated outside France.
- 1984** To general surprise, Serge Kampf declares that English is to be the Group's official language.
- 1985** Spectacular initial public offering of the Group's shares on the Paris stock exchange (with demand 123 times the offer).
- 1986** The group takes control of SESA, having held a 42% stake since 1982.
- 1989** The Group reports a year-end after-tax profit of 7.4%, a record not yet broken.
- 1990** 17th "Rencontres" in Marrakesh (Morocco): the 550 participants decided on an aggressive strategy including, if necessary, joining up with an industrial group. Shortly after, the Group makes several acquisitions: SCS in Germany, Hoskyns, the European leader in "outsourcing" activities, and two US companies (URC and Mac Group) to comprise the Group's consulting "pole." The invasion of Kuwait starts off a global economic crisis, which lasted four years.
- 1991** Daimler-Benz takes a 34% stake in the holding company Sogeti (which itself controls 60% of the Group).
- 1992** Acquisition of Volmac in the Netherlands (3,200 employees) and Progamator in Sweden (1,600 employees). At the 18th "Rencontres," which unites 700 managers in Prague (Czechoslovakia), GENESIS is launched. This is Group's first transformation program, and mobilizes up to 5,000 employees for over a year. By the year-end, Cap Gemini—after 25 years of consecutive growth—announces the first losses in its history (it will be a similar story in 1993 and 1994).
- 1996** Under the combined pressure of the two other major shareholders, Serge Kampf accepts the "amalgamation" of the two-tiered control of SKIP and SOGETI within the listed company Cap Gemini Sogeti.
- 1997** Daimler-Benz exits from its shareholding in Group Brossard Consultants (in which Capgemini has held a 49% stake for more than 20 years!) and the latter is integrated into the Group's "consulting" arm. Celebration of the Group's 30th birthday during a memorable evening at the Louvre Carrousel, Paris.
- 1998** Cap Gemini rejoins the Paris stock exchange's CAC40 index (it had been on the index from August 1988 to November 1993).
- 2000** Acquisition of Ernst & Young Consulting (employing more than 12,000 consultants). The Cap Gemini share price rose to its highest ever level of 368.9 euros in March, making a stock market capitalization on that day of 44.5 billion euros.
- 2002** Creation of a subsidiary specializing in local services and taking over the Sogeti name.
- 2003** Sogeti acquires Transiciel (7,000 employees); the Group signs a major multi-year contract with the British tax authorities and opens its first "offshore" production center in Mumbai (India).
- 2006** Launch of the I.cube (Industrialization, Innovation, Intimacy) transformation program.
- 2007** Acquisition of Kanbay International, a US company with a strong presence in India and specializing in financial services (7,000 employees). Capgemini is the main sponsor of the 6th Rugby XV World Cup. Celebratory evening at the Louvre Carrousel, Paris, to mark the Group's 40th birthday.
- 2008** A number of small acquisitions, including Getronics PinkRocade in the Netherlands.
- 2009** Acquisitions in Romania, Vietnam and Australia. Launch of five global service lines.
- 2010** Acquisition of IBX in Sweden and CPM Braxis in Brazil (5,000 employees); 23rd Group "Rencontres" in Barcelona (Spain) around the theme "la niaque" (fighting spirit). The Group ends the year with a headcount in excess of 100,000.
- 2011** Acquisition of eight companies, including Artesys, Avantias and Prosodie in France, and Praxis Technology in China. The Group restructures around six Strategic Business Units (SBUs). Launch of a new global service line.

2.2 The Group's activities

Present in 40 countries, the Capgemini Group's mission is to help its clients improve their performance and competitive positioning. It proposes to its clients a range of services that combine perfect command of its four business lines, strong expertise in several sectors and 'packaged' offers integrating the best available technologies.

FOUR MAJOR BUSINESSES

- **Consulting Services:** the aim is to help the Group's clients identify, build and carry through transformation programs that will improve growth and sharpen their competitive edge on a long-term basis ;
- **Technology Services (TS):** these include the design, development and implementation of a wide range of technology projects that involve complex systems integration and IT application development;
- **Local Professional Services (Sogeti):** this delivers professional technology services to suit local requirements for infrastructures, applications, engineering, testing and operations;
- **Outsourcing Services (OS):** this involves guiding and supporting a client's (or a group of several clients'), either wholly or partly, information systems and associated activities (BPO) for an average period of five years, but which could extend to ten years or even longer.

The past few years have seen radical and permanent transformations in market demand and production methods. Affected in less than a single decade by two economic crises—the first in 2002, followed by the crisis that spread across the globe between 2007 and 2009—the market demand has moved towards a greater rationalization of IT systems, stricter budgets (resulting in purchasing departments becoming more closely involved in the decision-making process). It has also required greater flexibility in business processes, and quantifiable results for each project.

To this list, must be added the desire to turn investments –capital tied up to acquire expensive IT infrastructures– into operating costs, with the idea that you only pay for what you consume. In short, at one and the same time, companies worry about reducing costs, satisfying strong demand for innovation, and keeping close tabs on their purchases.

To meet these expectations, the Capgemini Group has:

- equipped itself with a flexible, global production capacity (Rightshore®) linked to greater processes standardization, in line with Capability Maturity Model Integration (CMMI) standards, the international certification system for software production ;
- built, alongside major technology partners, an ecosystem that allows it rapidly to derive maximum benefit from technological breakthroughs;
- put in place a large portfolio of innovative offers in key areas (such as cloud computing, intelligent data management and application testing) or in certain sectors, such as energy.

Campaign "We are the ones", year II

Launched at the end of 2010 under the slogan "*People matter, results count*", the global advertising campaign "*We are the ones*" gives a voice on the global digital media to Capgemini specialists where they describe, proof in hand, some key projects on which they worked alongside clients. The campaign is centered on the platform "Expert Connect", made up of more than 80 experts from across the globe and all of the Group's businesses. Expert Connect is proof that the digital strategy of the Capgemini Group –largely based on the social networks– is the right one.

The campaign generated around 20,000 conversations during 2011, reinforcing the Capgemini brand by putting into practice the Group's desire to bring people and experience together.

The five major global business lines launched by the Group between the end of 2009 and March 2012 form the basis of a rich portfolio of some 20 offers, and are expected to grow in tandem with major developments in the market, and sectorial needs. In areas of activity such as BPO, the Group is now the owner of technology platforms (especially in purchasing following its acquisition of IBX, in energy with the purchase of Skvader, and in multi-channel client relations with the acquisition of Prosodie). These may be proposed to clients in place of specific solutions, which are generally more difficult to standardize and market to other companies.

All the while, Capgemini has continued to foster a close relationship based on trust and mutual respect with its clients, so as to provide them with the kind of results they expect from the Group.

THE SIX SECTORS

The Group's experience in the various industries means that it is on the same wavelength as its clients, able to understand their needs and propose the best solutions for the specific objectives. The Group has particularly strong expertise in the following economic sectors:

- **Public Sector:** supporting public sector organizations, public agencies and local authorities to modernize their services, and develop associated projects.
- **Energy, Utilities & Chemicals:** helping companies to rise to the twin challenges of constant changes in regulations and increasing environmental concerns. The Group is global leader in IT systems for managing smart electricity grids and meters.
- **Financial Services:** rationalizing the applications and IT infrastructures of financial organizations, while also staying ahead of the curve to supply business model innovations, particularly in mobility and smart data management.
- **Manufacturing:** manufacturing has entered a new growth cycle, but is also facing major and continual raw materials price hikes. The Group offers its clients solutions, especially in

outsourcing and BPO, enabling them to make large savings in the management of IT systems and their main business activities.

- **Consumer Products, Retail, Distribution & Transportation:** this sector is also having to confront rising raw materials prices. Capgemini provides the technical back-up –especially around cloud computing– and the expertise to build e-commerce platforms combining flexibility and speed.
- **Telecom, Media & Marketing:** operators in this sector are facing many challenges –lower revenues from their traditional activities, digital content competition from players in other sectors, and saturated networks following the explosion in digital content. Having been a legacy partner of these actors for more than 30 years, Capgemini offers innovative solutions based on its deep sector and digital knowledge, and its technological expertise in networks.

2.3 The market and competitive environment

The Capgemini Group operates in what US market analysis company Gartner calls the IT services market, with the aggregate worldwide market totaling 527 billion euros in 2011.¹ Capgemini is classed the seventh largest global player and in fifth place if the Japanese market, where the Group is not present, is excluded.

North America, the number one IT services market, represents around 42% of the total. The Group carries out an important part of its activity in North America. It is making regular progress in terms of increasing market share, without yet taking the leadership. Western Europe is the second global market, at around 28% of the total: here the Group ranks second overall, and is market leader in the Netherlands and France. Other markets (excluding Japan) represented around 15% of the total market in 2011. The Group's global market share was around 1.8% in 2010: in Western Europe it stands at around 4.7%.

Gartner segments the market into the following categories: Consulting, Development & Integration (D&I), IT Management and Business Process Management. This categorization more or less correlates with the Group's businesses, although Gartner's IT Management and Process Management are grouped together under Outsourcing Services (OS), while, for Capgemini, Development & Integration comes under Systems Integration and Local Professional Services (Sogeti). Since the different markets are closely related, there are overlaps in areas such as applications –which encompass both development and maintenance activities and are close to two Group businesses (Application Services and Sogeti), as well as with IT infrastructures.

The Consulting market totals 60 billion euros.¹ Thanks to Capgemini Consulting, the Group is the number ten global player, with strong positions in Europe, especially in France. Consulting is the most cyclical of all the segments.

The global Development & Integration market is estimated at 182 billion euros.¹ The Group is the ninth player worldwide and second in Western Europe. D&I is also relatively cyclical, especially in Local Professional Services, which function in short cycles (and contracts), while systems integration activities have slightly longer time frames.

Consulting and D&I mainly relate to capital expenditures on behalf of the Group's clients, making these cyclical markets too. IT and process management involve, for the most part, maintenance and operation, with longer cycles and contracts, making them more resilient. The IT management market is estimated at 184 billion euros,¹ and the Group is regarded as the ninth global player in this area. The process management market is estimated at 101 billion euros,¹ but the Group is not among the leaders in this segment.

¹ Gartner Market Databook March 2012, Professional IT Services.

THE COMPETITION

Capgemini's competitors may be divided into three groups: global, offshore and regional players.

Global players include the two information technology giants, IBM and HP. Their presence in other, closely related, hardware and software technology markets enables them to capitalize on their client relationships in a larger market. The pure IT service players, Accenture and CSC, come next. Capgemini can claim to belong to this small group of global players, its most direct competitors. In this group are also included groups of Japanese origin, such as Fujitsu and NTT Data, mainly present in Japan but who are developing their presence elsewhere.

The offshore players (essentially Indian in origin) are the emerging players in IT services. The biggest amongst them, such as TCS, Infosys, Wipro, Cognizant or HCL, can claim to compete against the global players.

Lastly, the regional players, of which there are many, given that there are few entry barriers in this industry. Generally, they do not have the deep offers or the geographical coverage of the global players. In Europe, the recent link-up between Atos and Siemens IT Services is a sign of ongoing consolidation in the sector, with the other important players being T-Systems, Logica, Indra and Steria. In North America, the largest are Lockheed Martin, SAIC, CGI, Deloitte and Xerox.

MARKET TRENDS

The marked change in IT service market structure due to the spectacular development of offshore (initiated at the beginning of the 2000s by Indian service companies), has become intensified with the rapid development of *cloud computing*. The Indian companies attacked the North American markets by providing them with offshore manpower, well-trained and low-cost. That is how they were able to win market share rapidly, especially in the most accessible market segments (re-engineering, maintenance and applications development) and in the English-speaking world (the United States, but also the United Kingdom and Canada). Today, they are gradually moving into more complex market segments (installation of software packages) and into non-English speaking countries (first the Nordic countries, then the Netherlands and Germany, and now France). In order to face up the competition, all the players, particularly global companies such as Capgemini, have strongly stepped up their presence in India, adjusting their delivery models so as to allow their offshore teams to participate and, subsequently, to increase their involvement in the development of clients' projects. In this way, they have been able to restore their margins and lower their prices, so keeping a competitive edge. The offshore players, on the other hand, have responded by strengthening their local presence to develop

client proximity, and grow in market segments where remote work is difficult to implement, as in consulting.

The cloud computing phenomenon, which involves the use of 'on demand' services or infrastructures shared by many public users, was launched by the big players such as Amazon, Google

and Microsoft. It accelerated with the ubiquity of IT usage coming from multiple devices (PCs, tablets, smartphones). Thanks to its strong positioning in infrastructure management and mastery of business processes, Capgemini is uniquely positioned to benefit from this breakthrough to a new economic model, brought about by a different way of consuming IT resources.

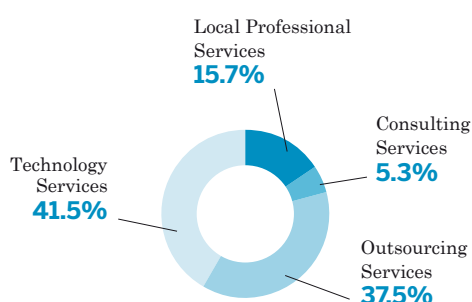
2.4 - 2011, a year of innovation and expansion

Revenues up, higher operating margin, significant increases in net cash position during the second half following several strategic acquisitions, substantial increase in net result...

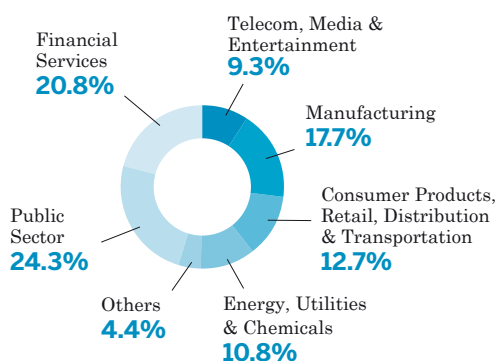
The financial year's results are fully in line with the roadmap set out in 2010 for the following four years. With these good results, and continuing to benefit from investments made in recent years, the Group is confronting the year 2012 with confidence.

THE REVENUE

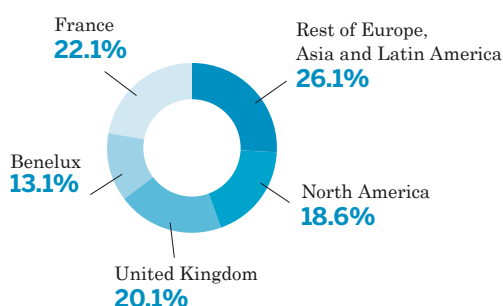
BREAKDOWN OF REVENUE BY BUSINESS



BREAKDOWN OF REVENUE BY SECTOR



BREAKDOWN OF REVENUE BY COUNTRY OR REGION



A NEW ORGANIZATION BASED UPON LARGE BUSINESS UNITS

To provide the best solutions to meet clients' expectations and market trends, Capgemini has implemented a new operating organization. Its activity is now structured in the following way:

- First, around six Strategic Business Units covering the major technological developments:
 - **Capgemini Consulting**,
 - **Local Professional Services (Sogeti)**,
 - **Infrastructure Services**, eg the design, construction and maintenance of clients' IT infrastructures,
 - two SBUs **Application Services One** and **Application Services Two**, regrouping systems integrations and applications maintenance in two geographic entities,
 - **Business Process Outsourcing (BPO)**.
- Second, around three operational units dedicated to the development of new geographies (China and Latin America) and new business models (including Prosodie).

THE GLOBAL SERVICE LINES

Capgemini's cross-disciplinary offers were deployed from October 2009 as the following global service lines:

- **Business Information Management (BIM)**: optimized management of business information, throughout their life cycle, and exploitation of the wealth they represent;
- **Testing Services**: the combined industrialization and expertise of Capgemini and Sogeti in software testing and quality assurance;
- **Smart Energy Services (SES)**: helping energy supply and distribution clients to transform their parks of networks and smart terminals;
- **Business Process Management (BPM)**: business process management.

During 2011, two of the global service lines launched in 2009-2010 became solutions managed by the new SBUs within the structure of the new organization:

- **Infrastructure Transformation Services (ITS)**: optimization of infrastructures by deriving the greatest advantage from cloud computing, integrated within the SBU **Infrastructure Services**;
- **Application Lifecycle Services (ALS)**: supports full lifecycle of applications, from development to operation and maintenance, through testing and integration, included in the SBUs **Application Services One** and **Application Services Two**.

In 2011, the contribution of the four global service lines generated a margin some nine points higher than that of other Capgemini activities. These service lines have, therefore, contributed to the Group's good performance. "2011 was a year of innovation and expansion that has put us on an equal footing with the best Western companies," declares **Paul Hermelin**, Group CEO. "We have widened our offers portfolio around our global service lines, which exceeded their objectives, thus winning greater recognition from our clients and market analysts."

In March 2011, a new global service line, **Mobile Solutions**, was launched to cover all aspects of mobility.

The Virtues of Rightshore®

The Group relies on its global delivery model Rightshore®, a combination of local resources close to the client with specialist production centers further away, all serving the same project. The project is carried out uniformly by a united team with a global talent, as indicated in the motto: 'Global talent, one team'. Many clients across all sectors have been won over by the Rightshore® model. This is the case, notably, of Capgemini's major international BPO clients. At the end of 2011, the Group's offshore assets totaled 44,468 individuals, of whom 35,728 are in India, 37% of the total workforce compared with 35% in 2010. "Rightshore® gives our clients the guarantee of having the right person, at the right time, in the right place," confides **Aruna Jayanthi**, Managing director of Capgemini India. "This unique model is a formidable way of optimizing resources. It allows us to offer a global, seamless service."

DEVELOPMENT OF OFFERS PORTFOLIO

Bolstered by 20 offers in 2010, Capgemini's offers portfolio was considerably enriched in 2011, with the launch of many new offers, horizontal or sectorial, often developed with its major technology partners. Developed and piloted by a global team, these offers benefit from a commercial packaging and a large marketing investment budget. The aim is to respond to market needs at a global level by proposing solutions that are based on technological innovations and replicable from one client to another. "We were bold enough to go outside our 'comfort zone' by positioning ourselves quickly on new offers," explains **Paul Nannetti**, Director of Sales and Offers Portfolio. "That is what enables us to stand out in today's highly competitive and evolving markets. It will give us a major advantage in achieving our ambition of playing in and –why not?– winning the Champions League."

2011: an offers portfolio acclaimed by the market

In 2011, the three global service lines Business Information Management (BIM), Testing Services and Smart Energy Services (SES) saw growth of 20% or more (respectively +19%, +24% and +55%), and produced much higher margins than the Group's other activities. The new offers were acclaimed by clients, and received a warm welcome from the technology partners as well as analysts: the market sees a strong demonstration of the Group's capacity to innovate and transform. Thanks to these offers, Capgemini won major successes in the face of top-class competition. Today, this bold strategy offers promising prospects.

Thus, 'smart' management solutions for energy consumption provided by Smart Energy Services won six major clients, including one 'historic' contract signed with SP AusNet, a gas and electricity supplier in Australia.

The Group's Testing Services line was chosen as a strategic testing partner by Everything Everywhere, a leading UK telecoms operator, and its BIM service line as BI transformation partner by Unilever.

Two new global service lines to enrich the offers portfolio

- The business line **Business Process Management (BPM)**, launched in March 2011, aims to provide clients with solutions which can be quickly implemented in different BPM areas –for example, value and performance management, accelerated business analysis, leveraging BPM technologies, unified process streamlining, and end-to-end BPM governance. Drawing on the resources of a recently opened Center of Excellence in India, Capgemini is working alongside its legacy partners Oracle and Pegasystems, as well as with new partners. This new business line will give the Group a strategic advantage, in a market expected to be worth 7.8 billion dollars in 2015.
- The business line **Mobile Solutions**, specializing in company mobility. Today, mobile users count in the hundreds of millions and mobile applications downloads in the tens of billions. It is not surprising then that, according to analysts Gartner, mobile technologies are CIOs' second priority. In response to this demand, **Mobile Solutions**, launched in March 2012, proposes a full range of services covering all aspects of mobility. The offer will rely on a recently opened Center of Excellence in India, where 250 team members will provide their expertise to the Group's clients. The aim is to generate revenues of more than 400 million euros by 2015, in a market that analysts Forrester estimates could then be worth more than 17 billion dollars.

A dynamic of constant enrichment

In the context of accelerating technology cycles, managing its offers portfolio with agility is a priority for Capgemini. Being one of the major Group assets, the offers portfolio is dynamically managed with a view to favoring niches able to deliver high growth and decent margins. This means launching new service lines or new offers. The Group is also placing more emphasis on developing solutions for which it holds the intellectual property rights. *"Our offers portfolio does not contain enough replicable solutions, and we have a challenge: that of intellectual property,"* explains **Aymar de Lencquesaing**, Capgemini's Development Director. *"With the objective of creating profitable growth, through the multiplication of innovation and replicable solutions, an increasing part of our offers portfolio will contain solutions based on Intellectual Property. This is crucial for ensuring adequate margins."*

Many offers have been launched in strong-growth areas. A few examples:

- As part of the global service line **Application Lifecycle Services**, the **Agile Legacy Lifecycle Services** offer, launched in June 2011, provides companies with an exhaustive vision of the costs and perimeter of their existing applications. As well as maintenance and savings in operating costs, the aim is to help them become more agile, without disrupting their business or compromising current investments.
- As part of the global service line **Business Information Management (BIM)**, Capgemini opened in November 2011 in Mumbai, India, a new Competency Center to support the SAP-HANA applications platform. The Center, launched in cooperation with SAP, will benefit from a high-speed platform, equipped with specially designed servers.
- As part of the global service line **Smart Energy Services (SES)**, the Group proposes to its clients the **Smart Water Services** platform. Aimed at water utilities, this SaaS (Software as a Service) platform was launched in February 2012. It will allow utilities to measure the whole cycle of water consumption economically through radio water metering systems deployed across networks.
- The SBU **BPO** has developed a new, particularly solid, portfolio of offers in *Supply Chain Management* and client follow-up, with the launch of **BPO Supply Chain Management Services** and the online supply solution **IBX Spend Capture Cloud**. The acquisition of the *Order to Cash* division of the US recovery specialists Vengroff, Williams & Associates strengthens the Group's BPO expertise in financial and accounting services –for which Capgemini was recognized as a global leader in this sector by Gartner.
- The SBU **Infrastructure Services** launched, in partnership with VMware, the new V2B (Virtualization to Business) range of services to help its clients benefit from virtualization so as

to simplify their transition to a *cloud computing* architecture, strengthening the positioning of Capgemini in this field.

- **Capgemini Consulting** launched the **Social Media Management (SMM)** offer to complement its social media consulting services, **Social Insight into Action**, in the context of digital transformation. Partnering with US start-up Attensity, the leading provider of text analytics solutions, the new service is offered as part of BPO contracts. It offers real-time 'listening' to information circulating on the social networks. Networks such as Facebook, Twitter and Google+ act like 'sounding boards'. They pick up on the buzz expressing dissatisfaction. The SMM service will allow companies to react more effectively to information about them on the Net, thus preserving their 'e-reputation', but also to use the feedback acquired to optimize their marketing campaigns and processes.

Ambitious objectives for 2012

The Group has set itself an ambitious target: to generate almost two-thirds of its revenues from fast-growth, high-margin strategic offers by 2015, compared with one-third today.

To achieve this objective, the Group is committed to managing its offers portfolio in a structured manner by focusing on the following four themes:

- Identify new market segments that are ripe for innovation and investment;
- Take advantage of its investments and relationships with strategic partners to develop new, innovative offers in niches with fast growth and a considerable potential for margin;
- Enhance its teams' skills in sectors with high value-added, while at the same time manage the slowdown in activity on declining markets;
- Move toward offers that integrate intellectual property, a source of recurring revenues.

In this perspective, the Group will continue to enlarge its offers portfolio during 2012 by, for example, placing more emphasis on Business Analytics, the management and operation of the deluge of data ('Big Data').

"During 2012, where we only have limited visibility, we will be attacking two particular niches: Business Analytics and Smart Computing –end-to-end intelligence in real time. Vigorous competition is encouraging us to move into a higher gear," argues **Cyril Garcia**, Capgemini's Strategy and Transformation Director.

TECHNOLOGY PARTNERS

To help its clients derive full benefit from the available technologies in terms of their business challenges, Capgemini has created an ecosystem with major technology partners. Piloted within the Group by the Global Channels and Partners (GCP) entity, the partnership strategy is organized into several levels: first, global partnerships with the major market players (HP, IBM, Microsoft, Oracle, SAP and, more recently, EMC). And second, alliances with a dozen or so other leading partners –for example, Salesforce.com, Intel, SAS, Teradata, Pegasystems and Amazon. One day, some of the latter are destined to become strategic partners. Finally, the Group has signed cooperation agreements with regional or sectorial players. With each of its partners, the Group wishes to focus on innovation. Working with the majority of the big names in IT and new technologies means Capgemini can protect its independence, an essential feature that means a lot to the Group, because it guarantees total impartiality when carrying consulting missions for clients.

New agreements made in 2011 strengthened Capgemini's links with its major strategic partners, as well marking the beginning of collaboration with sectorial players. These alliances help to strengthen the Group's expertise and enable it, in particular, to develop global offers in areas such as cloud computing, management information and BPO.

Some examples of alliances and partnerships signed in 2011 and early 2012:

- With **VMware**: introduction of virtualization services called '**Virtualization to Business**' (V2B) enabling companies to transform their infrastructures.
- With **Microsoft**: roll-out of the **Cloud Windows Azure** platform in 24 countries, so as to deliver to clients in all sectors a range of services and consulting on the organization, the development and operation of application services in cloud computing.
- With **EMC**, the global leader in storage infrastructure, a global partnership over five years to develop a diversified offer '**IT as a service**' in cloud. The first offer will be focused on *Storage as a Service*. Other offers are set to follow, including *Messaging as a Service*. The global market in these innovative offers, available on subscription in *cloud computing*, presents a formidable source of future growth: 241 billion dollars in 2020, according to analysts Forrester, compared with 40 billion dollars today.
- With **Sybase & SAP**: a partnership to develop mobility solutions for companies within SAP, to be proposed as *Software as a Service* (SaaS) and *Platform as a Service* (PaaS).
- With **SAP & Microsoft**: a partnership for the joint development of a collaborative platform **Duet® Enterprise** for ERP (enterprise resource planning) solutions.

- With **Dassault Systèmes**: integration of PLM solutions from Dassault Systèmes destined for the automotive, aeronautic, defense, energy and transport sectors, to help them achieve more rapid and efficient transformation of their industrial processes.

CAPGEMINI: A PARTNER RECOGNIZED BY THE MAJOR INNOVATION PLAYERS THROUGH NUMEROUS AWARDS

The numerous prizes awarded to Capgemini each year by its major partners are proof of the quality of these alliances and partnerships. In 2011, Oracle presented the Group with the *Specialized Global Partner of the Year Award* for its Oracle applications, the status of *Diamond Partner* within its network of partners, and the *Oracle Business Intelligence Foundation, Advanced Specialization*. For its part, SAP awarded the Group the *Pinnacle Award 2011* for innovation and the *Partner Impact Award for Mobility*. Finally, Capgemini was named HP's *IT Application Implementation Partner of the Year*, and received two awards in the *Converged Infrastructure Solutions and Communications, Media & Entertainment* categories. And from other partners, it is worth mentioning the *Teradata Epic Award for Collaborative Revenue Contribution*.

CONTRACTS

Contracts bookings in 2011 totaled 9,903 million euros, 8.4% lower than in 2010: this relative fall is explained by the strong level of outsourcing contract renewals in the final quarter of 2010. On the other hand, IT Systems Integration, Local Professional Services (Sogeti) and Capgemini Consulting saw their contracts grow by 6.2% and its 'book-to-bill' ratio reached 112%, confirmation of a dynamic market.

In the Group's four businesses, all the Strategic Business Units (SBUs) signed major global contracts, and in all sectors of activity. "The feedback we get from our clients confirms the relevance of our strategy", congratulates **Paul Hermelin**, Capgemini CEO. "They have a clear preference for technology partners who are leaders in key innovation areas. With shortening technology cycles, clients are looking for ever-more agile partners. In response to those needs, we have asserted our position as what could be termed a 'first class' innovative, global partner."

SOME OF THE SIGNIFICANT CONTRACTS SIGNED IN 2011

- For **Capgemini Consulting**, new geographic territories were won. One striking example is the contract with Marine Well Containment Company (MWCC), a not-for-profit organization created by a consortium of oil companies following the Macondo incident, to implement solutions for containing oil

wells in the Gulf of Mexico. In collaboration with Application Services One, the SAP EnergyPath solution was deployed in 90 days, enabling the MWCC to be operational in record time.

- For **Sogeti**, the year was marked by the signing of a major five-year testing contract with **Everything Everywhere** (a joint company of Orange and the UK telecoms operator T-Mobile) which chose the Group as a Strategic Testing Partner.
- Through its SBU **Infrastructure Services**, in the first quarter of 2012 Capgemini signed a major contract with the US **State of Texas** for the management and transformation of IT infrastructures. The six-year contract, agreed through the US subsidiary, Capgemini North America, is one of the biggest deals of its kind for the Group in North America as of today. Under this complex, multi-sourcing contract, Capgemini will manage five key areas: data centers, mainframes, servers, networks, and printing and email. The aim is to optimize the IT operations of 28 State of Texas administrations while reducing associated costs. In the same context should be noted the major contracts signed with the Norwegian carrier **Statoil Fuel & Retail**.
- The two SBUs **Application Services One** and **Application Services Two** contributed significantly to the Group's increased order book, mainly thanks to the success of Software as a Service. Also to be noted the signing of a contract with Burberry, the UK fashion brand, to implement SAP HANA, as well as the Group's handsome successes with prestigious clients such as the UK Department for Work and Pensions, Swedish company Ikea, or the US Levi Strauss.
- For the SBU **BPO**, Capgemini signed a 13-year contract with the Brazilian service company **ABC Algar** –the longest ever contract term in the history of BPO. The ABC Algar conglomerate controls a constellation of companies, operating in three sectors: technology & telecommunications, agribusiness and services. As part of the agreement, Capgemini will provide BPO services developed by a team of 150 people divided across its different centers in Brazil, using Oracle and BPOpen® platforms. The project will include standardization of processes with the aim of increasing productivity by 45%, in addition to improving quality and flexibility of services to keep up with Algar's expected growth. Following the 2010 acquisition of CPM Braxis, Capgemini has a delivery network of 1,000 BPO specialists in Brazil, who proved to be a key factor in winning the contract.
- Within the service line **Business Intelligence Management (BIM)** two significant contracts were signed:
 - The year 2011 saw the Group's German subsidiary winning a major five-year contract with Deutsche Telekom, one of the world's leading telecommunications companies. The contract is to consolidate the IT services of Telekom Deutschland GmbH, the company's operating entity in Germany. The aim is to reduce in-house IT support for business intelligence, notably by

creating a BI factory and harmonizing the Business Intelligence systems. Capgemini's global delivery model Rightshore®, designed to provide the right resources in the right place, was a decisive factor in this success.

- In the same domain, a three-year contract was signed in the first quarter of 2012 with Unilever, a BPO customer for the past five years. Capgemini will work with its client on a global transformation program structured around Business Intelligence services. The program will give birth to Unilever's first Enterprise Data Warehouse (EDW) to provide real-time data on its global customers, markets and operations. The aim of the transformation program is to ensure quicker, better-informed decisions based on consolidated and up-to-date data, while generating substantial and permanent cost savings in Unilever's IT and sales operations.

- The service line **Smart Energy Services (SES)**, the Group's solutions for smart energy –particularly the dedicated software platform, available as SaaS (Software as a Service) for metering and management of household energy consumption– won over seven major clients, out of the ten important contract tenders in 2011. As well as a major contract with **SP AusNet** in Australia and one with **Hydro Quebec** for the installation of smart meters, should be mentioned, in particular, the contract with **Southern California Gas** for the installation of smart meters in the US. The work will extend until end-December 2013, with the first service go-live date in October 2012. Capgemini will provide support throughout the project term, from conception through to systems integration, testing, deployment and system evolution.

Finally, 2011 was marked by the renegotiation in the UK of the Aspire contract with HMRC (Her Majesty's Revenue & Customs) –the UK tax administration– a long-standing client for which Capgemini provides a range of integration and maintenance services, as well efficiency savings support. The Group signed a 'memorandum of understanding' with the UK government at the end of 2010. This confirms Capgemini's role as systems and services integrator for the UK tax authorities until 2017, from which date the UK may, if it wishes, enter into direct negotiations with service providers who are, at present, managed within the Capgemini contract. Moreover, The Group remains a key partner of the entire UK public sector, with a number of projects currently underway.

EXTERNAL GROWTH: ACQUISITIONS IN 2011

New entrants are constantly changing the nature of the market: in the world of IT, the most promising niche is not the one you already know, but the one that has not yet been identified, and it is often in a related area. The key word is 'anticipate'. As well as winning market share, the Group's main objectives are to acquire know-how that it does not already have, or skills that complement its own, to consolidate its geographic or sectorial

'historic' positions, and to become established in countries or in niches, either where it does not already have a presence, or only a very small one.

Capgemini's acquisitions strategy favors targeted acquisitions aimed at strengthening its presence in markets or niches able to deliver profitable growth. The Group wants to carry out medium-sized operations, especially to develop its activity in emerging countries, but also to acquire small companies involved in future businesses such as cloud computing, Business Intelligence or SaaS-type services. *"We are not looking to acquire market share with a view to rationalizing our costs,"* explains **Paul Hermelin**, Capgemini CEO. *"Rather, we want to enhance our offer by targeting small or medium-sized acquisitions, accelerators of time and profitable growth. Some operations enable us to change the way in which we work, for example, Prosodie in transactional services, which then becomes a determining form of client relationship. Other operations see us moving into market segments and certain geographic zones we find interesting because of their dynamism, and are accelerating factors."*

With this in mind, the Group made further progress in 2011 with the acquisition strategy known as the 'string of pearls', which started in 2010. It made eight acquisitions, representing more than 300 million euros in combined annual revenues. The external growth strategy objective was, therefore, achieved: for the financial year, growth brought by acquisitions represented half of Capgemini's total growth –6.7% out of a total 11.4%.

Acquisitions in 2011 included companies in France, Germany, Italy, the US and China. They enhanced the Group's offers and skills in BPO, Infrastructure Services, Business Information Management (BIM) and Business Process Management (BPM). They also played a role in the development of new business models, involving new types of client contracts.

In France, three acquisitions were carried out, on fast-growth markets and within the context of new business models around innovative technologies with a promising future. The largest in terms of size was **Prosodie** (see Box). The Group also acquired **Artesys**, one of the leaders in France in IT infrastructure design. This acquisition reinforces the Group's SBU Infrastructure Services, enabling it to cover the entire infrastructure lifecycle, from design and implementation, through to cloud computing. Finally, the acquisition of **Avantias** will allow the Group to reinforce the global service line Business Information Management (BIM). Avantias provides major companies with *Enterprise Content Management* (ECM). This makes it possible for them to derive value from their huge store of digital documentation, including office papers, emails, digital documents, images, and technical materials, etc.

The Prosodie acquisition: a key component of the Group's growth strategy

An operator of multi-channel transactional flow management, Prosodie specializes in customer relation; it provides hosting services for vocal servers, operation of prepayment cards systems (for example, loyalty cards and gift cards), multi-channel and mobile services, website hosting, outsourcing and securitized payments. The company uses its proprietary solutions to market an end-to-end control service in SaaS. At the heart of the digital economy, Prosodie is uniquely positioned in France and in Europe thanks to its expertise in the converging areas of IT and telecoms. Prosodie counts 860 team members and boasts a strong R&D department. It is present in France, Spain and Belgium, with most of its business in France as of now, especially in the financial and public sectors from where it draws 55% of its revenues. Within Capgemini, Prosodie should be able to continue to expand internationally, especially in countries where the Group has a strong client portfolio. This acquisition allows Capgemini to extend its activities beyond usual business toward a new business model based on proprietary solutions invoiced on a pay-as-you-go basis.

For Paul Hermelin: *"This acquisition fits perfectly with a major aspect of our growth strategy: we want to develop in the high-value-added world of 'solutions'. At a time when services are becoming personalized and dematerialized, linking up with a leader in transactional solutions and benefiting from the know-how of its 860 team members is a major advantage for us. This is especially true as we and Prosodie share a belief that technological innovation goes hand-in-hand with business innovation."*

- **In China**, the acquisition of **Praxis Technology** builds on Capgemini's strengths in one of the world's most dynamic markets. An IT services company specializing in utilities, Praxis Technologies is a SAP partner providing management consulting, ERP (enterprise resource planning) implementation, and applications and software development services for the biggest Chinese utilities, especially electricity producers. With solutions that are standard-bearers in the marketplace, Praxis Technology greatly strengthens the Group's capacities in the key utilities sector. It will enable it to offer the largest utility clients a complete service range, covering the entire lifecycle of a SAP implementation, and incorporating the most recent SAP technologies. It is worthwhile noting that, in the case of China, Smart Energy projects top the list of national priorities, a factor that should spur IT services investments in the coming years, and be an important growth potential.

- **In the United States**, the acquisition of **BI Consulting Group (BICG)**, a specialist in IT systems integration for BI and performance management, reinforces the Group's position in Business Intelligence management. BICG's delivery of more than 300 Oracle BI (Business Intelligence) and EPM (Enterprise Performance Management) projects will be an asset in the Group's development of offers in the global service line Business Information Management (BIM). Furthermore, the acquisition of VWA –the order-to-cash division of the US Vengroff, Williams & Associates –sees Capgemini adding to its financing and accounting services, by offering cutting-edge recovery services to its North American clients.
- **In Germany**, Capgemini acquired the IT services company **CS Consulting GmbH**, a specialist in the migration of core banking systems and the implementation of business intelligence solutions. With more than 400 consultants, CS Consulting is in the top-25 companies of IT consulting and system integration providers in Germany. One of the main actors in the banking and insurance sectors, the company is recognized for its know-how in the implementation of complex development projects, and large-scale applications maintenance. This strategic operation will enable the Group to double its market share in IT services for local banking clients, reinforcing its presence in a promising German market currently undergoing large-scale transformation.
- **In Italy**, the acquisition of the IT services company **AIVE Group**, an Italian leader in the sector, will flesh out the Group's SaaS applications service offer.

Wherever there is intelligence...

In 2011, Capgemini continued to grow in most European countries, both in revenue terms and in operating margin. North America has become the most profitable region, with an operating margin of 8.8%. In 2011, the Group made two targeted acquisitions in North America. It aims to continue growing the share of its revenues in that region (currently 20%) to match the region's weight in the global IT market (35%). In anticipation of uncertain economic conditions in Europe and the United States, Capgemini has also decided to turn its attention to new horizons. It focuses on Asia and South America, in particular Brazil and China, chosen because they are dynamic economies and contain 'reservoirs' of local talent. Already, in both countries two recent acquisitions are enabling Capgemini to serve local markets, and multinational companies that are present. "Capgemini will go wherever there is intelligence, and to all countries where intelligence is produced," confides Paul Hermelin, Capgemini CEO.

THE CHALLENGES OF ACCELERATION

The challenge of digital transformation

Digital technologies have a growing role to play at all company levels and functions. However, as a growth potential they are still not being fully exploited, and companies risk being overtaken by their more innovative competitors. Thanks to changes in IT technologies, companies could simultaneously benefit from two advantages which, up to now, were incompatible: the 'striking force' of large organizations –economies of scale– and the human richness of micro-structures –freedom, flexibility, creativity and motivation. Getting the best from these new possibilities is not an easy task: it is not enough to think in terms of technologies, but rather to rethink the strategies and objectives one wants to achieve and the right procedures to put in place. In this approach, companies need the support of digital transformation experts. "We are on the threshold of a period of profound transformations in the organization of work and companies. This shift will be as important as that which led from monarchies to democracies," believes **Thomas W. Malone**, MIT professor and researcher. "Despite the enthusiasm that innovative technologies such as social networks or mobile devices generate, most companies could still improve their progress towards digital transformation. The key to a successful digital transformation lies, above all, in a company reshaping its business operations. So the challenge is not just technical: above all it is managerial and human," adds Andrew McAfee, MIT professor and co-author of the *Digital Transformation* report (see Box).

Digital Transformation: a standard-setting report

Capgemini and the MIT Center for Digital Business are partners in a three-year research program into digital transformation. The program's first report, *Digital Transformation: A Roadmap for Billion-Dollar Organizations*, was published in November, 2011 and has drawn much comment. The report analyzes the context, the challenges and the stumbling blocks in digital transformation, and highlights a number of key success factors. In interviews with 157 senior executives from leading international companies, it emerges that only a third has an effective digital transformation program in place.

Most companies are not still taking advantage of digital technologies, particularly for increasing productivity, improving the customer experience, or encouraging greater collaboration within the organization. Some companies are still considering the coming change as a threat. Companies with a digital transformation program, usually adopted under competitive pressure, come up against difficulties, mainly because of a lack of skills, their culture or even the complexity of their IT systems. *"Transformation has to be as much about organizations as about technologies. While many business leaders are convinced by the benefits of digital initiatives, thanks to this study we have discovered that the key to success lies, above all, in having a strategic vision and a coherent transformation program,"* insists **Patrick Ferraris** of Capgemini Consulting and co-author of the report.

The report evaluates companies' digital transformation maturity from two aspects: first, in analyzing the nature of their digital development, particularly in terms of customer experience and operating processes; and second, by studying the way companies carry out their transformation in relation to governance, change management and results measurement. *"The alchemy of digital transformation is based on these two aspects. Companies who are able to master, not only the method but also the content of their digital transformation are able to derive value,"* confirms **George Westerman**, research director at MIT and co-author of the report.

OPENING THE RIGHT PATHS FOR A WORLD OF ACCELERATING CHANGE

"To govern is to foresee..." An integral part of Capgemini's mission is to help company managers anticipate by interpreting key trends on their behalf. Alongside its consulting activities for businesses and governments, Capgemini invests in order to understand the key trends that are driving the economic environment. The Group publishes more than a dozen studies every year, each highly regarded. Sectorial or cross-disciplinary, these annual studies cover a vast range of topics, ranging from digitization to mergers & acquisitions. They are mainly carried out at an international level, in collaboration with the most renowned partners. They provide relevant and sometimes unexpected insights. And by opening up the right paths, they help company leaders take the right direction in rising to the challenges of a faster-changing world.

The main studies published by Capgemini in 2011

Date	Title	Title
January	World Insurance Report 2011	EFMA
	Future Value Chain 2020 (consumer markets)	
February	Government Benchmark Report 2011	
March	Application Landscape Report 2011	
	Transportation Management Report 2011	
	Global Supply Chain Agenda 2011	
May	World Retail Banking Report	Unicredit, EFMA
	Vision & Reality Report 2011 (Life Sciences)	
	Platts/Capgemini Utilities Executive Study (Energy)	Platts
June	World Wealth Report 2011	
	World Quality Report 2011-2012	
September	World Payments Report 2011	The Royal Bank of Scotland Group - EFMA
October	European Observatory for Energy Markets	
	Cars Online 2011-2012	

- In the automotive sector, **Cars Online 2011-2012** highlights major trends reflecting changes in society: use of the Web and social networks when buying a vehicle; the emergence of smartphone applications as information and interaction channels; the importance of after-sales; the emergence of different form of automotive consumption, with increased 'green' awareness; the desire for new kinds of vehicles, smaller, with better quality and increased proximity; shorter buying cycles. The study provides manufacturers with six guidelines for adapting their business model to market trends.

- Targeted at logistics functions, **Supply Chain Agenda 2011** is an annual global study carried out in collaboration with company leaders from various industries across Europe, North America, Asia-Pacific and South America. The study sets out to understand the current challenges facing Supply Chain Managers. It shows that they are worried by volatile global demand, an unstable environment, and increased costs of materials and services. The study suggests a number of possible avenues to overcome these: greater visibility and responsiveness in the supply chain, process redesign, innovation, and better long-term forecasting and planning capabilities.

- In the financial sector:

- The 2011 edition of the **World Retail Banking Report**, produced in collaboration with UniCredit and the European Financial Management Association (EFMA), introduces the Capgemini Retail Banking Customer Experience Index (CEI) for measuring customer satisfaction. The report shows that the majority of customers are satisfied with their own

bank, in spite of their lack of confidence in the banking sector generally. Online banking is becoming more popular, yet most people still view their branch as a key contact point, although its role must change in response to new customer needs.

- The **World Wealth Report 2011**, published with Merrill Lynch Global Wealth Management, shows that, in 2010, the Asia-Pacific region posted the highest growth in terms of number of millionaires and the size of their wealth. The region now counts 3.3 million very wealthy people (+9.7%) compared with 3.1 million in Europe (+6.3%). According to the study, to respond to the ever-more complex expectations of this group of individuals, wealth management companies must supply a wider range of better integrated services, across a multi-business approach.

- In applications testing and quality, the **World Quality Report 2011-2012**, is the third in a series of annual reports published by Capgemini, Sogeti and HP on trends in software quality, methodologies, tools and processes. Based on a global survey of 1,200 managers in companies of various sizes, this multi-sectorial report shows that adoption of cloud computing is leading to increased demand from companies for applications testing and quality assurance. Agility, considered a vital quality criterion for applications, requires rationalization and modernization of applications portfolios, as well as the migration of part of IT systems toward cloud computing. Companies need quality assurance and rigorous tests, applications security becoming crucial to guarantee quality and risk control. This trend is particularly acute in emerging economies, where decisions to move to cloud computing infrastructures are taken very quickly.

The major energy challenges

In the energy sector, the **European Energy Markets Observatory** (EEMO) produces a well-regarded annual report. It aims at tracking the main indicators in the electricity and gas markets, monitoring the balance between supply and demand, measuring progress toward an open and competitive market in the EU27 (plus Norway and Switzerland) and, finally, observing the evolution of indicators in the fight against climate change by 2020. After the Fukushima accident, the 13th edition was eagerly anticipated. It highlighted several major facts:

- Despite the accident, nuclear energy will continue to develop –even though some governments decided to reduce their use of nuclear energy, and the nuclear regulatory authorities initiated stress tests on all existing and future installations. Furthermore, implementation of the tests caused extra delays in the delivery of new projects.
- In this context, growing energy consumption in emerging countries, nuclear energy decisions taken by some countries, as well as a slowdown in energy infrastructures investment by utilities, will have the following consequences:
- A reduction in supply security: investments of 1.1 trillion euros will be needed within the EU between now and 2020 to guarantee energy supplies; this could be under threat if the regulatory authorities and governments do not introduce incentives,
- An increase in greenhouse gas emissions,
- Higher energy prices.

In the short term, an economic slowdown could mitigate these consequences, given reduced demand for electricity and gas.

2.5 Main Group subsidiaries and simplified organization chart

MAIN GROUP SUBSIDIARIES

The Group performs its business activities through 135 consolidated subsidiaries as listed in Note 30, List of the main consolidated companies by country, to the consolidated financial statements for the year ended December 31, 2011 (page 173).

The Group's policy is not to own its business premises. Consequently, the Group's sole real estate assets at December 31, 2011 consisted of a building, held by S.C.I. Paris Etoile, where Cap Gemini S.A.'s headquarters are located, the Group's University in Gouvieux, and approximately one-third of the office space used by the Group in India. The vast majority of the Group's subsidiaries rent their business premises from third-party lessors. There is no relationship between these lessors and the Group and its senior executive management.

In addition to its operating subsidiaries held directly or indirectly via regional holding companies, Cap Gemini S.A. holds:

- a 99.99% stake in S.C.I. Paris Etoile, which owns a building located in Paris (Place de l'Etoile, 75017 Paris), which it rents out to Cap Gemini S.A. and Capgemini Service S.A.S.;

- the entire share capital of a real estate limited liability company, "Les Fontaines", which holds a real estate leasing contract allocated to the Group's University located in Gouvieux, 40 km (25 miles) north of Paris, which opened at the beginning of 2003;
- the entire share capital of Capgemini Gouvieux S.A.S, which operates the campus housing the Group's international training center;
- the entire share capital of Capgemini Université S.A.S, which operates the Group's University;
- the entire capital of an inter-company service company known as Capgemini Service S.A.S.

The parent company, Cap Gemini S.A., defines the strategic objectives of the Group via its Board of Directors, and ensures their implementation. In its role as a shareholder, Cap Gemini S.A. contributes, in particular, to the financing of its subsidiaries, either in the form of equity or loans. Finally, it allows its subsidiaries to use the trademarks and methodologies that it owns, notably "Deliver", and receives royalties in this respect.

SIMPLIFIED ORGANIZATION CHART OF THE GROUP

The Group comprises six Strategic Business Units (SBUs):

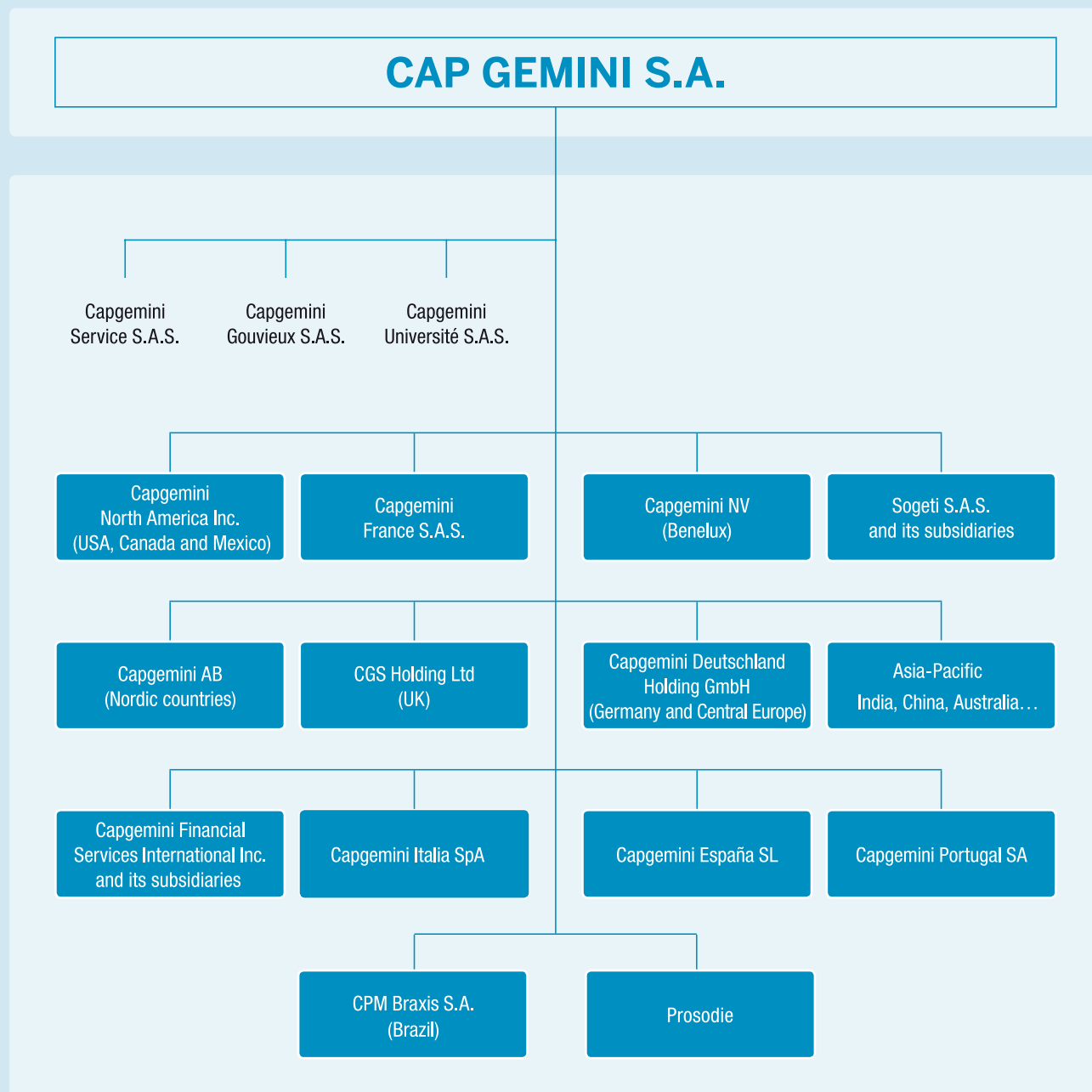
- 4 global strategic business units:
 - Consulting
 - Infrastructure Services, i.e. the design, installation and maintenance of client infrastructures
 - BPO (business process outsourcing)
 - Local Professional Services, provided by the SOGETI sub-group and its subsidiaries
- 2 systems integration and applicative maintenance strategic business units in the following regions and countries:
 - Application Services One: North America, United Kingdom and the Asia-Pacific region (excluding China), including global responsibility for the Financial Services sector
 - Application Services Two: France, Benelux, the Nordic countries, Germany and Central Europe and Southern Europe.

In addition to these six Strategic Business Units, the Group has three units dedicated to the operational development of new regions (China, Latin America) and New Business Models (including Prosodie).

The Group is also present in around 40 countries, which are in turn grouped into eight geographic areas:

- North America: USA, Canada
- the United Kingdom and Ireland
- France, to which Morocco is associated
- Benelux
- Nordic countries: Denmark, Norway, Sweden, Finland
- Germany and Central European countries: Switzerland, Austria, Poland, the Czech Republic, Romania, Hungary.
- Southern Europe (Italy, Spain, Portugal) and Latin America: Mexico, Brazil, Argentina, Chile.
- and finally the Asia/Pacific region: India, China, Singapore, Hong Kong, Australia.

The organization chart of the main Group subsidiaries (regional holding companies, operating, support and resource companies) directly or indirectly wholly owned by Cap Gemini S.A., with the exception of CPM Braxis S.A. (held 61.10%), is presented below:



2.6 The Group's investment policy

Following the resumption of the Group's external growth policy in 2010, Capgemini continued its targeted acquisition strategy in 2011 performing a number of transactions around the world. These acquisitions satisfied strategic criteria which have enabled Capgemini to extend its presence in the sectors identified as growth drivers ("Top Lines Initiatives") and to enrich our business portfolio with companies possessing innovative business models. Finally, the Group strengthened and even expanded its international coverage through acquisitions in five different countries (France, United States, China, Germany and Italy).

The largest transaction performed by the Group in 2011 was the acquisition of Prosodie, a French multi-channel services operator. This transaction enabled Capgemini to complete its service offering by entering the –extremely buoyant– customer relations solutions market. This acquisition strengthened the Group's growth strategy in the New Business Models (NBM) sector, which seeks to develop a range of proprietary solutions to complement existing services.

Together with the French company, Avantias and the US company, BICG, the Group also performed a number of targeted acquisitions in the Business Information Management (BIM) global service line, which seeks to manage and valorize the information wealth of organizations and make it serve their strategic objectives.

Another acquisition served the development strategy of another global service line, Infrastructure Transformation Services (ITS). The acquisition of the French company, Artesys,

contributed expertise in infrastructure transformation and enabled Capgemini to enhance its expertise in France and cover the entire lifecycle of infrastructures from design to operation and the adoption of cloud computing type models.

The acquisition of the Order to Cash (OTC) business of the US company, Vengroff, Williams & Associates, enabled the Group to strengthen its Business Process Outsourcing (BPO) activity and in particular its Finance & Accounting component.

This acquisition is a prime example of the small niche companies offering both growth and profitability that the Group is looking to acquire.

Capgemini also performed a number of acquisitions to strengthen its market position in key sectors, such as the acquisition of the German company, CS Consulting, and the Italian company, AIVE, in the financial services sector.

Finally, Capgemini continued to extend its global coverage with the acquisition of the high performing Chinese company, Praxis Technology, a Beijing-based specialist provider of IT and consulting services to the Utilities sector.

Capgemini will continue its external growth policy in 2012 driven by the goal of always satisfying the Group's ambitions in terms of geographical coverage and the development of the technology portfolio. These acquisitions will be possible thanks to the Group's very solid financial position, which they should not comprise.

2.7 Risk analysis

IDENTIFICATION OF RISKS

Group Management has discussed, drafted, approved and distributed a set of rules and procedures known as the Blue Book. Compliance with the Blue Book is mandatory for all Group employees. The Blue Book restates and explains Capgemini's seven core values, sketches out the overall security framework within which the Group's activities must be conducted, and, finally, describes the methods to be followed in order to exercise the necessary degree of control over the risks identified in each of the Group's main functions.

Individual business units supplement and adapt the Blue Book by drawing up detailed internal control procedures which comply with the relevant laws, regulations and customary practices in the country where they operate, in order to exercise control more effectively over risks specific to their local market and culture.

These rules and procedures are updated regularly to reflect the development of the Group's business activities and changes in its environment.

The Internal audit function independently assesses the effectiveness of these internal control procedures given that, irrespective of how well they are drafted and how stringently they are applied, these procedures can only provide reasonable assurance –and not an absolute guarantee– against all risks.

RISKS RELATED TO OPERATIONS

Capgemini is a service provider, and as such, the main risks to which the Group is exposed are (i) failure to deliver the services to which it has committed; (ii) failure to deliver services within the contractual timeframe and to the required level of quality; or (iii) infringement, notably through human error, of obligations liable to affect the operations of a client or third party.

Risks concerning project performance

Contracts are subject to a formal approval procedure prior to signature, involving a legal review and an assessment of the risks relating to the project and to the terms of performance. The authority level at which the contract is approved depends on the size, complexity and risk profile of the project. The Group Review Board examines the projects with the most substantial commercial opportunities or specific risk exposures, as well as proposals for strategic alliances.

Capgemini has developed a unified set of methods known as the "Deliver" methodology to ensure that all client projects are performed to the highest standards. Project managers are given specific training to develop their skills and acquire the appropriate level of certification for the complexity of projects assigned to them. The Group also has a pro-active policy of seeking external certification (CCM, ISO, etc.) for its production sites.

Contract performance is monitored using Group-defined management and control procedures, and complex projects are subject to dedicated control processes. Internal Audit checks that project management and control procedures are properly applied. Expert teams may also intervene at the request of the Group's Production, Methods and Support department to audit projects that have a high risk profile or that are experiencing difficulties.

Despite the formal approval procedure for all client project commitments undertaken by the Group, in some cases, difficulties with respect to project performance and/or project costs may have been underestimated at the outset. This may result in cost overruns not covered by additional revenues, especially in the case of fixed-price contracts (which make up approximately half of the Group's business) or reduced revenues without any corresponding reduction in expense in the case of certain outsourcing contracts where there is a commitment to provide a certain level of service.

Despite the stringent control procedures that the Group applies in the project performance phase, it is impossible to guarantee that all risks have been contained and eliminated. In particular, human error, omissions, and infringement of internal or external regulations or legislation that are not, or cannot be identified in time, may cause damage for which the Company is held liable and/or may tarnish its reputation.

Reputation

Intense media coverage of any difficulties encountered, especially on large-scale or sensitive projects, could negatively impact the Group's image and credibility in the eyes of its clients, and by extension, its ability to maintain or develop certain activities.

When dealing with third parties and clients, the behavior of team members may be inconsistent with our principles (values, work methods, etc.) and could even present a danger to the company if contrary to ethics or legislation.

Finally, internet users could make negative comments in open forums (Twitter, Facebook, etc.) on Capgemini's performance, service offers or human resource policy, thereby tarnishing the Group's reputation.

Employees

The vast majority of the Group's value is founded on its human capital and its ability to attract, train and retain employees with the technical expertise necessary to the performance of client projects to which it has committed. In particular, this requires a strong reputation in the employment market and ensuring fair appraisal and promotion procedures as well the professional development of our employees.

The Group pays close attention to internal communication, diversity, equal opportunity and good working conditions. Group Management has published a Code of Business Ethics and oversees its application. Nevertheless, in the event of an industrial dispute or non-compliance with local regulations and/or ethical standards, the Group's reputation and results could be adversely affected.

Sending employees to countries which are geopolitically unstable may expose the Group to risks regarding the physical safety of these employees. Economic instability and poorly controlled growth can also be a source of risk for the company's performance and reputation. The risk of natural disasters in certain countries where we are present, political instability and even terrorist attacks and similar risks in countries where we may be called on to work in response to client requirements, could impact the physical safety of our employees. Economic uncertainty in a poorly controlled environment generates many other risks (galloping inflation, poorly adapted infrastructures, unstable fiscal and social environment, etc.) which could impact our overall economic performance.

Figures concerning, in particular, the attrition rate, the utilization rate, changes in headcount (including in offshore countries), career management, the development of expertise and building employee loyalty are presented in the Section "Corporate Social Responsibility and Sustainability", Section 3.3 "Human Resources" (pages 40 and seq.).

Information systems

Capgemini's operations have little dependency on its own information systems. The systems used to publish the Group's consolidated financial statements comprise a specific risk in view of the strict reporting deadlines. The Group is aware of the importance of internal communication network security, and protects its networks via security rules and firewalls. It also has an established IT security policy. For some projects or clients, enhanced systems and network protection is provided on a contractually agreed basis.

Offshoring

Capgemini's evolving production model, Rightshore®, involves transferring a portion of the Group's production of part of its services to sites or countries other than those in which the services are used or in which the Group's clients are located and particularly India, Poland, China, Asia and Latin America. The development of this model has made the Group more reliant on telecommunications networks, which may increase the risk of business interruption at a given production site due to an incident or a natural disaster, in so far as several operational units could be affected simultaneously. The use of a large number of production sites increases the range of contingency options available to the Group.

Environment

As an intellectual service provider, Capgemini's activities have a moderate impact on the environment compared with other economic activities. Nonetheless, despite being considered immaterial due to the nature of its business, the Group strives to limit its environmental footprint as part of its overall corporate citizen approach.

Clients

Capgemini serves a large client base, in a wide variety of sectors and countries, limiting the risk of dependency on a given sector and/or market. The Group's biggest clients are multinationals and public bodies (see 3.4 - Our stakeholders, Our clients page 56).

Suppliers and sub-contractors

Capgemini is dependent upon certain suppliers, especially in its Technology Services businesses. While alternative solutions exist for most software and networks, the failure of a supplier to deliver specific technology or expertise could have prejudicial consequences for certain projects. (see 3.4 - Our stakeholders, Our suppliers and business partners page 57).

The bankruptcy of a supplier, its takeover by a competitor (and a change in its current service offer/product range) or a change in its sales model, such as the use of Cloud Computing for IT services, could generate additional risks.

Finally, the poor management of expenditure incurred with a third party, budget overruns, the use of unapproved suppliers and purchases that do not comply with equipment strategic decisions, can also generate risks.

Country risks

Capgemini has permanent operations in approximately 40 countries. The bulk of its revenues is generated in Europe and North America, which are economically and politically stable.

An increasing portion of its production is based in emerging countries, and primarily India, which now represents approximately 30% of the Group's total headcount. Consequently, Capgemini is now more exposed to the risk of natural disasters in South East Asia and Latin America, political instability in certain regions of India and adjoining countries, and even terrorist attacks. From an economic standpoint, the Group is also exposed to risks stemming from the negative effects of insufficiently controlled growth (wage inflation, which is particularly rife in the IT sector, inadequate domestic infrastructure and higher taxes).

Strict approval criteria must be met before employees are sent to work in countries where there are no existing Group operations, and even stricter criteria apply in the event that employees are sent to countries considered "at risk".

External growth

External growth transactions, one of the cornerstones of the Group's development strategy, also contain an element of risk. Integrating any newly-acquired company or activity, particularly in the service sector, may prove to be a longer and more difficult process than predicted. The success of an external growth transaction largely depends on the extent to which the Group is able to retain key managers and employees, maintain the client base intact, coordinate development strategy effectively, especially from an operating and commercial perspective, and dovetail and/or integrate information systems and internal procedures. Unforeseen problems can generate higher integration costs and/or lower savings or synergies than initially

forecast. If a material unidentified liability subsequently comes to light, the value of the assets acquired may turn out to be lower than their acquisition cost. (see Note 12 to Capgemini's Consolidated financial statements page 142).

Economic conditions

The Group's growth and financial results may be adversely affected by a general downturn in the IT service sector or in one of Capgemini's other key business segments. A shake-up resulting in a change of ownership at one of Capgemini's clients or a decision not to renew a long-term contract may have a negative effect on revenue streams and require cost-cutting or headcount reduction measures in the operational units affected.

LEGAL RISKS

While the Group's activities are not generally regulated, certain of our clients sometimes require us to comply with regulations imposed on them, or in rare cases, make us comply with another regulation.

Contractual risk

The acceptance of unfavorable conditions, such as unlimited liability in certain circumstances, comprises a risk. Contractual risks may notably arise when the Group's liability for failing to fulfill certain obligations is unlimited, when there is no liability protection clause in relation to services affecting health and safety or the environment, and when the rights of third parties are not respected.

Compliance with legislation

The Group is a multinational company operating in several countries and providing services to clients who, in turn, operate around the world and are subject to numerous and constantly changing laws and regulations.

The sheer diversity of local legislation and regulations, which are constantly changing, exposes the Group to a risk of infringement of such legislation and regulations by under-informed employees especially those working in countries that have a different culture to their own –and to the risk of indiscretion or fraud committed by employees. As stringent as they may be, the legal precautions taken by the Group both at a contractual and an operational level to protect its activities or to ensure adherence by employees to internal rules can only provide reasonable assurance and never an absolute guarantee against such risks.

Litigation risk

Having developed a vast network of contractual relationships, the Group is not immune from legal action.

There are no governmental, legal or arbitration proceedings, including any proceedings of which the Group is aware, that are pending or liable to arise, which are likely to have or have had in the last 12 months a material impact on the Group's financial position or profitability other than those that are recognized in the financial statements or disclosed in the notes thereto. (see Note 21 to Capgemini's Consolidated financial statements page 162).

FINANCIAL RISKS

Detailed information concerning these risks is provided in Notes 9, 17 and 19 to Capgemini's consolidated financial statements in this Reference Document.

Equity risk

The Group does not hold any shares for financial investment purposes, and does not have any interests in listed companies. However, it holds treasury shares acquired under its share buyback program.

Credit and counterparty risk

Financial assets which could expose the Group to a credit or counterparty risk mainly relate to financial investments and accounts receivable. The hedging agreements entered into with financial institutions pursuant to its policy for managing currency and interest rate risks also exposes the Group to credit and counterparty risk.

Liquidity risk

The financial liabilities whose early repayment could expose the Group to liquidity risk are mainly the two convertible bonds and the November 2011 bond issue.

Interest rate risk

The Group's exposure to interest rate risk must be considered in light of its cash position. The significant liquidity at its disposal is generally invested at floating rates, while the Group's debt –primarily comprising bond issues– is mainly at fixed rates.

Currency risk

The Group is exposed to two types of currency risk that could impact earnings and equity: risks arising in connection with the consolidation process on the translation of the foreign currency accounts of consolidated subsidiaries whose functional currency is not the euro, and currency risks arising on operating and financial cash flows which are not denominated in the entities' functional currency. The growing use of offshore production centers in Poland, India, China and Vietnam exposes Capgemini to currency risk with respect to some of its production costs. Capgemini is also exposed to the risk of exchange rate fluctuations in respect of inter-company financing transactions and fees paid to the Group by subsidiaries whose functional currency is not the euro.

Employee-related liabilities

Capgemini's consolidated financial statements may be impacted by provisions for pensions covering funded defined benefit plans, which are also subject to volatility. Furthermore, the Group could be faced with calls for funds from trustees to make-up pension fund shortfalls, over a short or long time period, potentially deteriorating its financial position.

The main risk factors are fluctuations in interest rates and financial markets and life expectancy. The value of pension obligations is calculated based on actuarial assumptions and particularly interest rates, inflation rates and life expectancy. Pension plan assets, which are invested in different categories of assets (including equities), are managed by the trustees of each fund and are subject to market risk. Under these conditions, plan assets may be less than pension obligations, reflecting a funding shortfall or deficit. Changes over time in assets and/or liabilities are not necessarily in the same direction and are eminently volatile and can increase or decrease the funding asset/liability or the deficit in profit or loss. Nonetheless, the potential economic impact of these changes must be assessed over the mid- and long-term in line with the timescale of the Group's pension commitments.

INSURANCE

The Group Insurance Manager is part of the Group Finance department and is responsible for all non-life insurance issues. Life insurance issues, which are closely related to employee compensation packages, are managed by the human resources departments in each country.

Group policy is to adjust insurance coverage to the replacement value of insured assets, or in the case of liability insurance, to an estimate of specific, reasonably conceivable risks in the sector in which it operates. Deductibles are set so as to encourage operational unit managers to commit to risk prevention and

out-of-court settlement of claims, without exposing the Group as a whole to significant financial risk.

Commercial general liability and professional indemnity

This type of coverage, which is very important to clients, is taken out and managed centrally at Group level. Cap Gemini S.A. and all subsidiaries over which it exercises direct or indirect control of more than 50% are insured against the financial consequences of commercial general liability or professional indemnity arising from their activities, under an integrated global program involving a range of lines contracted with a number of highly reputable leading insurers. The terms and conditions of this program, including limits of coverage, are periodically reviewed and adjusted to reflect changes in the Group's activities, the position on insurance markets and risk exposures.

The primary layer of this program, totaling €30 million, is reinsured through a consolidated reinsurance subsidiary which has been in operation for several years.

Property damage and business interruption

The Group has implemented a worldwide integrated property damage and business interruption insurance program covering all of its subsidiaries worldwide. Its policy is to rent rather than to buy its business premises, and consequently it owns little property. Capgemini's business premises are located in a wide variety of countries, and the Group operates at multiple sites in most of them. The Group has approximately 500 sites with an average surface area of 2,500 square meters. Some of the Group's consultants work off-site at client premises. This geographical dispersion limits risk, in particular the risk of loss due to business interruption, arising from an incident at a site. The Group's largest site, which is located in India, employs some 7,000 people in a number of different buildings. No building at any of the Group's sites houses more than 2,600 employees.

Other risks

Travel assistance and repatriation coverage for employees working outside their home countries, and crime and fidelity coverage (especially for information systems) are managed centrally at Group level via global insurance policies. All other risks –including motor vehicle, transport and employer liability– are insured locally using policies that reflect local regulations.

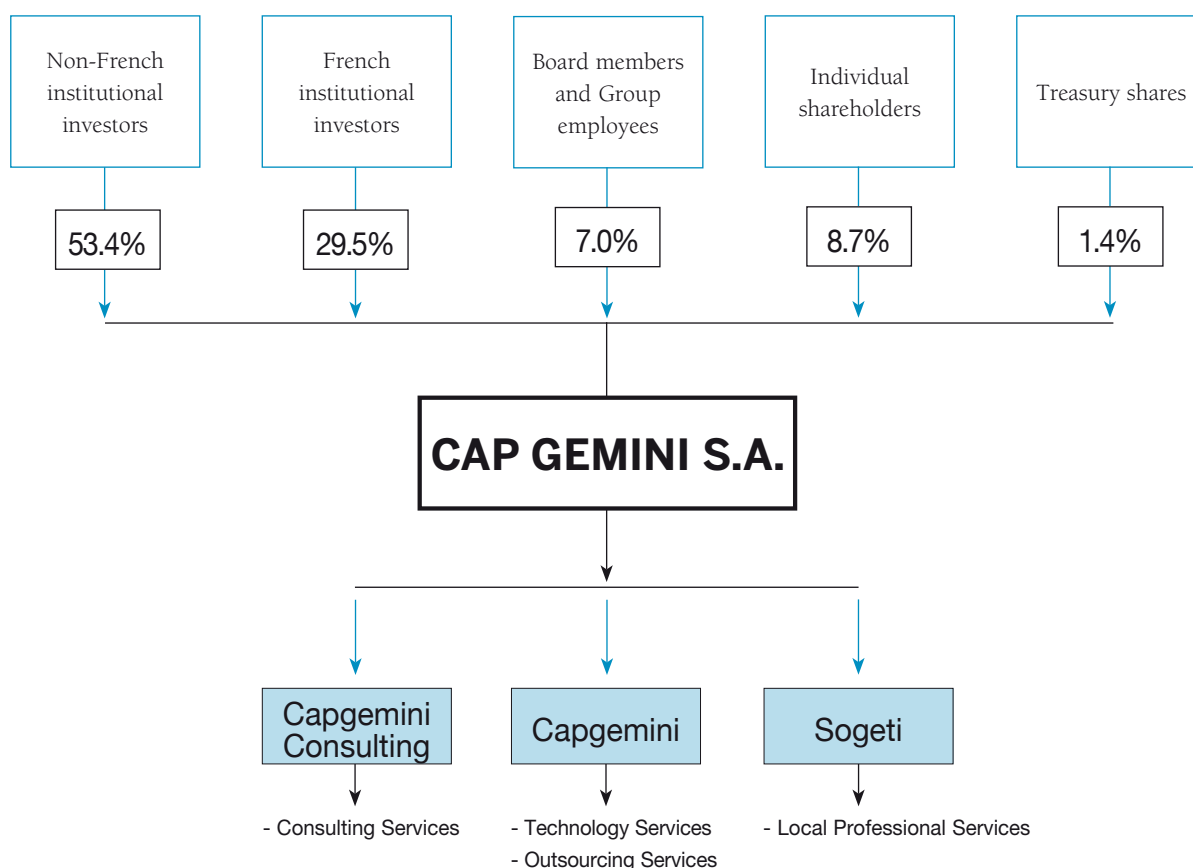
The Group has decided not to insure against employment practice liability risks, given its preventive approach in this area. Pollution risks are low in an intellectual services business, and Capgemini is not insured against these risks in any countries in which it operates. The Group has also decided that, unless coverage is compulsory and readily available, it is not necessary to systematically insure against terrorism-related risks. Certain risks are excluded from coverage under the general conditions imposed by the insurance market.

2.8 Cap Gemini S.A. and the stock market

At December 31, 2011, the share capital of Cap Gemini S.A. comprised 155,770,362 shares (ISIN code: FR0000125338). Cap Gemini shares are listed on the "Euronext Paris" market (compartment A) and are eligible for the SRD deferred settlement system of the Paris Stock Exchange.

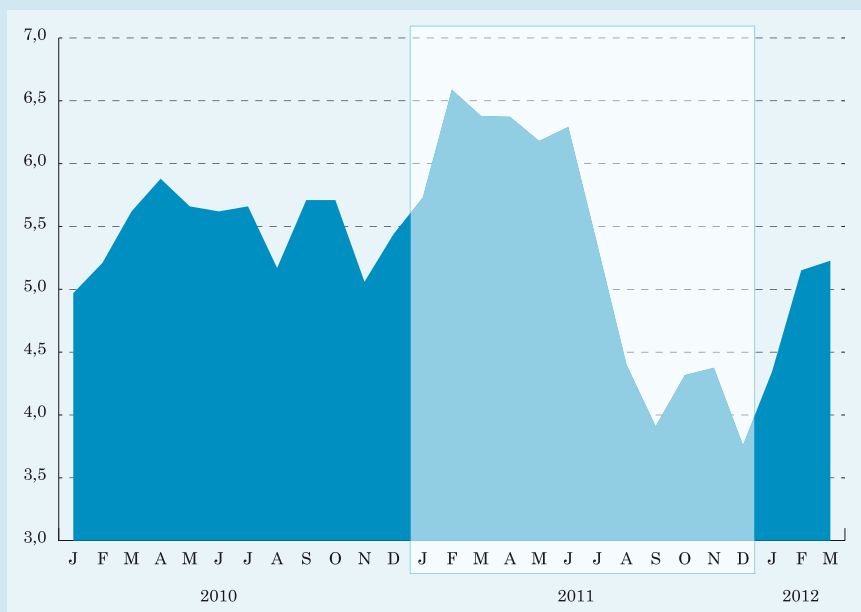
Cap Gemini shares are included in the CAC 40 and the Euronext 100 indexes and the Dow Jones Stoxx and Dow Jones Euro Stoxxx. Between January 1 and December 31, 2011, the Cap Gemini share price on "Euronext Paris" fell from €35.895 to €24.145.

CAP GEMINI S.A. SHARE OWNERSHIP STRUCTURE AT DECEMBER 31, 2011 (based on a shareholder survey)



Stock market capitalization

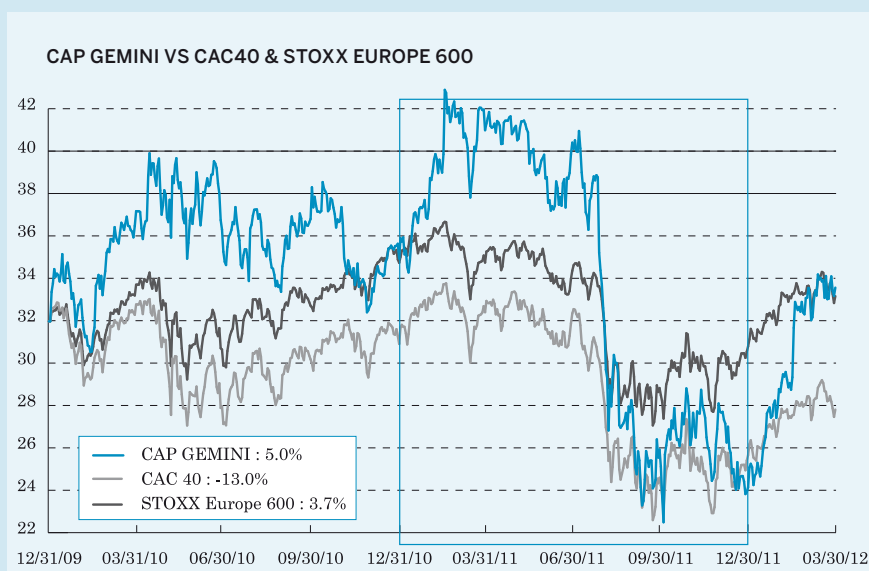
From January 2010 to March 2012
In billions of euros



Source: Bloomberg

Share performance

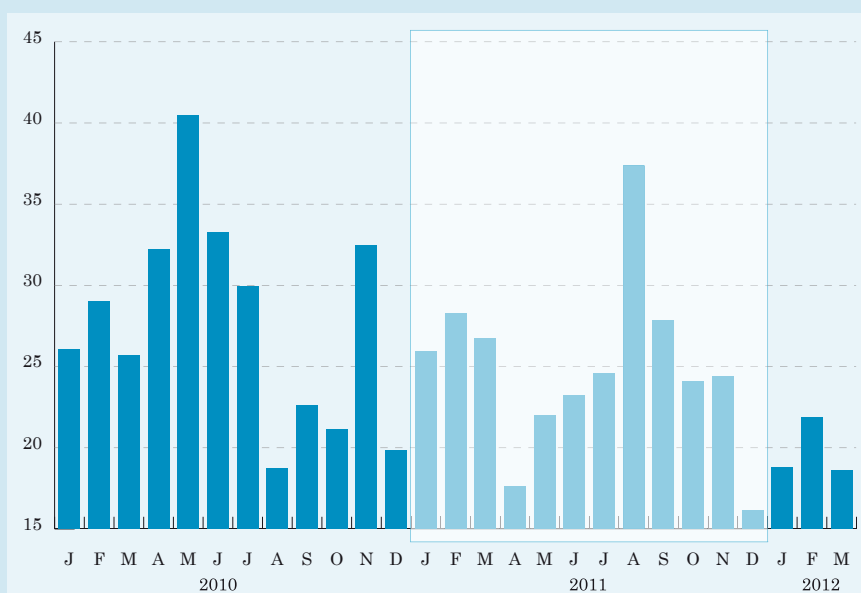
From December 31, 2009
to March 31, 2012
In euros



Source: Reuters

Number of trades per month

From January 2010 to March 2012
In millions of shares



Source: Bloomberg

Share price and trading volume

The following table presents an analysis of trading in the Company's shares over the last 24 months:

Month	Number of trading days	Share price			Trading volume		
		(in euros)			Number of shares		Value
		high	average	low	total	average (daily)	(millions of euros)
April 10	20	40.300	37.982	35.680	32,236,386	1,611,819	1,254.0
May 10	21	40.265	37.444	34.875	40,489,850	1,928,088	1,567.1
June 10	22	39.790	38.140	36.130	33,249,672	1,511,349	1,307.0
July 10	22	37.750	35.655	33.870	29,954,505	1,361,568	1,129.2
August 10	22	37.930	35.363	32.975	18,720,169	850,917	674.8
September 10	22	37.420	36.199	33.165	22,588,390	1,026,745	834.5
October 10	21	38.645	37.449	36.370	21,131,876	1,006,280	803.9
November 10	22	37.750	34.380	32.255	32,487,917	1,476,724	1,116.6
December 10	23	35.910	34.554	32.320	19,834,456	862,368	679.5
January 11	21	37.995	36.296	34.020	25,910,260	1,233,822	936.3
February 11	20	43.385	40.321	36.690	28,241,416	1,412,071	1,143.7
March 11	23	43.285	40.798	37.650	26,701,250	1,160,924	1,084.4
April 11	19	41.920	41.193	40.185	17,614,638	927,086	725.6
May 11	22	42.035	40.269	38.410	21,987,998	999,454	890.8
June 11	22	40.650	38.297	36.930	23,244,209	1,056,555	888.9
July 11	21	41.105	38.398	33.945	24,565,135	1,169,768	923.1
August 11	23	35.015	28.870	25.700	37,381,516	1,625,283	1,081.4
September 11	22	28.285	25.175	22.545	27,868,496	1,266,750	701.0
October 11	21	29.490	26.648	21.980	24,103,558	1,147,788	634.5
November 11	22	28.920	26.699	24.165	24,373,839	1,107,902	651.2
December 11	21	28.190	25.512	23.665	16,111,732	767,225	410.7
January 12	22	28.595	26.255	24.035	18,798,849	854,493	489.1
February 12	21	33.230	30.740	27.925	21,867,590	1,041,314	670.9
March 12	22	34.500	33.398	31.445	18,582,046	844,638	628.3

Source: Bloomberg

Dividends paid by Cap Gemini

Year ended December 31	Distribution of dividends		Number of shares	Dividend per share
	In millions	In % of net income		
2007	€145	33%	145,425,510	1.00 euro
2008	€146	33%	145,844,938	1.00 euro
2009	€123	69%	154,177,396	0.80 euro
2010	€156	56%	155,770,362	1.00 euro
2011	€156	39%	155,770,362	*1.00 euro

* Recommended dividend submitted to the Annual Shareholders' Meeting of May 24, 2012

3.

CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY

3. CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY	33
3.1 Our commitment and strategy	35
3.2 Ethics	38
3.3 Our people	40
3.4 Our stakeholders	56
3.5 The Group and the environment	62
3.6 GRI correlation table	66

For Capgemini, the principles of Corporate Social Responsibility (CSR) & Sustainability must extend beyond legal compliance and philanthropy. Hence our focus has been on embedding them into our business strategy, our processes and our ways of working. They are no longer specialist or peripheral activities but rather a real requirement for all organizations. These principles, grounded in our shared values, have been encapsulated in our Code of Business Ethics and guide our relationships with our stakeholders and the communities and environment in which we operate.

Our Ethics & Compliance Program was launched in 2009 by the Group Board of Directors. This program is based on the culture of ethics which has been a core part of the Group since its creation in 1967. As part of this program, a Code of Business Ethics was launched in 2010 and a network of Ethics and Compliance Officers was set up. Since 2010, all new recruits undertake to comply with the principles of the Code of Business Ethics and follow e-learning tuition on the Code. In 2011, the

Group introduced an anti-corruption policy, to reassert its values in every country it operates in.

At the October 2010 Rencontres in Barcelona, CEO Paul Hermelin called for the Group to show its passion and energy as well as its intellectual capability. He referred to this "fighting spirit" as "*la niaque*". This calls for a culture that reflects our values and history, respects our people, acknowledges performance, and inspires drive and ambition. In 2010, Capgemini launched a new brand tagline to reflect this culture: People matter, results count (alongside a new advertising campaign).

This approach to CSR & Sustainability contributes to Capgemini's potential to succeed and achieve this ambition. The Ethics & Compliance program contributes to attracting, developing and retaining the best people. The annual employee survey clearly showed that the employees' commitment was first and foremost related to belonging to a Group with a strong ethical culture. Both strengthen our reputation, helping us to win business and to take our place in the "Champions League."

3.1 Our commitment and strategy

Capgemini is committed to responsible and sustainable business practices, delivering value to its stakeholders, which include customers, shareholders, investors, business partners, suppliers, employees, the community, and the environment. In 2004, the Group joined the UN Global Compact. The member companies of this program support and respect ten principles in the areas of Human Rights, environment, labor rights and the fight against corruption. As a basic rule, the Group respects the national and local laws and regulations in the countries it operates in while supporting international laws and regulations, in particular the International Labor Organization fundamental conventions on labor rights. In 2007, Capgemini signed up to the UN Global Compact Caring for Climate initiative and in 2011, the Women's empowerment principles.

Our CSR & Sustainability priorities are based on six pillars, which underpin all aspects of our business. For each of these pillars, we have identified the key aspects that are essential to our business, aspects on which we can act and which are important to our stakeholders. We have set objectives for each pillar in order to improve our internal reporting processes and monitor our performance.

- 1. Leadership, Values & Ethics.** The way we work and behave. We embrace the core values of Honesty, Boldness, Trust, Freedom, Team Spirit/Solidarity, Modesty and Fun. Our rigorous Code of Business Ethics and anti-corruption policy underpin all of our business practices.
- 2. Our people and the workplace.** We are committed to being a responsible employer whom people choose to work for and who allows them to deliver their best. Our focus is on the professional development and well-being of all our employees - by ensuring, in particular, that both our business practices and our facilities comply with safety regulations. We have a culture whereby we respect and value the diversity of our people as individuals. At Capgemini, being treated and treating others with respect and courtesy is a right and a duty for everyone. We believe that effective communication is a prerequisite for an open and inclusive culture.
- 3. Clients.** Collaborating with our clients. We undertake to understand their real business needs and we are dedicated to delivering profitable and sustainable growth by working together with our clients to deliver value through our expertise and behavior. We take customer dialogue and feedback very seriously. We also look to embed CSR & Sustainability considerations, notably Green IT, into our service offerings.
- 4. Communities.** Ensuring a positive impact on the communities in which we live and operate. As a major global employer, we work on national and international levels with local authorities and associations on different themes. We encourage the active involvement of our employees in community development.
- 5. Suppliers & Partners.** We are committed to following reliable and sustainable procurement procedures with our suppliers. We expect our suppliers to fully comply with the laws in the countries in which they operate and we work with business

partners to bring added value to our clients, and expect our partners to strictly comply with the law.

- 6. Environment.** Recognizing our impact on the environment. We strive to measure our carbon footprint and reduce any negative environmental impact from the Group's business activities. These include: greenhouse gas emissions; energy consumption in our offices, data centers and business travel; waste created by our operations; and our procurement activities. We endeavor to raise employee awareness on the critical issues of sustainable development.

More information on the Group's six pillars can be found in our CSR & Sustainability report: "The Other Face of Capgemini". <http://www.capgemini.com/about/corporateresponsibility//>

Our approach to the six issues is to provide global top-down leadership and strategic vision, and to ensure we create the right environment for our people to be able to apply their creativity, experience and expertise individually to developing innovative and effective solutions adapted to their areas of work and influence.

OUR VALUES

Since the creation of the Group in 1967, our culture and business practices have been inspired and guided by our seven core values. These principles drive us as a Group and also as individuals. They are at the heart of our approach as an ethical and responsible company.

These values are more than just rules of behavior: they provide the basis for our ethical approach and our principles. From them, we have carved out our ethical and sustainability culture: they are the Group's DNA. They demonstrate our belief in integrity and ethical behavior.

Our values are important in respecting, defending and upholding the Group as an ethical and responsible business and in protecting our reputation.

The first value is **Honesty**, denoting integrity, loyalty, uprightness, and a complete refusal to use any underhand method to help win business or gain any kind of advantage. Growth, profit and independence have no real worth unless won through complete honesty and probity. Everyone in the Group should know that, once proven, any lack of openness and integrity in business dealings will be penalized immediately.

Boldness implies a flair for entrepreneurship, a desire to take considered risks and to show commitment (clearly linked to a firm determination to uphold one's commitments). This value is the very essence of competitiveness: making firm decisions and seeing them through to implementation, and being willing to periodically challenge one's direction and the status quo. Boldness needs to be combined with a certain level of prudence and a particular clear-sightedness, without which a bold manager can become reckless.

Trust means the willingness to empower both individuals and teams; to make decisions as close as possible to the point where they will be put into practice. Trust also means favoring open-mindedness as well as widespread idea and information sharing.

Freedom indicates independence in thought, judgment and deed, entrepreneurial spirit and creativity. It also means tolerance, respect for others and for different cultures and customs: essential qualities for an international Group.

Solidarity and Team Spirit cover the concepts of friendship, loyalty, generosity and fairness in sharing the rewards of teamwork. This value encourages the taking of responsibility and spontaneous participation in group efforts, even in the most difficult circumstances.

Modesty signifies simplicity, the very opposite of affectation, pretension, pomposity, arrogance and boastfulness. Simplicity does not imply naivety; it is more about being discreet, showing natural modesty and common sense, being attentive to others and taking the trouble to be understood by them. It is about being frank in work relationships, loosening up, and having a sense of humor.

Finally, **Fun**, means feeling good about being part of the Group or of one's team, being proud of what one does, experiencing a sense of accomplishment in the search for better quality and greater efficiency, and feeling part of a challenging project.

GROUP FUNDAMENTALS, GUIDELINES AND POLICIES: THE BLUE BOOK

In our largely decentralized and entrepreneurial organization, it is essential to have a set of common guidelines, procedures and policies, which govern our daily operation. The Blue Book, so called because it is blue in color, was therefore created in 1989 as a managers' rulebook; accessible to all employees on the intranet, it provides the overarching common framework for every employee and every part of the business to work effectively.

The "Blue Book" contains:

- Group fundamentals: Group mission & expertise, fundamental objectives, values, Code of Business Ethics, and rules of behavior;
- Group governance and organization;
- authorization processes;
- sales and delivery rules and guidelines;
- business risk management, pricing, contracting and legal requirements;
- finance, mergers, acquisitions, disposals, and insurance rules and guidelines;
- human resources policies;
- communications, knowledge management and Group IT;
- procurement policies, including ethical purchasing and supplier selection;
- environmental policies.

All parts of the business in every country must embed these policies, procedures and guidelines, as a minimum, in their local policies, procedures and guidelines while at the same time adhering to any local legal requirements or specificities. Compliance with these guidelines forms a part of our Internal Audit Process. The Group Blue Book is reviewed on a regular basis and updated to reflect changes and increased focus on our CSR & Sustainability. Its update in early 2012 has allowed us to integrate our Code of Business Ethics and reinforce Group governance.

HOW DO WE MEASURE UP?

Analyst measurement of CSR & Sustainability performance is taken seriously by Capgemini. We also welcome measurement by respected third parties. The Global Analyst Relations Team builds relationships with key market analysts and provides them with information on Capgemini's capabilities. It also communicates to our personnel the opinion these analysts have on our society. The Group cooperates with several external ratings agencies that evaluate the performance of companies in terms of social, environmental and corporate responsibility. This gives us a clearer vision and evaluation of our achievements, targets and priorities in each area.

Analysts and the Carbon Disclosure Project (CDP)

A report by Verdantix, an independent analysis agency, identified Capgemini as a "Specialist" supplier of sustainable technology services. The Green Quadrant Matrix methodology is a comparison, which characterizes market alternatives for buyers of a product or service. Capgemini was compared with 14 other suppliers of sustainable technology services using 49 weighted criteria under the categories of capabilities and market momentum. Companies in the Specialist quadrant are characterized by in-depth capabilities in focused technology areas, broad portfolios of emerging sustainable technology services and internal sustainability programs. Capgemini was rated "Best in class" by Verdantix for data center efficiency, with the following citation: *"through their Merlin data center, [they] have developed one of the World's most sustainable and energy efficient data centers"*.

In its 2012 Green Quadrant® Sustainable Technology Services report, Verdantix acknowledged our expertise in smart metering and noted "Capgemini wins Best in Class for its state of the art expertise in smart metering with the installation of more than 15.7 million meters and the maintenance of 1.7 million meters in Europe and North America".

This year, once again, we are listed in the FTSE4Good index and rank amongst Newsweek magazine's top 250 "Green" companies. This ranking's top companies were chosen from amongst thousands of companies for their positive environmental impact and their management in this area.

Capgemini UK was also awarded Platinum status in Business in the Community's (BitC) CSR index. BitC, the UK's leading voluntary benchmarker for corporate responsibility in the UK, measures the way sustainability practices have been integrated across businesses and the impact of these measures on society. The index published by BitC which lists responsible corporate practices, enables UK businesses to assess their performance and compare it with that of their peers. The objective is for them to continually improve their impact on society and the environment through best practices.

Carbon disclosure project

Capgemini again took part in the Carbon Disclosure Project (CDP) in 2011, providing information on our Carbon Footprint, linked to the greenhouse gas emissions coming from our offices, our data centers, our travel and hotel usage in addition to climate change management strategy statements.

3.2 Ethics

OUR CODE OF BUSINESS ETHICS

Grounded in our shared values and ethics, principles of CSR & Sustainability guide all our relationships with stakeholders, and the communities and environment in which we operate. Of our six pillars, the Leadership, values and Ethics pillar ranks among the most important.

The Capgemini Group has forged its reputation in the market through longstanding values and principles, which have been continually applied. Today this reputation is a genuine asset, essential to our profitability and growth.

To protect this reputation and to strengthen its competitive advantage in doing so, in 2009 the Group launched an Ethics & Compliance Program and built a network of Ethics & Compliance Officers across the Group.

OBJECTIVES OF THE ETHICS & COMPLIANCE PROGRAM

The objectives of the program are to:

- Develop a sustainable ethical culture, which reinforces integrity and leads to ethical behavior;
- Strengthen knowledge and awareness of international and national laws and internal policies applicable in the Group's companies; and
- Implement initiatives reinforcing prevention and aiming at avoiding misconduct and breaches in the field of ethics and compliance.

ETHICS & COMPLIANCE ORGANIZATION AND NETWORK

The managers of the Group and its entities (SBU/BU) are accountable in their respective Unit(s) for ethics, and compliance with the applicable laws and regulations and procedures. They are also accountable for achieving the Ethics & Compliance program.

The Chief Ethics & Compliance Officer (CECO) is responsible for the Ethics & Compliance program for the entire Group. The Ethics & Compliance program and its achievements are reviewed annually by the Group Ethics and Governance Committee of the Board of Directors.

General Counsels have also been appointed as Ethics & Compliance Officers (CG ECO). They are responsible for the Ethics & Compliance program within the geography under their responsibility, and liaise with the CECO.

ETHICS & COMPLIANCE PROGRAM IN 2011

Creation of the Code of Business Ethics

The Capgemini group's "DNA", our seven core values are the basis of our constant commitment to maintain and promote business integrity standards and trust wherever we operate. The Code of Business Ethics, which encapsulates those values, was finalized in 2010 and is now available in 13 languages. It received the collective and individual support of the members of the Board, the Group Executive Committee and the Group Vice-President community.

Capgemini expects all Group employees to adhere to the core seven values and to the principles expressed in its Code of Business Ethics encompassing:

- to respect any international, national and local laws and regulations applicable;
- to apply any health and safety rules and contribute to a safe and inclusive work environment;
- as a basic rule, to act responsibly in the marketplace by complying with any competition laws and regulations and anti-corruption rules applicable, by avoiding conflicts of interests and insider trading, and by providing accurate and correct business and financial information;
- to build honest and clear relationships with clients, alliance or other business partners, and suppliers;
- to maintain the security and integrity of the assets of the Group and of any third parties we work with;
- to support the communities and respect the environment in which we operate; and
- to refuse the use of forced labor and child labors.

Distribution of the Code of Business Ethics

Upon publication in 2010, a hard copy of the Code of Business Ethics in English was sent, together with a letter from the CEO, to all Vice-Presidents (approximately 1,200 people at the time of publication) for signature.

At end 2011, more than 40,000 employees had already downloaded the Code of Business Ethics, available in 13 languages, and 40,000 had followed the related e-learning module, available in 4 languages.

All new employees must agree to the principles set out in the Code of Business Ethics and complete an e-learning module on the Code.

Group anti-corruption regulations

2011 the Group distributed a specific policy concerning the prevention of corruption. At the end of the year, more than 27,000 employees had already downloaded this policy, available in 8 languages, and 27,000 had followed the e-learning module, available in 4 languages. This represented more than 22% of the Group's employees at end 2011. All new employees must agree to the principles set out in the anti-corruption policy and complete an e-learning module on the policy.

Group regulations on competition law

A specific policy regarding competition law is being developed. It will be supported by an e-learning module. This work is being undertaken in collaboration with the Group's Legal Department. The policy will be distributed in 2012.

Dedicated procedure for requesting advice and guidance and for whistle-blowing

The Code of Business Ethics specifies that anyone faced with a question or issue involving ethics or compliance has to discuss this first with his/her local management team. However there is the Raising Concern Procedure (RCP) which allows employees to obtain advice and guidance on ethics and compliance issues and behavior. Under this procedure employees can seek advice and guidance from the local General Counsel - Ethics & Compliance Officer (GC-ECO) and/or in a few specific cases directly from the Chief Ethics & Compliance Officer (CECO):

- competition law, suspicion of corruption, etc.,
- or if the issue is not resolved by the management,
- or if the employee is not comfortable discussing the matter with the management team,
- or if there are no other procedures for dealing with individual grievances and complaints.

The RCP is currently in operation on a case-by-case basis in the countries where the Group operates, in accordance with the applicable legislation.

3.3 Our people

HUMAN RESOURCES PRIORITIES

Our Group Human Resources (HR) priorities focus principally on the following areas:

- Career development:
 - Managing employee skills development in order to adapt skills to technological change and the Company's business objectives;
 - Managing our talent while taking career aspirations into consideration;
 - Being open with employees regarding their career development, using our skills models;
 - Offering a wide range of training to employees to facilitate their professional development;
 - Favoring the mobility of talent at local and global levels.
- Leadership Talent Pool:
 - Applying our New Leader Profile to all processes relating to managers;
 - Creating management-specific training opportunities;
 - Implementing a shared tool for managing the performance evaluation process of our managers.
- Group University:
 - Availability of regional programs (the University has a presence on three continents: at Les Fontaines in France, Hyderabad in India and Chicago in North America);
 - Accelerating our efforts to provide virtual training programs and e-learning modules;
 - Adapting training programs to new technologies, customer requirements and employee needs.
- Recruitment in line with changes in new technologies and including:
 - Diversity:
 - Managing gender diversity in the recruitment and promotion processes,
 - Continuing our policy regarding the employment of people with a disability,
 - Reflecting the characteristics of our local communities.
 - Strengthening our partnerships with major business schools and universities worldwide to facilitate the integration of young graduates.
- HR Service Delivery:
 - Developing Employee Self-Service (ESS) to support increased mobility and virtual working; accelerating HR BPO, leveraging shared services to deliver high-touch and quality HR services to our people;
 - Improving mobility policies, training and services with a strong focus on employee travel safety.

STRONG ORGANIC AND EXTERNAL HEADCOUNT GROWTH

The development of the Group workforce over the last ten years is a reflection of the economic cycles that have affected the Consulting and Technology sectors. The strong organic growth of the late 1990s coupled with the takeover of Ernst & Young Consulting in 2000 meant that the Group headcount more than doubled in five years. Moreover, this period was marked by sustained demand for Consulting and Technology services due to the oncoming Y2K, the introduction of the euro and development of the Internet.

During the next three years, the investment slowdown in the information technology sector led to the downsizing of our workforce, under the effect of two factors: on the one hand, deterioration of the economic environment due to the emergence of major international crises, culminating in the World Trade Center attack on September 11, 2001 and the war against Iraq; on the other hand, the explosion of the Internet bubble,

2004 was marked by a return to growth of the workforce, mainly as a result of staff transfers (over 5,300 people were transferred upon signature of two large outsourcing contracts, notably the Aspire contract in the United Kingdom). This growth continued, with a doubling of the workforce between 2004 and 2011 as a result of acquisitions (notably Kanbay in 2007, BAS in 2008 and CPM Braxis in 2010) and strong organic growth, in particular in offshore countries (India, Poland, Latin America, China and Morocco). While the economic crisis of 2008 resulted in a clear slowdown in the rate of hirings and led in 2009 –something unique in the last decade– to a reduction in the workforce. However, the return to recruitment seen in late 2009 accelerated through 2010 and 2011. The Group passed the milestone of 100,000 employees in September 2010 and had around 120,000 employees by the end of 2011, a marked increase of its workforce compared with 2010: more than 11,000 employees (+10.1%) over the year, including 3,090 employees from company acquisitions and transfers. Although headcount growth was largely carried out in the BRIC countries, growth was also seen in Western countries in 2010 and 2011.

The size of this growth was a significant influence on the Group's transformation. The workforce more than doubled in a decade, with an increase of 127% — or nearly 67,000 people — mainly in offshore countries but was also seen in the Group's historical markets.

Year	Average headcount		End-of-year headcount	
	Number	Change	Number	Change
2002	54,882	- 8.4%	52,683	- 8.8%
2003	49,805	- 9.3%	55,576*	5.5%
2004	57,387	15.2%	59,324	6.7%
2005	59,734	4.1%	61,036	2.9%
2006	64,013	7.2%	67,889	11.2%
2007	79,213	23.7%	83,508	23.0%
2008	86,495	9.2%	91,621	9.7%
2009	90,238	4.3%	90,516	-1.2%
2010	97,571	8.1%	108,698	20.1%
2011	114,354	17.2%	119,707	10.1%

*48,304 excluding the Transiciel contribution, incorporated only on December 31.

The acquisitions of Kanbay, BAS B.V. and CPM Braxis, strong organic growth notably in Asia and Latin America, and the economic crisis that affected continental Europe and the USA

in particular, continued to appreciably modify the geographical distribution of Group personnel. This development is summarized in the table below:

	December 31, 2009		December 31, 2010		December 31, 2011	
	Numbers	%	Numbers	%	Numbers	%
North America	7,950	8.8%	8,667	8.0%	9,505	7.9%
United Kingdom & Ireland	7,844	8.7%	8,515	7.8%	8,977	7.5%
Nordic countries	3,681	4.1%	4,012	3.7%	4,538	3.8%
Benelux	11,163	12.3%	10,782	9.9%	10,391	8.7%
Germany and Central Europe	7,724	8.5%	7,929	7.3%	8,962	7.5%
France and Morocco	20,032	22.1%	20,277	18.7%	21,738	18.2%
Southern Europe and Latin America	8,114	9.0%	14,853	13.7%	16,499	13.8%
Asia-Pacific	24,008	26.5%	33,664	31.0%	39,097	32.6%
TOTAL	90,516	100%	108,698	100%	119,707	100%

The calculation of numbers of employees in any one country excludes offshore staff carrying out operations destined for that country.

The above development reflects:

- The ongoing adaptation of delivery capabilities to our Rightshore® model, combining local resources (in the client's area) with the resources situated in specialized production centers, the balance depending on the technology or the offering concerned. This resulted in the significant increase seen in the Asia-Pacific headcount (notably India), which now comprises nearly one third of the Group's resources (compared with 12.1% in 2006 and less than 5% in 2004). This country saw very significant growth in recent years with headcount rising from slightly under 2,000 people in 2004 to more than 35,700 in 2011. Similarly, Poland had fewer than 500 employees in 2004 but by end-2011 the headcount totaled more than 4,500. Lastly, the Group has been growing in Latin America (Argentina, Chile, Brazil and Guatemala) since 2007. With the buyout of CPM Braxis in Q4 2010, the region had more than 9,100 employees at end-2011, including more than 7,000 in Brazil. This brings it close to the Group's size in the United State.

- The Netherlands was the main country to see its headcount fall in 2011. The United Kingdom's workforce declined in 2008 (mainly due to the reduced scope of the Aspire contract, although the contract term was extended in compensation), stabilized in 2009, and then saw a return to growth in the last two years despite the impact of the economic crisis.
- In France headcount rose by nearly 7% over the year, due in part to the acquisition of several businesses (Artesys, Avantias and Prosodie in late 2011), although its relative weight has decreased because of the increase in headcount in BRIC countries.

Against a still uncertain economic backdrop for 2011, the Group hired more than 32,700 people, which is an all-time Group record.

	Hires	Acquisitions transfers
2002	3,801	2,035
2003	4,724	8,032
2004	9,285	5,363
2005	14,453	712
2006	18,592	1,495
2007	24,814	7,569
2008	22,526	3,358
2009	13,072	543
2010	30,139	7,579
2011	32,713	3,158
AVERAGE	17,412	3,985

This dynamic was not felt in the same way across all geographic regions and countries, with offshore countries contributing strongly to recruitment numbers and being responsible for half of all recruitment in 2011. India, where 38% of recruitment took place, saw headcount grow organically by nearly 5,000 people in 2011, representing 44% of the Group's growth. Although the diversification of offshore recruitment resulted in the Polish workforce expanding considerably in 2008, it was Latin America which recorded a high percentage of recruitments and strong rise in headcount in 2010 and 2011. China also recorded a sharp upswing in 2011.

As a result of this economic recovery, the attrition rate (the percentage of voluntary departures) stabilized: it stabilized at 18.1% over the year, higher than in 2010. This rate is, however, below the last decade's peak rate, which was 19.7% in 2007.

	Attrition
2002	11.1%
2003	10.2%
2004	14.1%
2005	15.4%
2006	16.6%
2007	19.7%
2008	17.2%
2009	10.4%
2010	16.3%
2011	18.1%

The number of voluntary departures was therefore significantly higher in 2011 than in 2010, at nearly 20,700. These movements reflect a classical pattern in the Consulting Services and Systems Integration businesses: a contraction is seen in this indicator when the market offers reduced visibility as was experienced in 2009, with a return to professional mobility when the market is more buoyant. These statistics are carefully monitored to ensure that attrition remains in line with industry norms and that appropriate response initiatives are developed to suit the needs of each business line and geographical area. The dynamism of the Indian IT Services market was reflected in the attrition rate there which, following a relatively low level in 2009, rose to 23.7% in 2010 before stabilizing at 21% in 2011.

The resource utilization rate — which measures the share of working hours (excluding legal holidays or leave) worked by productive salaried personnel — directly allocated to billable services. Following a rise in 2010, this stabilized in 2011 for all three businesses: Consulting Services, Technology Services and Local Professional Services.

	2010				2011			
Quarterly utilization rates	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Consulting Services	71	71	67	66	68	70	66	68
Technology Services	80	79	78	79	79	78	80	81
Local Professional Services	81	83	83	83	82	83	84	83

Note: utilization rates are not monitored for Outsourcing Services, for which this indicator is not representative of changes to performance.

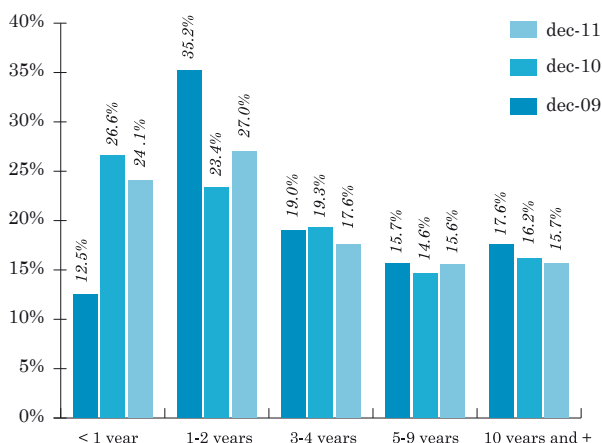
Since 2003, the Group has measured and monitored the changes in indicators designed to fine-tune the demographics of its workforce structure. These indicators include average seniority, average age and gender breakdown. An in-house tool has been developed to obtain a coherent view (specifying the percentage population covered) of the Capgemini population and its changes on a monthly basis.

BREAKDOWN OF WORKFORCE BY LENGTH OF SERVICE: 2009-2011 CHANGES

The coverage interval for the data below is 97% of year-end headcount (including CPM Braxis data). Changes for average length of service reflect the Group recruitment policy over the last few years. The high percentage of employees with an average level of service of less than three years (51% of the headcount) is clearly due to the high level of recruitment over the last two years. The large number of recent recruits has therefore automatically reduced the percentage of employees with more than five or ten years' service. It should be noted that it is the date of recruitment by the acquired company, and not the date of integration into Capgemini, which

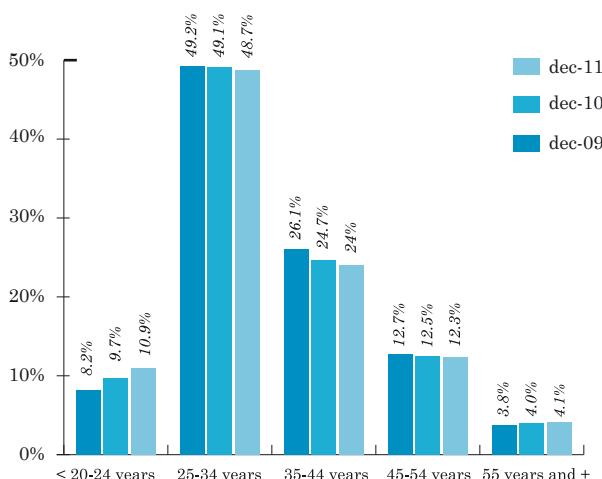
is taken into consideration for the purpose of calculating length of service.

Average length of service in the Company is down 0.4 years compared with 2010 at 4.5 years, due to the high number of recruitments in 2010 and 2011. This varies according to the geographical area, ranging from just over 1.7 years for India to more than 9 years in the Benelux countries.



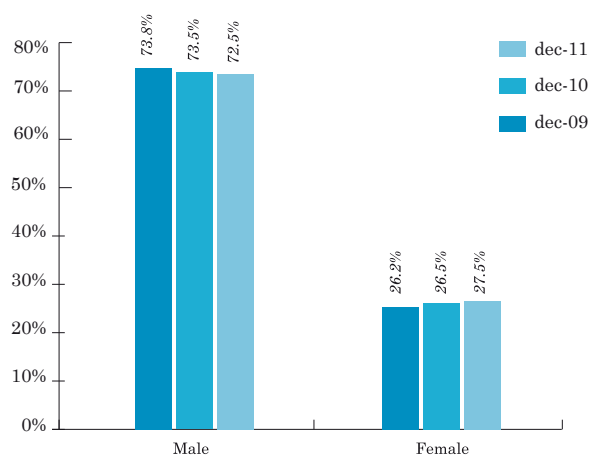
BREAKDOWN OF WORKFORCE BY AGE: 2009-2011 CHANGES

The coverage interval for the data below is 96.6% of year-end headcount (including CPM Braxis data). The average age of employees decreased in 2011 to 34.5 years compared with 35.1 years in 2010. This reduction was due to strong growth in the hiring of young graduates, who accounted for 42% of recruitment in 2011. The percentage of employees aged less than 35 years rose by 0.9 points over the previous year to 59.6%, it stands at the highest level since 2003. This rise was due in full to the increase in the number of employees aged under 25 years. The share of employees in the 35 to 44 age group fell by 0.7 points, and dropped in the over 45 group, albeit to a lesser extent, by only 0.2 points. However, the proportion of employees aged 55 years and above rose slightly, reflecting the increase in the average retirement age, notably in Western countries. Average age is lowest in India, at 29.3 years in the United Kingdom, the Nordic countries and Benelux the average age is above 40 years.



BREAKDOWN OF WORKFORCE BY GENDER: 2009-2011 CHANGES

The coverage interval for the data below is 95.8% of year-end headcount (including CPM Braxis data). The percentage of females in the workforce continued to rise in 2011, increasing by one point over 2010 to reach 27.5% of the headcount at year end. This improvement was mainly due to strong growth in previous years of BPO which is a business sector with a strong proportion of females (50%). This increase in female employees was recorded although BPO has recently developed in countries where the male/female ratio is 76/24 (especially in India), and despite the expansion in business sectors (Services Infrastructure) where there are fewer females in the workforce. Nevertheless, in several geographic regions the percentage of females is increasing at constant scope. In 58% of countries the percentage has risen, with India (+1.3 points) and Guatemala being particularly noteworthy. Thanks to the strong development of BPO, which allowed a high proportion of women joining the Group, countries including Poland, China, Brazil (excluding CPM), Romania and Chile showed a percentage of women in the workforce exceeding 50%. Conversely, the percentage is less than 25% in seven countries covering 73% of the workforce analyzed, including India, France, Benelux, Argentina, United Kingdom and USA. The overall gender breakdown is a reflection of the information technology sector as a whole, which tends to attract engineering graduates who are predominantly male. Consulting Services, however, is a more diversified market, with a more balanced 62/38 ratio, and showed a one point improvement over the year.



Monitoring is carried out at the Group level to better assess and understand the situation of women within the Group, in compliance with applicable legislation, i.e. the percentage of females recruited, leaving and promoted.

This showed that females represented 29.7% of total recruitments (rate of coverage of 90.7% in 2011 and 92.2% in 2010), being 3.2 points higher than the percentage of females in the workforce at end-2010 and which explains the rise in the percentage of women in the workforce at end-2011.

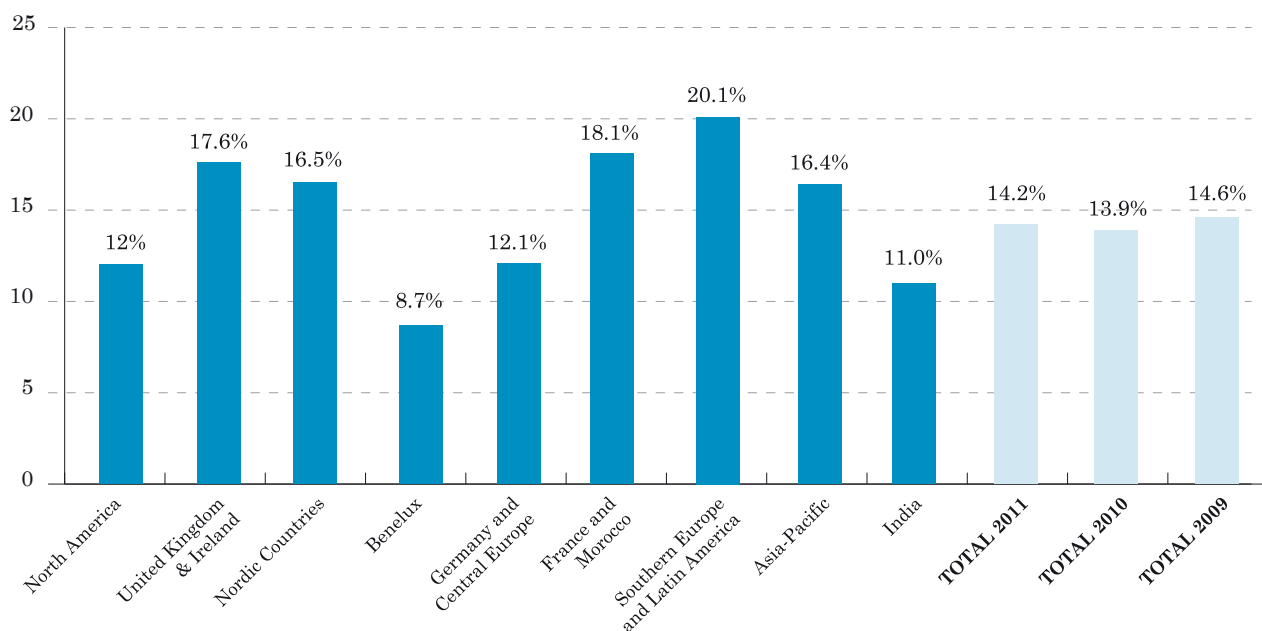
Recruits	2010 % of female	2011 % of female
North America	23.3%	28.4%
UK & Ireland	28.0%	24.0%
Nordic countries	26.9%	32.9%
Benelux	20.9%	20.5%
Germany and Central Europe	45.2%	45.8%
France and Morocco	20.9%	22.3%
Southern Europe and Latin America	40.6%	41.1%
Asia-Pacific	26.6%	27.7%
TOTAL	28.1%	29.7%

Nevertheless, the turnover rate for females was marginally higher (at equivalent scope to hires) than for the total population and increased slightly faster, moving from 15.9% to 18.3% (+2.4 points) while the overall turnover rate rose by just 1.9 points during the same period.

Turnover	2010 % of female	2011 % of female
North America	15.2%	12.6%
UK & Ireland	11.0%	9.6%
Nordic countries	15.6%	18.2%
Benelux	8.7%	13.9%
Germany and Central Europe	17.4%	23.6%
France and Morocco	8.2%	13.0%
Southern Europe and Latin America	14.2%	17.3%
Asia-Pacific	24.8%	23.6%
TOTAL	15.9%	18.3%

PROPORTION OF WOMEN IN TOP EXECUTIVE POSITIONS PER OPERATING UNIT

The proportion of women in top executive positions had increased at December 31, 2011:



Following a decline in the proportion of females in the highest executive grades in 2010, this indicator has returned to growth of 0.3 points in 2011, but nevertheless remains lower than the total percentage of females, all grades combined, within the Company. The ongoing growth of Group headcount in countries with a low percentage of female engineers takes its toll on the overall percentage (although the proportion of women engineers in these countries is higher than the market average).

At the end of 2011, 18.2% of employees who had been promoted to the role of "Vice-President" were female, a percentage which has risen by more than 2 points compared with the previous year. We have a clear picture of our pool of women's talent from the talent reviews conducted throughout the Group which range from interviews with the Group CEO of the most talented employees to reviews which take place at the Business Unit level. In addition, all Business Units are asked to ensure that they build a female management talent pool.

Determined to increase visibility in order to acquire a better gender-balanced Vice-President community, we are also leveraging local leadership through continuing education and mentoring by senior executives.

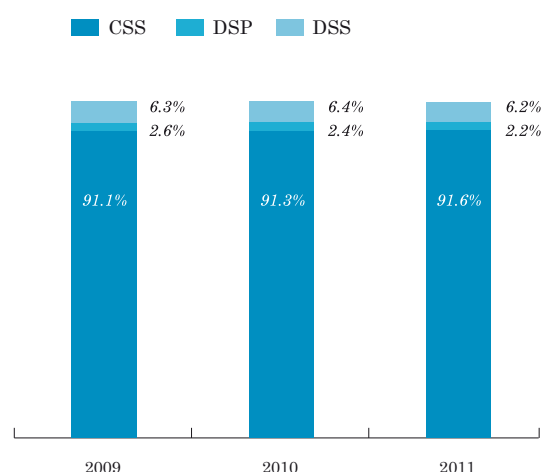
The largest countries within the Group have women's councils and networks in place with a focus on recruitment, retention, leadership and communication.

In addition to the historical indicators set out above, and in the framework of New Economic Regulations in France, the Group now includes new indicators which appear to be more pertinent to its business, such as the breakdown of workforce by working time, category and fixed working hours, described below.

WORKFORCE - BREAKDOWN OF WORKFORCE BY CATEGORY: 2010-2011 CHANGES

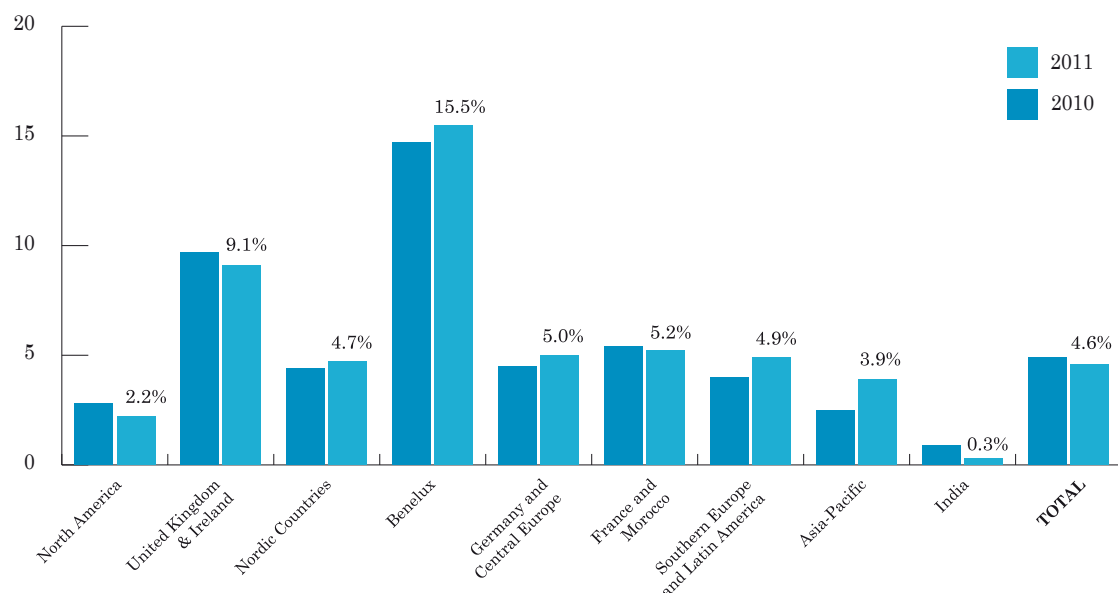
The Company's workforce breaks down into three broad categories:

- Client Serving Staff (CSS). These employees ensure that our services with clients are managed correctly and make up the majority of the Group's workforce. Their percentage within the workforce has steadily increased to 91.6% at end-2011;
- Dedicated Sales People (DSP). These employees make up the sales team and are responsible for sales and customer relations management across the full product portfolio. The size of this team is stable and as a proportion of the workforce it is therefore declining;
- Dedicated Support Staff (DSS). These employees carry out administrative support functions.



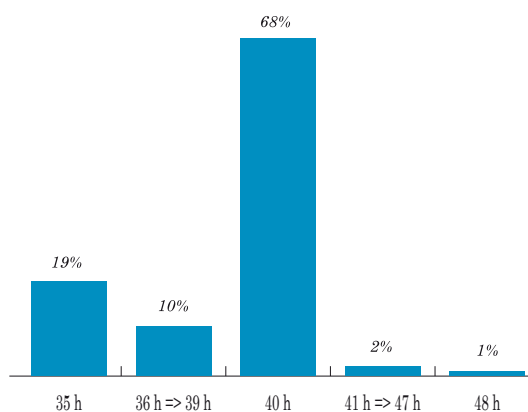
WORKFORCE - BREAKDOWN OF PART-TIME WORKFORCE: 2010-2011 CHANGES

The coverage interval for the below data is 94.2% of year-end headcount. The number of part-time employees in the Group decreased by 0.3 points compared with 2010, to 4.6% of the headcount in 2011. The figures show significant variation between regions: part-time working is most widespread in the Benelux countries, followed by the United Kingdom & Ireland, with 15.5% (18% in the Netherlands) and 9.1% respectively. Conversely, part-time working is not widespread in India and Latin America which, given the importance of these regions in terms of recruitment, explains the overall drop in this indicator. In France, 5.2% or approximately 1,000 people work on a part-time basis. This figure has remained relatively stable over the last three years.



WORKFORCE - BREAKDOWN OF WORKFORCE BY FIXED WORKING HOURS IN 2011

A study of fixed working hours in the Group showed a wide variation between the regions. This study covered 91.6% of the workforce at year end. France, which represented 19% of the total workforce, was singled out with a 35-hour working week. More than two thirds of our employees have a 40-hour working week. This is mainly the case in Europe (excluding the United Kingdom, Finland and Denmark, where it is generally around 37 hours), North America and India, where the Group offers a more attractive 40-hour week, although the legal maximum working week is 48 hours. South American countries vary from a base of 44 hours per week in Guatemala, Brazil and Chile to 48 hours in Argentina.



FUNDAMENTAL PRINCIPLES OF HUMAN RESOURCE MANAGEMENT

Personalized career management

The competency model

Employees' professional development is supported by a Global Competency Model (GCM), which forms the basis for performance appraisals and personal career advancement. Rooted in shared values, the GCM is tailored to take into account the specific needs of each of the Group's businesses, increasing understanding of the competencies of employees across the business through a common framework.

Each Competency Model is based on several competency dimensions that define what is expected from an employee (Core Skills, Delivery, People Development, Business Development and Thought Leadership). The values Trust, Honesty, Freedom, Modesty, Boldness, Team Spirit and Fun permeate and influence all aspects of competency and contribute to the human relations culture prevalent throughout the Group.

Each Competency Model embeds its role-based competencies and corresponding Global Core Curriculum (GCC: Global Core Curriculum). The aim is to provide each employee with the right training module enabling the appropriate career development.

Personal development and appraisals

A key challenge for a services company such as Capgemini is to guarantee a consistent and transparent process of individual performance assessment based on a set of clearly defined and explained criteria. By establishing a clear framework to guide the appraisal process, the company can ensure the professional development and promotion of all employees and respect for equal opportunities.

The Performance and Development process is driven by regular meetings between the employee and the evaluator, conducted in relation to assignments. The mentoring system has been set up in a number of entities to allow employees to benefit from an outside view and career management advice from more experienced colleagues throughout their careers. The GCM

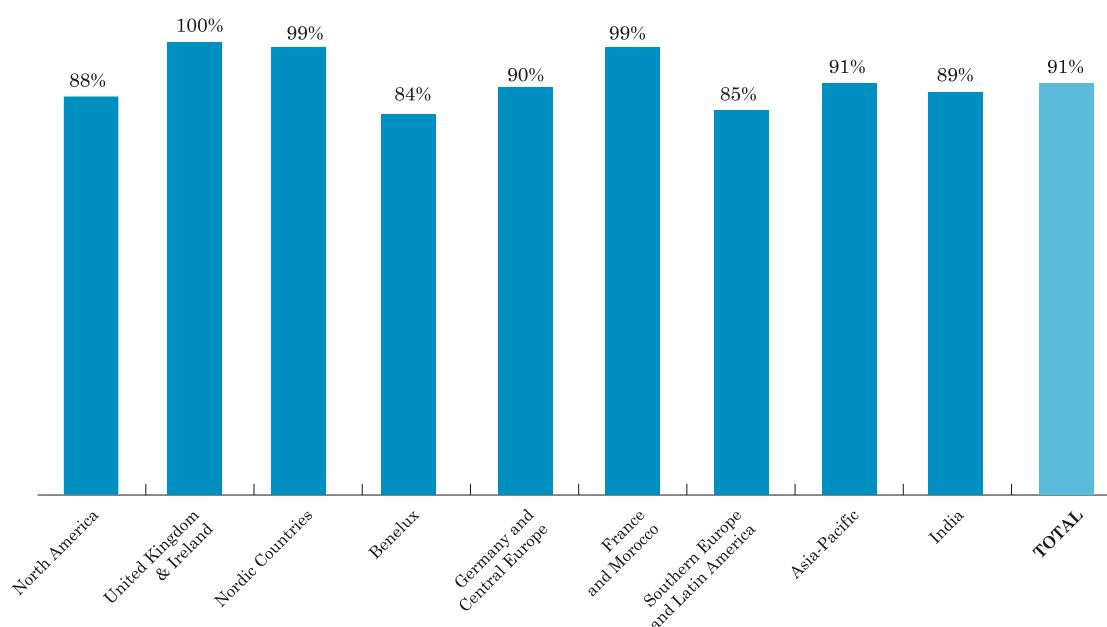
sets out expectations and competency descriptions for each grade which are used for setting objectives, evaluation and preparing for promotion. The development priority areas of the competency dimensions differ for each grade, giving guidance on where employees should focus.

WORKFORCE - PERCENTAGE OF EMPLOYEES HAVING HAD A PERFORMANCE AND CAREER REVIEW IN 2011

The coverage interval for the data below is 94.2% of year-end headcount (including CPM Braxis data).

In 2011, 91% of the workforce concerned had undergone an annual performance review. Some regions are further ahead

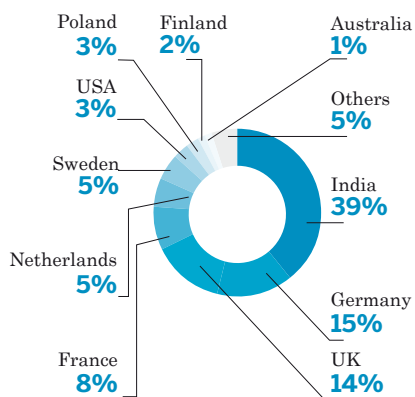
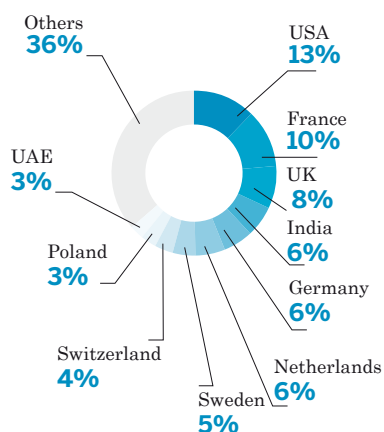
than others in this area, such as Europe, where the figure is close to 100% (with the exception of the Benelux countries where coverage is weakest at 84%). India and Latin America are close to the Group level.



Mobility

Geographical mobility, whether at country or international level, is supported by the Group and often corresponds to a request by the employee. We continue to note a significant increase in cross-border assignments and travel across the globe as a result of both internationalization combined with our delivery model. In order to ensure the physical safety of its employees, travel to potentially high-risk countries is subject to strict rules and must be approved in advance. If trouble breaks out in a country where the Group's employees are present, Capgemini's repatriation procedure provides specific insurance to limit as far as possible the risks faced by its people. Specific training courses and advice are provided by its international mobility-support service provider. In 2010, specific e-learning training for low-risk countries was launched; over the year 2011, some 8,000 employees completed relevant modules in employee travel security. A geo-localization tool has also been set up to identify where our employees are located at any time, in case of emergency. Prior to departure, they are also given travel alerts, including cultural tips and customs.

For professionals involved in overseas assignments or considering an international career, useful information is provided on the Group intranet sites together with relevant rules and procedures. The coverage interval for the data below is 83% of year-end headcount. In 2011 more than 24,400 business trips were made outside the normal country of work, of which 39% originated in India. The main destinations for these foreign trips were North America (13%), France (10%) and the United Kingdom (8%).

Countries of origin**Countries of destination**

To facilitate mobility within each country, intranet sites list available positions. This offers the opportunity for jobs to be filled by existing employees prior to being advertised outside the company.

Investing in learning and development**General learning policy**

The value of a consulting and IT services company lies in the quality of its intellectual capital. In an industry characterized by rapid technological change and changing patterns of work: It is essential for employees to keep their knowledge and skills up-to-date and in line with client and market needs. Likewise, new staff joining the Group are keen to leverage and build on their knowledge and to gain rewarding professional experience. Personalized development plans are therefore designed during annual performance interviews and reviewed at least once a year. Furthermore, operating units undertake a systematic and iterative review of the capabilities required for their businesses and their training portfolios, in order to keep abreast of current and future market needs.

Capgemini is committed to the continuing development of all employees, personally and professionally, with the aim of creating and maintaining a fully competent and motivated workforce with core skills aligned to its present and future business requirements. In providing such development opportunities, we will enhance our ability to achieve individual, team and corporate goals.

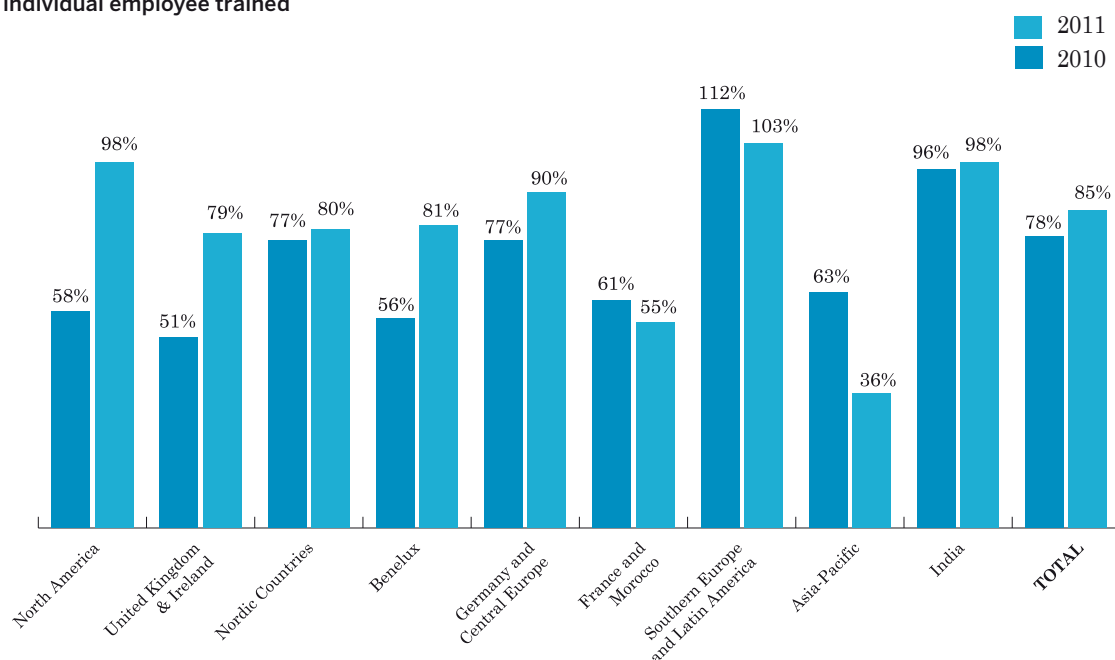
The fundamental strategy of competency development draws on various approaches:

- standard training programs;
- virtual Classrooms;
- mentoring systems;
- e-learning;
- on-line books;
- knowledge Centers, video and online TV;
- on-the job training;
- easily accessible databases for knowledge sharing;
- management of professional interest communities;
- forums and team rooms;
- KM 2.0 communities, blogs and wikis.

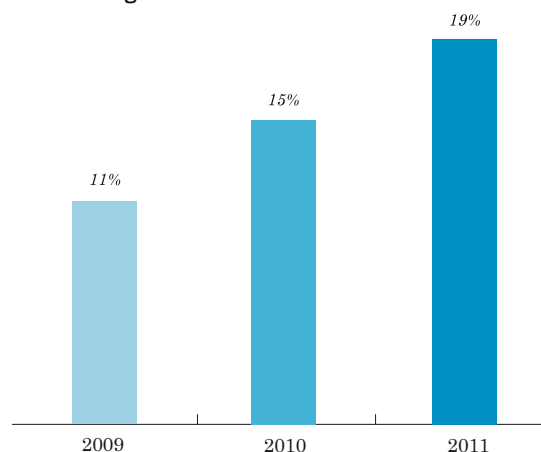
A sharing and networking culture is vital if knowledge is to be used and transmitted. Innovation and collaboration are also required.

Sustained focus on training and competency development

Resources are devoted to the provision of training, both at Group level and locally. The Group's on-line learning management system MyLearning, open to all employees, was used by over 80,500 employees in 2011, and usage of e-courses and online books saw another big jump. Overall, more than 101,000 employees were trained in 2011, up 21% compared with the previous year taking the total volume of training hours to 3.87 million. Employees use MyLearning for informal and just-in-time learning but also register for more formal, structured learning events.

% of individual employee trained

(The above data includes trained employees who left the Group)

% of e-learning

MyLearning contains all the Group programs and, for many regions, local curricula. The catalogue of courses includes a range of training options to suit different learning styles, including e-learning, books, on-line mentoring, test-preps, online examinations, language courses, live virtual training sessions and meetings, and classroom teaching. Classroom instruction is provided either at local training centers, through external suppliers, or at the Group University. In 2011 the Group continued to develop its on-line training courses using the Group University's e-learning resources; 19% of training took place on-line.

The Group University

The quality of services provided to our clients is dependent upon the excellence and motivation of our teams: We therefore invest in the development of our employees - our most precious asset - from their hiring and at every stage of their career. Our University plays a key role in the quality of the Group's products and its competitiveness.

The University's vision is to be the partner of the Group's continual transformation and competitiveness. Its mission is to:

- develop the competencies and capabilities of our people that are essential to Group priorities and strategies;
- partner the business to deploy content on Capgemini's specific know-how and to industry standards;
- create next generation learning that challenges and supports the participants while creating a network within and across our communities; and
- rely on our rich history and benchmark with best-in-class learning organizations to guarantee proven excellence.

To contribute to the achievement of the Group's long-term goals, the Group University has launched an innovative Transformation Program, in partnership with all divisions, sectors and global service lines and across the whole of our professional communities.

2011 marked the creation of the new identity and a new tagline for our University, inspired by a team spirit of collaboration: "Our University - we shift the boundaries!" In 2011, Our University "shifted the boundaries":

- by expanding its portfolio of programs with the addition of new learning products:
 - Capability Booster" and "Rapid Design" workshops. These workshops, which combine our teams, our clients and technology partners, work to identify our employees' development and training needs in solutions to business developments. The University is thus establishing itself as a partner of the Group's transformation;
 - programs specially designed for our BPM and Testing global service lines;
 - virtual programs leading to ISEB, PMI, PRINCE 2 and ITIL® certification;
 - a new integration program for new hires;
- offering learning in new subjects such as Cloud Computing, SaaS or how to use eco-systems to bring greater added value to our clients.

In 2011, the principles of the Next Generation Learning approach, launched the previous year, were applied by the University to all new design or redefinition of programs or events such as the Business Priority Weeks (BPW), CCWeek (Capgemini Consulting's summer university) and the ACES Summer School sales program.

In the new Learning Business Partner Team, created in 2010, members of the University and key training and professional development executives, worked in collaboration to achieve the six shared training priorities defined for 2011:

- No. 1 - Increasing use of more cost competitive "productive time" training: moving away from the residential training model in favor of a training model integrating modern technology and offering more space for virtual training;
- No. 2 - Contributing to growth and productivity with shorter integration programs with high impact from the very first day;
- No. 3 - Optimizing access to virtual programs: the target was to provide 33% of training hours through virtual programs;
- No. 4 - Improving the presentation of the global training portfolio: the target (reached) was to provide 33% of Group training by University training programs;
- No. 5 - Integration of the new leadership profile in the global University product;
- No. 6 - Improving the transparency of training results: 71% of the Group's training hours are now recorded in a single system.

In 2010, our University launched a program in conjunction with the Group's top five strategic technology partners: IBM, Oracle, SAP, HP and Microsoft. This partnership was extended in 2011 to include three new companies: EMC, Salesforce.com and VMWARE.

Key figures:

In 2011, more than 82,000 Capgemini employees (69% of our workforce) took part in training schemes as part of the training path defined by the Group, using various channels. The total volume provided was 1,233,000 hours.

More than 15,000 employees were trained at one of our specialist centers (Les Fontaines in France, Hyderabad in India and Chicago in the United States) or locally in the different countries in which the Group is present, representing 750,536 hours of training. A third of these hours were carried out as part of the programs offered by the University.

Virtual learning expanded significantly in 2011: increasing by more than 40% over the year, or slightly more than 730,000 hours. This channel now represents 19% of total training hours.

45% of our employees followed programs to develop their management skills (Leadership) or to get to know Capgemini better (Integration). The remaining 55% followed programs targeted at developing professional skills related to their role, sector, service line or our strategic partners' technologies.

The Certification process

Internal certification

This in-house peer review process enables employees to appraise colleagues' competencies on the basis of precise and clearly identified criteria such as experience gained, knowledge sharing, use of in-house tools and methods, mentoring and leadership.

The process has three objectives, namely:

- To create strong and recognized professional-interest communities by sharing information, knowledge and skills in specific areas;
- To ensure blended distribution and graduated progression of competencies, both for in-house and client service requirements;
- To create, in the process, the win-win situation of ensuring competitive edge both for the Group and for its employees, thereby increasing their "employability".

For a number of years the Group has run internal certification programs, primarily for project managers, architects, software engineers and network engineers.

Nearly 1,800 project managers, 541 architects, 4,241 software engineers and 311 network engineers had either obtained or reconfirmed an internal certification by end-2011.

External certification

The Group has a longstanding external certification policy enhanced by online learning programs that provide the ability to study for external affiliation, including test preps and online mentoring. Employees may apply for the following external certification: Microsoft, IBM, Oracle, Sun Microsystems, Cisco, Linus Professional Institute, Six Sigma (Green and Black Belts), Project Management Institute (PMI), and ITIL.

Center certification

Centers of excellence around the world continue to consolidate and strengthen Group capabilities to support a distributed and increasingly global delivery model. Relevant external certification combined with our internal certification programs support these objectives. More than 80 Capgemini centers, including Accelerated Delivery Centers, Application Management Services Centers, Infrastructure Management Service Centers, Business Process Outsourcing Centers, and Technical Excellence Centers now have some form of certification. Centers in India, the United States, Canada, France, the United Kingdom, Belgium, the Netherlands, Germany, Switzerland, Poland, Spain, Portugal, Italy, Norway, Denmark, Finland and China have ISO certifications including ISO 9001/ISO 9001-2008. Many centers have CMM/CMMI® (Capability Maturity Model Integration) certification, which is specific to the applications development business. In India the centers of Mumbai, Kolkata, Pune, Hyderabad, Chennai and Bangalore, as well as that of the Asturias in Spain and the OS AM business in the United Kingdom have achieved the highest level CMM and CMMI® certification (level 5). More than 17 other centers in France, the Netherlands, Spain, Italy, Finland, Argentina, Canada, the United Kingdom and the United States have received level 2 or 3 certification. All BPO centers are ISO 9000 certified and IIP accredited, a measure of the global production capability, economies of scale and flexibility to adapt to changes in demand.

Dialogue and internal communication at the heart of our relationships

Capgemini believes effective communication is a precondition for an open and honest culture, and for the involvement and engagement of employees. It is also essential for effective knowledge dissemination, sharing success and creating a sense of belonging within teams, at both the Group and local level.

Moreover, use of the Group's intranet, Talent, continued to grow in 2011, with nearly 5 million connections. Every day this site showcases the commercial dynamism of the teams, the excellence of delivery and innovations and the best Group practices and tools. Talent is the channel on which the Group's strategic directions and priorities are set out, as well as those of the operating entities. It is the gateway to the national intranets, training sites and all the communities hosted on a single platform and registered 33 million connections in 2011. A daily summary of the latest local and international news is sent to 7,000 subscribers, with a weekly digest being sent to all Capgemini employees every Friday. They can also personalize their own space (MyDesk) with information flows and internal and external services.

2011 saw the emergence of closer ties between the Company's internal social networks and traditional communication channels, in order to increase connectivity within the Group: Widgets were added to local intranets to enhance structured

information. The communications teams are now very active on the Company's internal social networks to communicate, exchange, guide and direct employees towards other content sources. Employee enthusiasm for these new tools has been spectacular: Yammer, the Group social networking site, now boasts more than 35,000 profiles. The business lines' social networking sites are also proving popular, with the Consulting Services site registering 4,000 members and Sogeti having 10,000 members. The most popular discussion themes focus on technology, innovation and mobility opportunities within the Company.

The past year saw the production of videos developed to share the Company's strategic objectives and to reduce the distance between top executives and employees. The CEO and other Group Directors regularly posted vBlogs (short videos) on a dedicated platform.

To ensure consistency of messages and means of communication, physical and virtual events were also accompanied by internal communication. Three global campaigns were very successful. They demonstrated the importance employees attached to the themes of diversity, the environment, and socially responsible companies, and showed how these contribute to the success and image of the Group.

A dedicated communication channel helps foster team spirit and communication amongst the Group's Vice-President community. The Executive series comprises a monthly newsletter, The Executive Summary, ad-hoc communications via The Executive Link, and a dedicated space on the intranet, The Executive Corner. The Vice Presidents also receive real-time external communications to the market or the press. For special events such as acquisitions or Company results, they are sent a specific document summarizing the key messages and a "Communications Pack" so that they can pass the information on to their teams.

To improve consistency and protect the Group's image across the different means of communication (newsletters, opinion polls, messages, etc.) production tools are available which manage the various elements of the Group's graphics chart, allowing editors to concentrate on the content.

We recognize that many contributors to newsletters, intranet sites and other resources are not communications professionals. To help address this and raise the quality of internal communications, in 2011 the Group's internal communications team expanded its virtual classroom with lessons on different topics and practices relating to internal communication.

The annual satisfaction survey showed that the level of employee satisfaction with communication and the distribution of information remains broadly unchanged (VPs were generally more satisfied than average). Employees believe the "Capgemini team spirit" is particularly important, linked to the Company's ethical values, its image and the fighting spirit which characterizes the group, as well as its generosity.

Communication at the heart of employee transfers

Maintaining the involvement and satisfaction of existing employees is only part of the communications challenge. Winning the hearts and minds of the many people who join the company each year as part of an outsourcing deal or an acquisition is vital to the success of any deal.

Two-way communication and employee involvement

At the heart of Capgemini's communications philosophy is a commitment to two-way communication. While informal dialogue is always encouraged, understanding the engagement and satisfaction levels of employees is also formally sought through the annual Group employee survey process. For many years, employee surveys were locally managed with a questionnaire that was the same for all entities.

After a successful 2006 global survey pilot, the Global Employee Survey was run across all Capgemini entities worldwide and in Sogeti United States in 2007. Since 2008, all Group employees, from all sectors, have been invited each year to participate.

In 2011, more than 63,000 employees responded to this survey, a participation rate of 63% and the level of employee involvement across the Group was slightly up. The breakdown of results by country, operating unit and business line allows a more in-depth analysis and better-targeted action plans. This survey also tracks and monitors progress to promote areas of strength and make more impact on the areas where we want to improve. The 2011 survey was improved to focus on the most important subjects for the Group and our employees. We are now measuring Corporate Social Responsibility (CSR) more widely than previously, including questions on ethics, diversity and our commitment to social responsibility. Scores continue to improve in these areas and the results of the survey show that CSR is a priority for our employees. It remains important that we retain a customer-focused approach, as evidenced by high scores obtained on these topics: 90% of our employees feel personally responsible for their client's satisfaction. Analysis of priorities in terms of commitment indicated that customer intimacy and adding value in customer undertakings were important motivating factors for our employees.

Employee representation and social dialogue

Capgemini also demonstrates its commitment to formal two-way dialogue through its approach to employee representation. The company upholds the laws of representation and recognizes the importance of constructive dialogue between employees and management in shaping key decisions affecting the running of the Group.

In 2001, the International Works Council (IWC) was set up as the official representative body in the Group. It enables employee representatives to bring employee interests directly to the attention of Group management. In return, the latter informs them directly of the company's plans and the impact of these plans on employees. Since 2004, Capgemini has gone

beyond European legislation on works councils and opened IWC meetings to members from non-European countries, including North America and India, creating a truly globally representative body. In 2011, through its policy of including the major non-European countries in the work of the Committee, the IWC welcomed a representative from Brazil. To date, 22 countries are represented at the IWC: Germany, Austria, Belgium, Denmark, Spain, Finland, France, Hungary, Ireland, Italy, Luxembourg, Norway, the Netherlands, Poland, Portugal, the Czech Republic, Romania, the UK and Sweden, North America, India and Brazil.

At local level, the company also supports dialogue with unions or other employee representatives, within relevant bodies and through the processes provided for under local legislation, regulations and agreements. The IWC has a dedicated intranet site to give all Group employees open access to IWC information.

In 2011, the 22 member countries were invited to four plenary meetings including two which were organized by Group Management in "Fontaines", in the presence of Paul Hermelin, Group CEO, and two organized by the IWC members in Antwerp and Utrecht. Constructive and positive discussion took place on various topics such as Group strategy, alliances, communication, the organization of Country Committees, recent acquisitions, new economic models, employability, skills development and the new performance management system, MyPath. In addition to these four meetings, the Board met monthly to progress the actions points from these meetings or to discuss topics related to monthly activity.

Remuneration policy

The Group's remuneration policy is based on common principles, applied in a decentralized way and tailored to local job market conditions and regulations. This policy aims to:

- attract and retain talents,
- reward individual and collective performance with a remuneration model that is motivating yet flexible, and
- be fair and consistent with the Group's financial and operational targets.

Where local rules permit, employees can select the components of their remuneration package from a predefined package. This provides employees with additional flexibility, enabling them to reconcile their financial and personal situations in the best possible way.

Profit-sharing is available to employees pursuant to the local regulations applicable in the country.

Vice-president and senior executive compensation schemes are overviewed and authorized at Group level for both fixed salaries and variable compensation schemes. Non vice-president compensation schemes, locally designed and managed, are subject to Group approval with regard to their principles.

The minimum salaries applied by the Group in each country always exceed or are equal to the legal minimum salaries in force in the country concerned, and are sometimes higher by a very significant proportion. In France this rate is 107%.

Share based incentive schemes

Capgemini S.A. has granted share-based instruments (stock options and performance shares) on a regular basis in line with the recommendations of the AFEP/MEDEF corporate governance code. These grants are made selectively with the aim of rewarding employee loyalty, namely for those who have made exceptional contributions to company sales, production, innovation or management or who have been acknowledged for specific initiatives. Any employee in the Group may be selected to receive them. They are an exceptional reward and do not form part of the general remuneration policy.

The Board of Directors allocated a certain number of stock options to 6,193 beneficiaries under the fifth plan (launched in May 2000 and closed in May 2005), to 2,298 beneficiaries under the sixth plan (launched in May 2005 and closed in July 2008), to 507 beneficiaries under the first performance shares plan and to 566 beneficiaries under the second performance shares plan. The Management Report, presented at each Cap Gemini S.A. Shareholders' Meeting, provides a detailed yearly breakdown of these grants.

Concurrently, stock option grants to Executive Corporate Officers form a tiny percentage of the aggregate options distributed. Under the fifth and sixth plans, 1.1% of the total number of options allocated was awarded to Executive Corporate Officers, and no options are exercisable on plans still active. With respect to performance shares, the two resolutions passed by the Shareholders' Meeting limited to 5% the maximum volume attributable to corporate officers. The volume ultimately granted represented 4.35% of the total attribution for the first plan and no shares have been granted under the second plan. Moreover, share based instruments have never been granted on an automatic and/or annual basis.

Detailed information regarding the stock options or performance shares allocated by Cap Gemini S.A. to directors and to the ten main beneficiaries (non-directors), the options exercised by the latter, and the plans in general are provided on pages 185 to 187 and 230 of this Registration Document.

Thanks to a resolution approved at the Shareholders' Meeting of May 26, 2011, the Group currently has the authority to award performance shares up to a maximum amount of 1,000,000 shares and which to date has not been used.

Employee access to stock holding

In 2009, Capgemini also launched its first international employee stock ownership plan, covering 19 countries. More than 14,000 employees applied for shares which make our employees, as a whole, one of the Group's principal shareholders. Authorization to launch a new plan, under similar conditions to the 2009 plan, was approved at the Shareholders' Meeting of May 26, 2011.

In addition, in 2009 Capgemini launched a product whose performance is related to its share price: the BSAAR. This product was made available to Group managers at a price of €3.22 (at fair value and in accordance with a valuation carried out by an external expert) and was accompanied by an information memorandum approved by the French Financial Markets Authority (AMF). BSAARs are an opportunity for managers who would like to make a long-term investment in the Company (from 4-7 years) and are exposed to changes in the share price.

Diversity and Inclusion – Our strategic advantage

With more than 120,000 employees in 40 countries and representing 110 nationalities, Capgemini is proud of its wide cultural diversity. This diversity has many facets including gender, disability, ethnicity, origin, age and lifestyle: We view diversity as both a strategic advantage and an ongoing challenge. This diversity is a source of innovation and inspiration, it promotes new ideas, anticipating market changes and our image as pioneers. By creating an international platform, it helps us understand better the global market and to adapt to the communities in which we operate.

In all countries of operation, the Group complies with local labor legislation and international labor regulations. In our working practices we are committed to ensuring that:

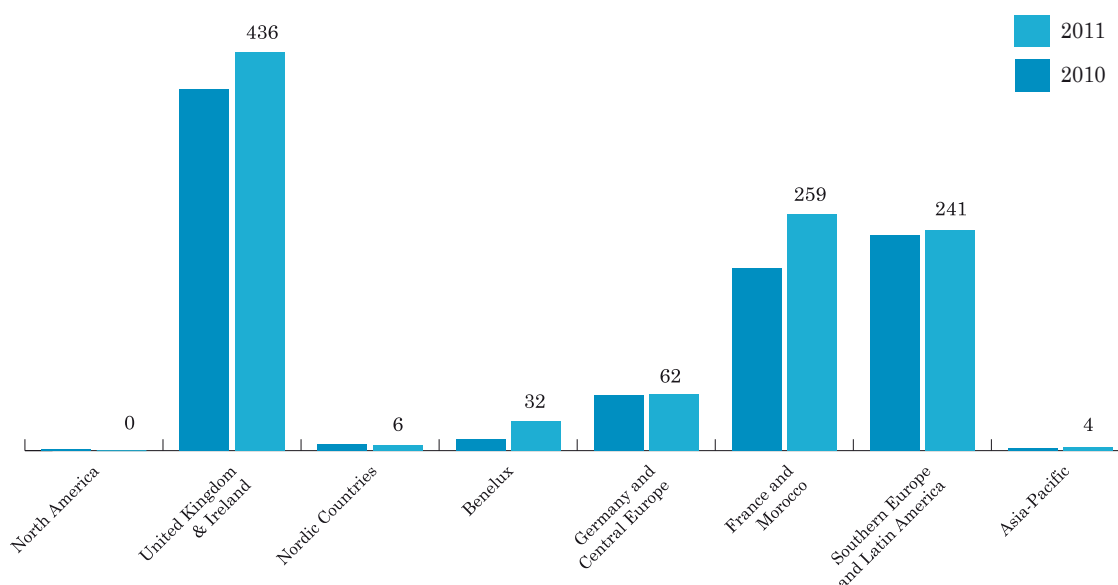
- talented individuals from different backgrounds are recruited and retained;
- individuals are shown respect and treated fairly;
- our working relationships are devoid of any unlawful discrimination;
- our work environment is free from bullying or harassment;
- employees are encouraged to keep a good balance between work and private life;
- the health and well-being of our people is supported; and
- a sound and fair working environment, where staff can grow and develop, is provided.

We actively promote the principles of diversity in our employment practices. Our aim is to encourage individuals from diverse backgrounds who are innovative, enthusiastic, culturally aware and committed to delivering a truly collaborative experience to our clients. In particular by:

- recruiting employees according to objective, job-related criteria;
- continuously reviewing and improving our HR practices and procedures to encourage diversity;
- identifying barriers or restrictions to diversity and taking action to remove them;
- training and educating line and HR managers on an ongoing basis;
- communicating the spirit of our diversity policy to everyone in the company;
- setting up ways to measure and monitor our diversity.

We make every effort to adapt to different needs and to enable people to work with us under a wide range of personal circumstances. In a number of countries, where this is allowed, employee data is monitored according to multiple criteria: social-cultural groups, age group, disability, etc. Diversity performance indicators are also included in the annual HR audit.

WORKFORCE - NUMBER OF PEOPLE IN THE GROUP WITH A DISABILITY 2010-2011



The coverage interval for the data above is 60% of year-end headcount. This percentage is relatively low due to the fact that some countries such as India and North America do not collect this type of data. In 2011, data indicated that the Group employed 1,046 people with a disability, of which 42% in the United Kingdom and 25% in France. This was 60 people more in 2011 than in 2010.

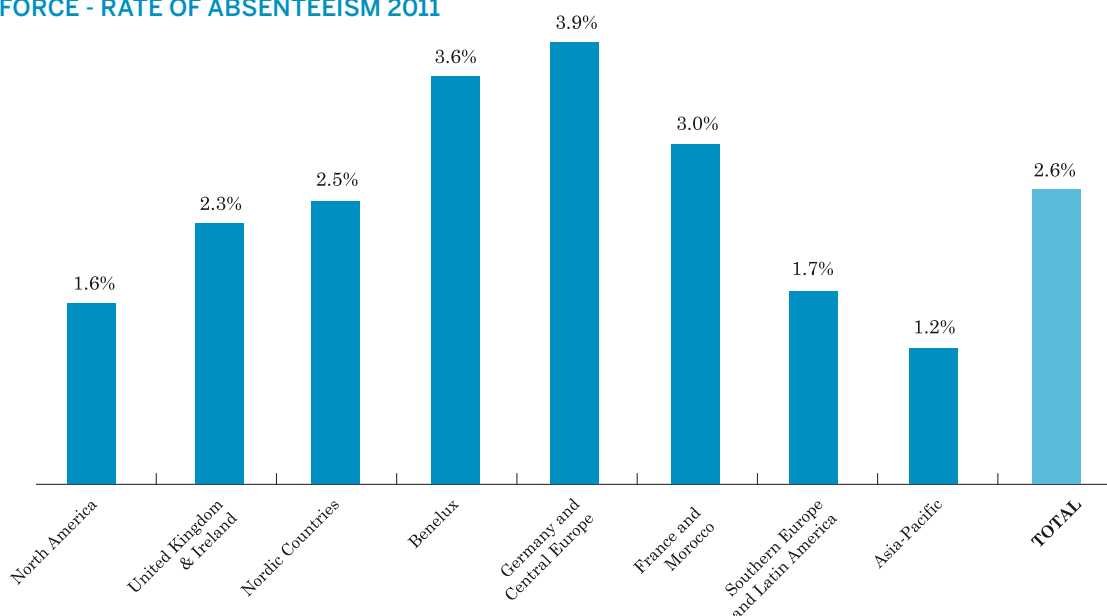
Health and safety in the workplace

Health and safety in the workplace is an important feature of human resources and facilities management. Fortunately, the Group's businesses do not involve high-risk activities. Health and safety responsibilities are nevertheless taken very seriously and the company has established specific processes and measures. Capgemini often works in collaboration with clients on issues concerning client buildings and locations where staff may be working. Areas of concern are regularly reviewed and preventive measures implemented.

Our offices around the world have introduced initiatives to promote employee well-being: work-life balance, stress management, improvement of employee-manager relations, and better working conditions. Many of our countries, including India, have Employee Assistance Programs (EAP), which have proven invaluable in helping our employees manage stressful personal situations through an entirely confidential external service. Other services range from health checks focusing on the prevention of health problems, training for managers and employees on improving their work-life balance, and fitness programs.

Through our MyLearning learning management system, numerous books and e-learning modules are available to employees. We have also purchased Well-being Essentials, a special range of products addressing concerns on personal finance, emotional well-being, relationships, health challenges, stress, career transitions, work-life balance, healthy eating, adoption, parenting, fitness, grief & loss, abuse of harmful substances, etc.

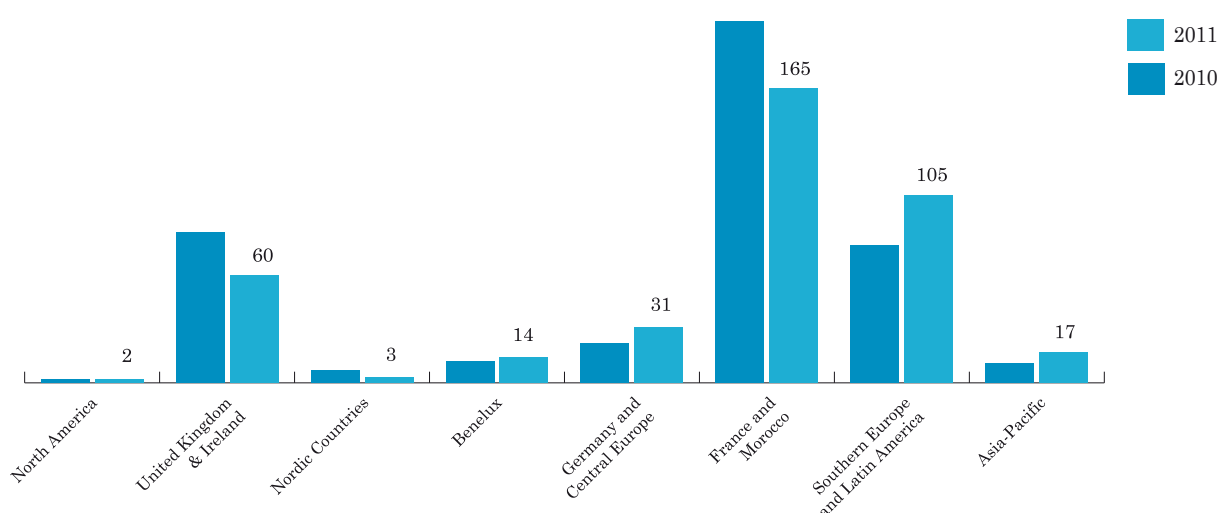
WORKFORCE - RATE OF ABSENTEEISM 2011



The coverage interval for this study is 61.8% of year-end headcount. This percentage is relatively low due to the fact that some countries such as India (which represents nearly 30% of our workforce) do not collect data on the number of days of

sick leave in the strict sense. In 2011, the rate of absenteeism for sickness in the sample was 2.6%. The highest rate is observed in Poland (4.8%), followed by Benelux (3.6%). France, at 2.9%, was ranked just above the Group average.

WORKFORCE - NUMBER OF WORK-RELATED ACCIDENTS 2010-2011



The coverage interval for the above data is 58.9%. This percentage is relatively low due to the fact that some countries such as India (which represents nearly 30% of our workforce) do not collect this type of data. In 2011, the Group recorded 402 work-related accidents, of which 40% were in France on

account of the regulations in force relating to the reporting of information. The majority of these work-related accidents were accidents during the home/workplace journey.

No work-related death occurred in the Group in 2011 (GRI LA7).

3.4 Our stakeholders

OUR CLIENTS

The OTACE client satisfaction policy

Our client relationship management process, known as OTACE (On Time and At or Above Client Expectations) is a key factor underpinning our strong client relationships. Clients are requested to specify their expectations from our services based on a set of indicators relating to the following:

- type of service required;
- nature of the working relationship; and
- knowledge sharing.

We document and review these indicators with clients to produce ratings that are reviewed regularly according to an agreed schedule.

By allowing us to better assess the client satisfaction level with respect to their project, OTACE allows us to identify not only our strengths but also areas for improvement. In 2011, over 5,000 duties were analyzed using OTACE. The results showed 91% of projects were delivered on time and 92% met or exceeded client expectations, with average client satisfaction being 3.94 out of 5.

Our client focus and the Collaborative Business Experience of Capgemini is the essence of the way we work with our clients. Client satisfaction and their appreciation of the value we bring in contributing to making their businesses successful and sustainable is essential to our business. This is reflected in how our people feel: in our 2011 Global Employee Survey, 90% of our people strongly agree that they “feel personally responsible for their client’s satisfaction.”

The Group serves many clients, distributed in several business sectors and countries. The most important ones are international groups and public bodies. The Group’s premier client, which is a British public body of the first rank, accounts for slightly less than 10% of the Group’s turnover, the second only a little more than 2%. The first 10 clients together account for just over 22% of the Group’s turnover and the first 30 for slightly more than 36%. The creditworthiness of its major clients and the wide dispersion of the others limit the credit risks.

“The Group provided performance and/or financial guarantees for certain large client contracts. Some of these guarantees, relating to a very restricted number of clients whose projects represented approximately 14% of Group revenues in 2011, were not for fixed amounts.

Developing client offerings with a sustainability focus

In 2011, Capgemini continued to grow its portfolio of sustainability offers and to build on its strong track record of helping clients achieve their environmental objectives. Details

of these service offerings can be accessed on our website at www.capgemini.com/greencube/.

The Merlin data center

Our Merlin center is considered to be one of the most sustainable data centers in the world. Its annual PUE (Power Usage Effectiveness) ratio, which averages out at 1.1 is in fact below the reference threshold set for our industry (1.4). Located in Swindon, in the South-West of England, this center, having a revolutionary design, incorporates several innovations, for example, a state-of-the-art air cooling system, that uses an Uninterruptible Power Supply (UPS) with flywheel, which ensures maximum energy efficiency in managing the infrastructures of our clients.

The Merlin data processing center received first prize at the prestigious Green Enterprise IT (GEIT) ceremony in 2011 organized by Uptime Institute.

Further information is available from:

<http://www.capgemini.com/insights-and-resources/by-publication/merlin--the-worlds-most-sustainable-data-centre/?ftcnt=10121>

BPO Services for data management, and energy, carbon & sustainability reporting.

Managing their sustainability performance is increasingly critical for our clients. This means processes and systems are essential to capture the complex and comprehensive data needed for well-informed management decisions on carbon footprint management and energy savings. Our outsourced service for energy, carbon & sustainability data management and reporting can accommodate all global protocols and emission factors. The BPO service is powered by CA ecoSoftware from CA Technologies, one of the world’s leading SaaS sustainability management tools. The service provides an efficient, cost effective, high quality management, analysis and back office reporting service leaving the client free to focus on its sustainability strategy and improvement projects.

Further information is available from:

<http://www.capgemini.com/services-and-solutions/outsourcing/business-process-outsourcing/overview/>.

Portfolio of Smart Energy services:

With more than ten years’ experience and in partnership with the main players worldwide in this field, Capgemini’s Smart Energy Services (SES) offer a wide range of sustainable solutions to energy efficiency and environmental issues. Our commitment, which can be seen by the fact that we have more than 8,000 employees working in this area, is based on our acknowledged experience and our ability to innovate and implement. Our services are relevant to more than 43 million users who are looking for solutions which optimize energy consumption and their environmental impact.

Further information is available from:

<http://www.capgemini.com/smartenergy>.

OUR SUPPLIERS AND BUSINESS PARTNERS

Capgemini's commitment to supplier relationships is reflected in its comprehensive set of guidelines on the ethics of purchasing and the selection of suppliers.

Purchasing activities

In our purchasing activities, we are conscious of environmental issues and impacts, social impacts, human rights, and the fight against bribery and corruption. The ten key principles of the United Nations Global Compact guide our activities throughout our business. This means that we are committed to ensuring that we work only with suppliers who respect appropriate ethical policies and human rights.

Capgemini has set out "Guidelines on Ethical Procurement" and wishes to develop long-term, sustainable relations with selected suppliers. Should a supplier fail to respect these ethical guidelines, Capgemini is then entitled to cancel the contract without compensation.

Our procurement procedures involve:

- treating suppliers fairly;
- selecting vendors based on value, performance, price and sustainability;
- providing justifiable and transparent selection decisions;
- preserving the confidentiality of supplier information;
- managing supplier risk;
- ensuring supplier contracts have effective clauses corresponding to our Sustainable Procurement Principles;
- maintaining appropriate commercial relationships with suppliers.

Supplier diversity and equality is encouraged, with our aim being to allow qualified small and minority businesses the opportunity to receive a share of our business. Our "eco-system" approach with major clients aims to foster this and level the entry barrier where practical.

Contractors' and suppliers' staff are expected to work according to the same CSR & Sustainability standards as our own employees. In parallel, we treat contractors and suppliers with the same sustainability, health & safety and diversity standards as our own employees.

Our sustainable procurement principles

Capgemini expects its suppliers to conduct their relationships with us and any of our clients and commercial partners on a fair and ethical basis and in compliance with our core sustainability principles. These principles apply both to the goods and services provided, to the suppliers' activities and, where appropriate, to their downstream supply chains.

Our core principles are:

1. **Human rights** – Respect for human rights when dealing with supplier stakeholders at large e.g., team members, clients, suppliers, shareholders and communities. Suppliers should support the principles of the Universal Declaration of Human Rights. They must avoid the use of equipment in breach of these rights or the manufacture or transfer of arms to oppressive regimes.
2. **Respect for national, international, regional and local applicable laws** – We recognize that customs, traditions and local practices may differ. Nevertheless, as a minimum, we require our suppliers to respect local, national and international laws including, in particular, all environmental, health and safety and labor laws. We expect suppliers to support International Labor Organization core conventions on labor standards.
3. **No forced or compulsory labor** – Our suppliers must not use forced, unpaid or compulsory labor and employees must be free to leave their employment after reasonable notice. Employees must not be required to lodge deposits, money or papers with their employer.
4. **No child labor** – We refuse to accept the use of child labor in the supply chain. In particular:
 - no one should be employed who is below the legal minimum age for employment in the country;
 - children (below the age of 18) must not be employed for any work that is hazardous or inconsistent with their personal development.
5. **Equality and diversity** – We refuse to accept unlawful discrimination of any kind in working relations and we expect diversity to be promoted. Suppliers should not discriminate in hiring, compensation, access to training, promotion, and termination of employment or retirement.
6. **Employee well-being and development** – Where applicable, suppliers should give consideration to flexible working conditions to foster a work/life balance and the personal development and training of team members.
7. **Disciplinary practices** – Employees must be treated with respect and dignity. Any physical or verbal abuse, harassment, threats and/or other forms of intimidation are prohibited.
8. **Freedom of association** – Insofar as permissible by the relevant laws, respect should be given for freedom of association.
9. **Health and safety** – A safe and healthy working environment for all employees must be provided in accordance with the international standards, laws and regulations. This includes making sure that adequate facilities, training and access to safety information are provided. Any policies, procedures

and guidelines applicable must be obeyed. Where suppliers work on Capgemini premises, or on behalf of Capgemini –such as for the use, handling, transport or disposal of hazardous materials or the disposal of electronic equipment– they must confirm that they understand their obligations. They must also confirm that they have management processes and controls in place, and agree, whenever applicable, to be fully responsible for any liability arising from their actions.

10. Confidentiality and intellectual property – We require our suppliers, contractors and their team members to preserve the confidentiality of any information to which they have access in accordance with applicable laws. We also expect them to protect any intellectual property belonging to Capgemini, its customers, suppliers and/or individuals.

11. Refusal of bribery and corruption in business practices.

12. Environmental impacts – We continue to focus on improving our results in reducing the impacts and risks of our activities on the environment. In particular, we are working to reduce our negative impacts in a quantifiable way. The areas concerned are:

- CO₂ emissions;
- waste and its elimination;
- efficient use of natural resources such as energy, water and raw materials in general;
- protection of biodiversity; and
- management, operational and technical controls to minimize the release of harmful emissions into the environment.

In 2011, from its ten leading suppliers the Group purchased goods and services amounting to €451 million, representing 4.65% of its sales for the year. Details are shown in the table below:

<i>in millions of euros</i>	Amount	% of revenue
British Telecom BT Group	136	1.40%
Hewlett - Packard	51	0.53%
Manpower	44	0.45%
Vertex customer Mngt Ltd.	38	0.39%
CORSO Informatica BV NL	37	0.38%
Oracle	33	0.34%
IBM	32	0.33%
Global Crossing Telecommunication Ltd.	28	0.29%
EMC	26	0.27%
Logica	26	0.27%
TOTAL	451	4.65%

Sustainable procurement in practice

Capgemini continues to implement a Sustainable Procurement in Partnership project. This reviews every category of goods and services procured from suppliers, in order to identify key areas of sustainability risk and related opportunities for improvement. "Risk" in this context refers to whether the product or service being procured has the potential to make a material impact on our sustainability performance and commitments; or whether it is subject to legislation, particularly environmental legislation. The project encompasses:

- an analysis of our supplier base in terms of risk and expenses;
- a more detailed analysis of the preferred supplier to:
 - evaluate supplier performance in terms of environmental sustainability;
 - if required, agree appropriate improvement activities with preferred suppliers; and
 - assess all new suppliers, who are required to complete a sustainability questionnaire.

We have instituted a detailed survey and our suppliers are expected to comply with our Core Principles of Sustainability. In 2008, all the Group's Procurement Officers agreed to complete a risk and expenses assessment of all key suppliers. The program was implemented in our largest countries in 2009 and supplier assessments currently cover 84% of worldwide purchasing expenses. Some 3,140 suppliers were or are currently being analyzed. Following this analysis, 271 suppliers have been delisted or reclassified (mainly in the UK and India).

We identified risk criteria to ensure that further assessments are undertaken on new suppliers if necessary. These comprehensive criteria include:

- excessive use of scarce, or non-renewable natural resources; and
- standards and specifications for particular categories of spending (for example, procurement of energy from renewable resources, recycled paper), supply chains utilizing low-cost countries where the primary supplier has not assessed and managed risk appropriately.

Capgemini also aims as far as possible to undertake all procurement (real estate, equipment, business travel) in accordance with its environmental policies and guidelines. This has been embedded into standard contracts since 2007, with the option of terminating a contract in the case of non-compliance.

ACTIONS IN THE COMMUNITY

Capgemini is committed to producing a positive impact on the community, now and in the future. As a major global employer, we work with external stakeholders on community projects, at national and international levels. Capgemini actively encourages employees at all levels to get involved in the communities in which they live and work. We channel our time, energy and creativity into having a positive impact through partnerships with various foundations, volunteering, pro bono work, fundraising

and awarding funding, where appropriate. Mobilizing forces to help others strengthens team spirit, improves communication skills and promotes a better understanding of the communities around us.

Our focus on community projects is very much aligned to our corporate purpose and values. We recognize our responsibility to contribute to the talent and skills of the wider population and future generations. Our basic community philosophy is to promote education, integration and skills development. We acknowledge that diversity is a source of richness and competitive advantage so our aim is to support diversity and nurture future talent in all its forms. We operate in communities across the world both from our network of offices and from our client and Rightshore™ sites. Our community strategy therefore focuses on local, national and global initiatives.

Our intention is to provide as many opportunities as we can for our employees and to engage in activities for the community that contribute to their development. Furthermore, we integrate our community programs in our business activities, and we coordinate them with the actions of our clients in favor of sustainable development. We measure and evaluate the impact of our community involvement and share this with our people, our community partners and our clients.

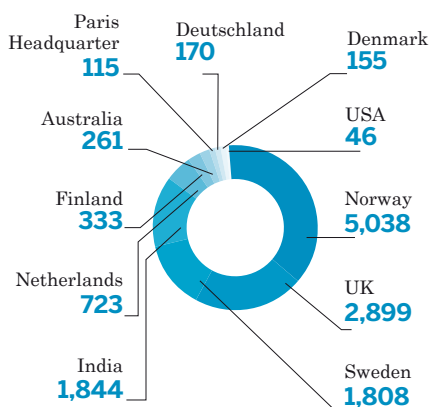
Our global Naandi initiative

Our partnership with the Naandi Foundation and its Nanhi Kali Initiative (focused on supporting young girls through their education) has a direct positive community impact in India; it is also aligned with and supports our CSR & Sustainability strategy. In 2011, we sponsored over 13,000 girls in India by means of schemes and initiatives across the Group. We are the largest corporate sponsor of Nanhi Kali internationally and the second largest for the foundation overall. The Nanhi Kali program has been officially adopted in the framework of CSR and sustainability by 11 Group countries and three new countries are expected to launch initiatives in 2012.

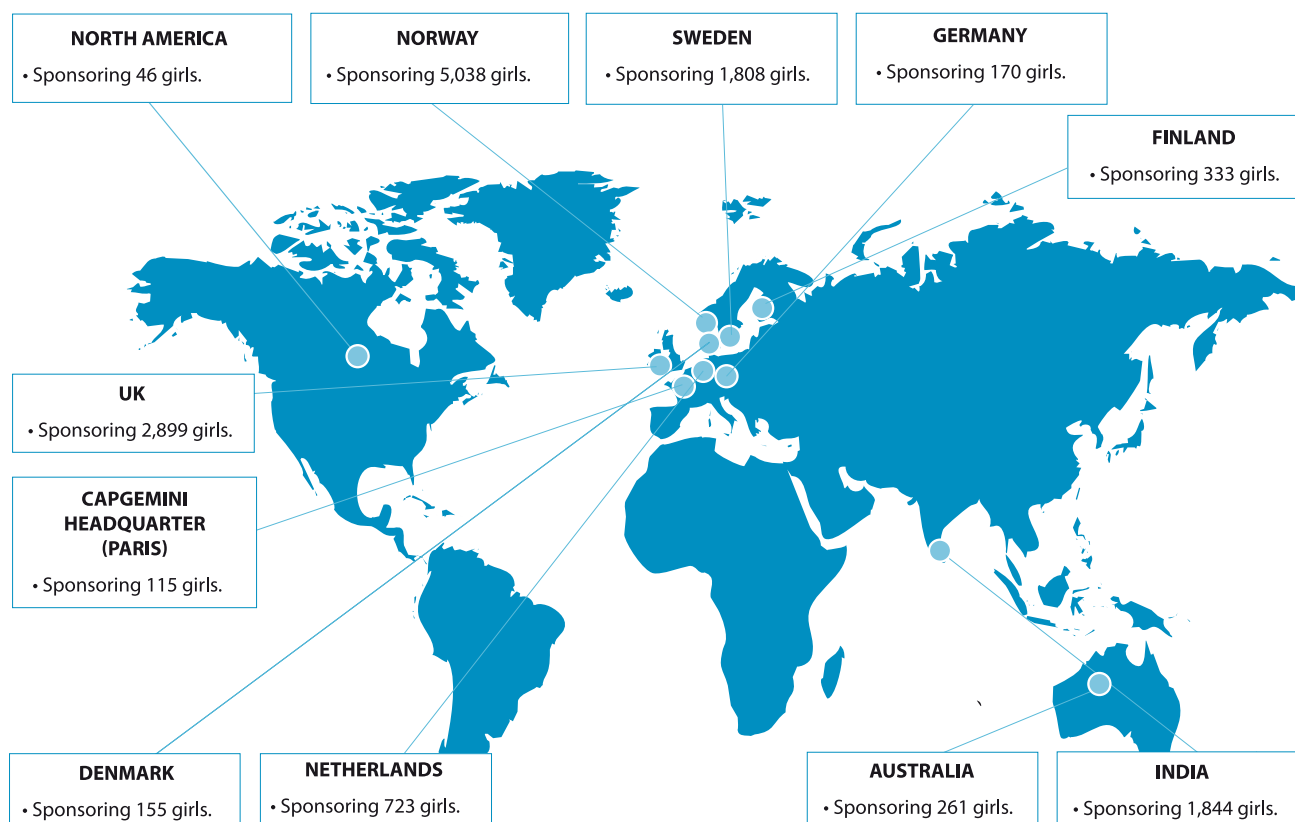
Main Naandi initiatives within the Group

- **Capgemini UK** opened its sixth Hamari library in a Naandi Institution school, thus giving the students access to a wide choice of books, newspapers and educational documents managed by a full-time librarian.
- **Capgemini UK Aspire** adopted a school located in a slum in Mumbai: selling samosas in its main building raised £18,000. These funds are used to provide basic academic skills to underprivileged children in the slum, and thus enable them to continue their studies.
- **Capgemini Netherlands** launched an Internet site www.naandi.nl to encourage people outside Capgemini to become involved with this program and to make this initiative more widely known through social networking sites. Capgemini Naandi NL is a registered charity.
- **Capgemini India** launched the Nanhi Kali CSR program in late 2011 for employees of the “financial services” division (approximately 15,000 people). All our employees in India now have the opportunity to support a student from the program
- **The Group's headquarters** continues to sponsor 115 students by sending e-cards through the specific platform developed by the Internal Communication of the Group.
- **Capgemini Belgium** is the most recent entity to have joined the program, in particular using Talent's e-card platform.
- **Capgemini North America** sent young recruits who are following training programs in India to visit Nanhi Kali and encouraged them to take videos and create promotional tools to further sponsorship of this program. During campus visits, Capgemini North America commits to sponsoring one student every time a student asks to be sent information about the Company.

Total no. of NK's sponsored



Capgemini Group & the Naandi Foundation



Capgemini Group is the 2nd Largest Corporate Sponsor of the Naandi Nanhi Kali Program – currently sponsoring over 13,000 in India.

Our Sogeti–PlaNet Finance initiative

Our local IT services business, Sogeti, has maintained a partnership with PlaNet Finance since its creation in 1998, a partnership that has made a significant contribution to alleviating poverty in some of the world's poorest communities. PlaNet Finance is an international non-profit organization, created to reduce poverty in the world through the development of microfinance.

Beyond financial assistance, Sogeti PlaNet Finance support includes the technological expertise and the support of the main computer systems: we manage their computer system voluntarily by hosting computer applications including intranet, electronic messaging and on-line training as well as providing services related to human resources. Through savings of time and money thus obtained, PlaNet Finance is able to further invest in microfinance projects.

At end 2011 Capgemini launched a dedicated website in association with MicroWorld, a corporate citizen, to help micro-entrepreneurs and to promote the growth of micro-credit in less advanced countries. This site provides a secure platform which enables individuals to finance micro-entrepreneurs' projects around the world by making on-line loans to projects that have been validated by a proven methodology in a socially responsible manner.

Summary of donations made

Countries/Region	Donations (€)	Programs
India	€27,040	Nanhi Kali, Goonj, Jagriti Sewa Sansthan and BOSCO and WeKare Society
France	€250,000	Mission Handicap and CSR (passeport Avenir, IMS entreprendre pour la cité, Fondation Good Planet, Nos quartiers ont du talent...)
UK	€153,430	Naandi, The Prince's Trust, and several others
Netherlands	€267,317	Naandi and several other organizations
North America	€110,444	Naandi, Habitat for Humanity, United Way, American Red Cross, Ninos de Lago and several others
Sub Total	€808,231	
Europe*	€407,202	Naandi, CADIN – Centro de Apoio ao Desenvolvimento Infantil, Associação Portuguesa de Formação de Actores para Cinema e Televisão, Fundación Adecco, Sant' Andrea Terre vicine e lontanek, Milan Accueil
China	€960	
Other**	€15,429	Hutt St centre, Queensland Floods, Autism SA, Coanil Foundation
Sogeti	€190,000	KWF Nederland, Stichting Opkikker, Make a Wish Foundation NL, Think Pink Campaign, Fundación Adecco, Red Cross, St. Kind Sponsor Plan
Sub Total	€613,591	
GRAND TOTAL	€1,421,822	

* Europe = Belgium, Denmark, Italy, Norway, Portugal, Spain, Sweden

** Other = Australia, Chile

Highlights of national and local initiatives around the Group

Further details on the many initiatives in this field can be accessed using the link below:

<http://www.capgemini.com/about/corporateresponsibility/>

3.5 The Group and the environment

Although Capgemini does not manufacture products, our services and our business activities may have an adverse impact on the environment. To manage the growth of our company, we shall identify and take into account the limits of our environment, and modify our business model accordingly.

Our contribution to reduce environmental impacts can take place not only within our company, but also through the help we can offer in this area to our stakeholders.

The Group has therefore committed to minimize its negative impacts in the areas most relevant to its business, to comply with any legal and other relevant requirements involving the environmental impacts of its operations, and to permanently improve the environmental performance of its operations.

Environmental priorities

We are committed to identifying and complying with all local and international legal and other relevant requirements relating to the environmental impacts of our operations, and to the prevention of pollution through the adoption of appropriate controls.

While local variations may exist, across the Group our key/ material environmental impacts are:

- greenhouse gas emissions from energy consumption in our offices and data centers;
- greenhouse gas emissions from business travel; and
- waste, both general and recyclable, produced and disposed of by us.

Key environmental aspects Aspects and impacts applicable to the Capgemini business

Energy	<p>Our main environmental impact comes from the consumption of electricity, gas and oil to light, heat and power our offices and data centers.</p> <p>Data processing centers are particularly energy intensive due to the high level of IT equipment to be housed, powered and cooled. As an example, around 78% of the electricity we use in our UK operations is consumed by the data processing centers alone.</p>
Travel	<p>The business journeys we undertake, including journeys by road, rail, air, and stays in hotels all consume fossil fuels, contributing greenhouse gas (GHG) emissions and impacting climate change.</p> <p>This is a major challenge for our industry, whose businesses rely on the mobility of their employees in order to utilize their skills and experience in serving our customers worldwide.</p> <p>We continue to take advantage of the opportunities created by technology such as video-conferencing, supported by virtual hosting services. We also introduced or improved some collaborative tools to facilitate remote working and allow a greater flexibility. In many countries we monitor the emissions from our car fleets, especially by setting emission limits or by promoting the use of hybrid vehicles.</p>
Waste management	<p>Much of the waste that the Group produces is generated from office consumables and packaging. Capgemini aims to minimize the amount of waste that is sent to landfill by providing recycling facilities in key offices.</p> <p>We also try to engage our people and work with key suppliers to reduce the overall amount of waste in the business, generated by daily operations. We ensure that all electronic equipment is recycled in accordance with local laws.</p>

Environment policy and approach

A new Group environment policy has been signed by the CEO, Paul Hermelin, setting out the expectations for all countries. This policy statement reinforces our commitment to environmental compliance and the continual improvement of environmental performance specifically in the areas of Energy, Business Travel and Waste.

Specifically, we expect the companies in the countries we operate to:

1. have a full understanding of how to quantify and track our environmental impacts (at a minimum, our Greenhouse Gas (GHG) Emissions) in line with our statutory reporting requirements;
2. identify energy saving sources within our portfolio of offices to reduce the Group's energy consumption and associated carbon footprint;
3. promote energy efficiency improvement initiatives in our data processing centers;
4. implement initiatives to minimize travel (and in particular air travel), without disrupting our ability to meet the demands of our clients;
5. implement initiatives to reduce the amount of waste we generate, and to maximize the percentage of our waste which is recycled; and

6. have procurement processes which ensure that our suppliers provide products and services which help us to achieve our Group environmental policy, particularly in relation to carbon emissions, reducing energy consumption, and minimizing waste.

Highlights in 2011

- Capgemini has been a signatory of the Caring for Climate initiative since it was launched by the United Nations' Global Compact in 2007.
- ISO4001 certification was achieved for Capgemini Portugal's Environmental Management System building upon ISO14001 certification already achieved in Belgium, Netherlands and the UK.
- Capgemini UK achieved the highest level of assurance for its environment program. Capgemini UK is the only company in its sector to currently hold Eco Management Accreditation Scheme (EMAS) certification for our UK Environment Statement. The statement is available at: http://www.uk.capgemini.com/m/uk/doc/Sustainability/Capgemini_Environmental_Statement_2010_v19_with_logo.pdf.
- Capgemini UK appeared in 'The Sunday Times' annual Best Green Companies list for the third year running.
- Capgemini UK has achieved Platinum status in the annual Business in the Community Corporate Responsibility Index.
- Capgemini India's new Mumbai headquarters building has achieved LEED certification.
- The Merlin data processing center at Swindon continues to be cited in various publications for its innovation and sustainability credentials.
- We continue to support the Carbon Disclosure Project, our annual submission detailing answers to many client and investor-based questions about our climate change risk, strategies and progress.
- Capgemini signed the Two Degree Communiqué on Climate Change, organized by the Prince of Wales's Corporate Leaders Group on Climate Change. Issued by over 400 business leaders globally, it urges global leaders to agree an ambitious, robust and equitable deal on climate change, and to take appropriate measures to face this challenge from today. This is line with our support for the previous Cancun (2010), Copenhagen (2009), Poznań (2008), and Bali (2007) communiqués.
- Capgemini is a signatory to the Guadalajara ICT declaration for Transformative Low-carbon Solutions. At the Cancun 2010 summit, the countries were urged to use the ICT resource as part of the mechanism of transition to a low carbon emission economy.
- In partnership with the Goodplanet Foundation (environmental non-profit organization), Capgemini organized the French translation of the 2011 report of the Worldwatch Institute (a North American independent interdisciplinary research organization created in 1975).

- Capgemini became a member of the "21 Committee", a network of sustainable development practitioners which was created after the Rio Summit in 1994. The missions of the "21 Committee" include creating conditions for exchanges and partnerships between its members who come from all sectors.
- With several other professional services companies, we work on the Professional Services Sustainability Initiative (PSSI) D under the aegis of the Programme for Sustainability Leadership at the University of Cambridge. The PSSI deals with sustainability issues we face in our sector, which can involve searching for all possible discussion topics with decision-makers about particular concerns in our sector of activity.

Environmental Data

Given the varying maturity levels of environmental reporting across the Group, it has been necessary to make a number of assumptions in order to present the carbon emissions data tables. Where only partial data is available, extrapolation has been employed to estimate the total impacts. This extrapolation has in several cases included the final months of 2011 as the full annual data sets were unavailable at the time of table processing.

The extrapolations have included in particular:

- the estimated 2011 data based on available 2010 data (according to a documented methodology related to differing scenarios covering all aspects of energy, travel and waste);
- estimating emissions based on available cost data (using assumptions such as the cost per kWh of electricity or gas, per liter of diesel or per km of travel or kg CO₂ emitted per flight).

Where no data is available, as was often true for water and some modes of transport, the data has been deliberately excluded. Full details of the assumptions made are available upon request.

Capgemini's largest units in France, India, the United Kingdom, the Netherlands and North America (including Canada and the United States of America) account for 68% of Capgemini's global headcount. The combined carbon emissions of these operations amounts to 220,040 tonnes of CO₂ emitted, calculated using the conversion factors and methodology recommended by the UK Government's Department of Environment, Farming and Rural Affairs.

The carbon footprint tables below include emissions associated with use of gas, diesel, electricity (in data processing centers and offices), business travel and waste. As water usage is not a significant environmental aspect for Capgemini, it has been excluded from the data tables below. There are plans for it to be included in subsequent annual reports.

Carbon Emissions (tonnes CO₂)

Country/Region	Gas	Diesel	Data centre electricity	Office electricity	Business travel	Waste	Total Emissions (tonnes CO ₂)
India	-	33	-	34,382	10,884	11	45,310
France	247	16	3,610	1,543	17,992	19	23,427
United Kingdom	594	58	28,281	7,384	14,137	176	50,630
Netherlands	304	19	7,051	3,219	35,338	195	46,126
North America	544	4	12,338	3,642	37,818	202	54,548
TOTAL	1,689	130	51,280	50,170	116,169	603	220,041

Currently, the data for the United Kingdom represents the most complete data set: robust carbon accounting has been in place since 2009 with annual external verification being conducted since 2010. The 2011 data set, once finalized, will be audited as part of Capgemini UK's Eco-Management Audit Scheme (EMAS) report in the second quarter of 2012.

Capgemini France, Netherlands and North America prepare carbon emissions estimates on an annual basis. Currently a still greater degree of extrapolation has been required, mainly for North America where much of the data had to be extrapolated based upon 2010 carbon footprint calculations. For Capgemini India, the above data represents the first full calculation of its carbon footprint.

Carbon emissions data has also been collected from Capgemini operations in Finland, Spain, Poland, Romania, Germany, Austria, Italy, Belgium, Norway, Portugal, Denmark, Czech Republic, Hungary, Croatia, Australia, China, Philippines, Vietnam, Argentina, Brazil, Chile, Guatemala and Mexico, as well as Sogeti operations in France, the Netherlands and the United Kingdom.

Total emissions from these activities, based on the extrapolations mentioned above, were 53,031 tonnes of CO₂ emitted in 2011. These numbers cover 28% of the Group's workforce and 66% of Sogeti's workforce. The emission data is listed below:

Carbon Emissions (tonnes CO₂)

Country/Region	Gas	Diesel	Data centre electricity	Office electricity	Business travel	Waste	Total Emissions (tonnes CO ₂)
Other Europe ^{(1) (4)}	356	100	1,571	4,435	15,390	82	21,934
Asia & Australia ⁽²⁾	-	-	-	1,072	5,369	1	6,442
Latin America ⁽³⁾	2	2	220	2,014	3,918	24	6,180
Sogeti (France, NL, UK)	184	12	-	2,224	16,041	14	18,475
Total - Other Operations	542	114	1,791	9,745	40,718	121	53,031
Total - Largest Operations	1,689	130	51,280	50,170	116,168	603	220,040
GRAND TOTAL - ALL OPERATIONS	2,231	244	53,071	59,915	156,886	724	273,071

¹ The "Rest of Europe" section includes Capgemini operations in Finland, Spain, Poland, Romania, Germany, Austria, Italy, Belgium, Norway, Portugal, Denmark, Czech Republic, Hungary, and Croatia.

² The Asia and Australia section includes Capgemini operations in Australia, China, Philippines and Vietnam

³ The Latin America section includes Capgemini operations in Argentina, Brazil, Chile, Guatemala, and Mexico

⁴ In Belgium (included in the total for Rest of Europe), emissions data associated with travel includes personal car use as well as business mileage.

The following table shows the total emissions figure of 273,071 tons of CO₂ distributed according to the Scopes 1 (Gas and Diesel), 2 (Electricity) and 3 (Travel and Waste) definitions as set out by the Global Reporting Initiative (GRI), which is a global reporting standard seeking to standardize sustainability reporting across organizations.

Scope	Emissions in tonnes (CO ₂ e)					
	Gas	Diesel	Data centre electricity	Office electricity	Business travel	Waste
Scope 1	2,231	244	-	-	-	-
Scope 2	-	-	53,071	59,915	-	-
Scope 3	-	-	-	-	156,886	724

The last table below shows Capgemini's consumption of energy together with paper consumption, waste and recycling rates. Energy figures, measured in kilowatt hours, includes the use of electricity across our operations. Currently the use of paper and recycling is measured using different metrics in

different countries. Consequently data is provided in terms of the weight of paper purchased, paper consumed and paper recycled. Finally, the table provides details of the weight of waste generated and the percentage of waste recycled.

Country/Region	Energy (Kwh)	Paper (T)			Waste (T)	
		Purchased	Consumed	Recycled	Hazardous + Non Hazardous	% Waste Recycled
India	26,994,205	23	23	na	25	na
France	55,943,716	151	149	na	43	na
United Kingdom	67,982,949	47	64	177	394	71%
Netherlands	24,258,435	na	66	na	436	9%
North America	36,551,465	na	na	502	452	11%
Sub Total - Largest Operations	211,730,770	221	302	679	1,350	6%
Other Europe	19,620,995	53	46	17	183	40%
Asia & Australia	1,498,719	6	0,25	0,22	2	11%
Latin America	19,987,319	58	56	27	54	17%
Sogeti (France, Netherlands, United Kingdom)	14,997,192	112	111	na	32	na
Sub Total - Other Operations	56,104,225	229	213	44	271	34%
GRAND TOTAL - ALL OPERATIONS	267,834,995	450	515	723	1,621	7%

na: denotes areas where activities occur but data is currently unavailable

As part of its approach in terms of corporate social responsibility and sustainability, Capgemini commits to large-scale deployment of environmental accounting. With this deployment already under way, our environmental reporting in the future will be more complete and accurate.

Capgemini has neither been subject to sanctions for non-compliance with environmental laws and regulations, nor has it been notified of any fines in this field.

3.6 GRI correlation table

The selection of indicators below refers to the Global Reporting Initiative (GRI) and has been given special attention. Other indicators have not been included as they are less (or not) pertinent to our activity. The following GRI correlation table provides the corresponding chapter in the annual report that deals with each indicator.

	GRI indicators	Chapter of the Annual Report	Selected indicators
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payment to capital providers and governments	Chapter 3.4 Our stakeholders, Action in the community	List of donations, page 61
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation	Chapter 3.3 Our people, Remuneration policy	Ratio in France, page 52
EC6	Policy, practices and proportion of spending on locally-based suppliers at significant locations of operation	Chapter 3.4 Our stakeholders, Our suppliers and business partners	Practices vis-à-vis our suppliers, pages 57 and 58
EN3	Direct energy consumption by primary energy source	Chapter 3.5 The Group and the environment	Energy consumption (in Kw) by region, page 64
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	Chapter 3.5 The Group and the environment	Merlin center, pages 36, 56 and 63
EN16	Total direct and indirect greenhouse gas emissions by weight	Chapter 3.5 The Group and the environment	CO ₂ emissions, page 64
EN17	Other relevant indirect greenhouse gas emissions by weight	Chapter 3.5 The Group and the environment	CO ₂ emissions, page 64
EN18	Initiative to reduce greenhouse gas emissions and reductions achieved	Chapter 3.5 The Group and the environment	Highlights in 2011, page 63
EN22	Total weight of waste by type and disposal method	Chapter 3.5 The Group and the environment	Amount of waste in tonnes, page 65
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations	Chapter 3.5 The Group and the environment	No fines, page 65
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening and actions taken	Chapter 3.4 Our stakeholders, Our suppliers and business partners	Number of suppliers assessed, page 58
LA1	Total workforce by employment type, employment contract, and region	Chapter 3.3 Our people, Strong headcount growth, both organic and external	Total number of employees by geographical area, and breakdown of full-time/part-time working, by category, pages 40 to 46
LA2	Total number and rate of new employee hires and turnover by age group, gender, and region	Chapter 3.3 Our people, Strong headcount growth, both organic and external	Change in turnover over 10 years by gender, pages 42 and 44
LA7	Rates of work-related injury, occupational diseases, absenteeism, lost days and number of work-related fatalities by region	Chapter 3.3 Our people, Health and safety in the workplace	Rate of work-related injuries, absenteeism, total number of work-related injuries, page 55
LA10	Average hours of training per year per employee by employee category	Chapter 3.3 Our people, Investing in training and development	Number of training hours, % of employees trained by region, page 49
LA12	Percentage of employees receiving regular performance and career development reviews	Chapter 3.3 Our people, Personal development and appraisals	Percentage of employees receiving a performance and career review by region, page 47

GRI indicators		Chapter of the Annual Report	Selected indicators
LA13	Composition of governance bodies and breakdown of employees by gender, age group, minority group membership, and other indicators of diversity	Chapter 3.3 Our people, Breakdown of workforce by gender	Change over three years of % of female employees, female turnover, females holding management positions, page 44
SO3	Percentage of employees trained in the organization's anti-corruption policies and procedures	Chapter 3.2 Ethics	Percentage of employees trained in the organization's anti-corruption policies and procedures, page 39
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	Chapter 3.4 Our stakeholders, Our suppliers and business partners	Number of Client Engagements monitored using OTACE and client satisfaction score, page 56

4.

MANAGEMENT REPORT

PRESENTED BY THE BOARD OF DIRECTORS TO THE COMBINED
SHAREHOLDERS' MEETING OF MAY 24, 2012

4. MANAGEMENT REPORT	69
4.1 General comments on the Group's activity over the past year	70
4.2 Comments on the Capgemini Group Consolidated Financial Statements and outlook for 2012	73
4.3 Comments on the Cap Gemini S.A. Financial Statements	75
4.4 Environmental and social impact of the Group's operations	84
4.5 Financing policy and market risks	85
4.6 Financial authorizations	86

4.1 General comments on the Group's activity over the past year

The return to growth perceptible from Spring 2010 in the Group's business sector continued throughout the year: the North American and Asian markets already headed in the right direction in 2010 continued their trajectory, the European market enjoyed a return to dynamic growth, with the notable exception of the Benelux countries. However, as in 2010, this recovery was not enjoyed evenly across the sectors: while financial services and the telecommunications and media sector showed sustained growth, the public sector remained depressed.

In this context, Capgemini Group reported revenues of €9,693 million, up 11.4% on published figures for last year and even 5.6% like-for-like (that is at constant Group structure and exchange rates) – the majority of the difference between these two rates being attributable to the full-year consolidation of the Brazilian company, CPM-Braxis, acquired at the end of 2010. This growth, which exceeds the objectives initially announced in February 2010 (of 4 to 5% like-for-like growth), confirms the Group's commercial momentum enjoyed across nearly all of its markets.

The operating margin rate for 2011 is 7.4%, significantly up on the 2010 rate (6.8%) and in line with the announced objective. Operating profit for fiscal year 2011 is €595 million, generating an operating profit margin of 6.1% compared to 5.6% in 2010.

The net financial expense is €105 million (compared to €87 million in 2010). The income tax expense is €101 million, after a net remeasurement of the US deferred tax balance of €75 million. Profit for the year attributable to owners of the Company is €404 million, up 44% on the 2010 figure of €280 million.¹

The Group generated "organic free cash flow" of €164 million during the year. After a first-half during which organic free cash flow was particularly low (structurally negative in the first-half, it was -€576 million compared to -€319 million in the first-half of 2010) mainly due to increased working capital requirements, the second-half saw a strong upturn in the generation of organic free cash flow to +€740 million. Accordingly, net cash and cash equivalents totaled €454 million at December 31, 2011 compared to €1,063 million one year previously, with the decrease primarily due to acquisitions performed during the year (Prosodie for €376 million and nine other transactions for an aggregate amount of €198 million).

OPERATIONS BY MAJOR REGION

France retained its number one spot among the Group's regions in terms of revenues (€2,138 million, or 22.1% of the Group total), reporting an increase of 10.7% (and even 4.9% like-for-like). The difference between the two rates is primarily due to the integration of Prosodie in the Group scope of consolidation from July. Excluding such changes in Group structure, the Technology Services business was the most dynamic. Sogeti also reported above-average growth for the four businesses. The France operating margin is €187 million (8.7% of revenues, up 2.1 points on 2010).

The **United Kingdom** and Ireland reported revenues of €1,945 million in 2011 (20.1% of the Group total), up 1.7% (2% like-for-like). This limited growth was due once again this year to the relative weakness of the public sector market which, it should be remembered, accounts for three-quarters of our activity in this region. Thanks to the ramp-up of BPO, Outsourcing Services reported growth of 2.7%. The operating margin is €139 million (7.1% of revenues), down 0.8 points on 2010.

North America reported revenues of €1,805 million in 2011 (18.6% of the Group total), up 8.4% (11.5% like-for-like). As in 2010, project and consulting activities were extremely dynamic, reporting growth of 17%, while Outsourcing Services revenues increased only 1.8% in the absence of any major new contract wins. Overall, the profitability of the region improved significantly, with an operating margin of €159 million or 8.8% of revenues (5.2% in 2010), making this region the Group's most profitable in 2011.

Benelux (the Group's fourth region, which at €1,266 million generates 13.1% of total consolidated revenues) suffered a drop in activity of 3.7% (and 4.4% like-for-like). This region remained depressed throughout the year, as the weakness of the public sector was not offset by the private sector which also lacked dynamism. The operating margin (€94 million, or 7.4% of revenues) is down 2.3 points. At the end of 2011, the Group decided a comprehensive reorganization of this region in a bid to return to a higher level of profitability.

The **"Italy/Spain/Portugal + Latin America"** region reported total revenues of €1,000 million (10.2% of total Group revenues), with this 67% surge largely driven by the consolidation of CPM Braxis in our accounts for a full year. On a like-for-like basis, revenue growth is still 8.5%. All countries in this region reported good growth; despite an extremely difficult economic environment, Spain reported growth in excess of 10% for its Consulting and Technology Services businesses, while the operating margin, at 3%, remained almost stable on last year (3.1%).

The **Nordic countries** (Sweden, Denmark, Norway and Finland) reported revenues of €635 million (6.6% of the Group total), up 17.1% on 2010 (12.1% like-for-like). These figures reflect the strong recovery enjoyed in the region in 2011, following

¹ "Organic free cash flow" is equal to cash flow from operations less acquisitions of property, plant and equipment and intangible assets (net of disposals) and adjusted for flows relating to the net interest cost (as presented in the Consolidated Statement of Cash Flows).

the downturn in 2010 (and after restatement of exchange rate impacts and the contributions of IBX and Skvader). This improvement is confirmed across all businesses. The good performance is reflected by an operating margin of €46 million (7.2% of revenues), up 0.6 points on 2010.

The **Germany/Central Europe** region (Switzerland, Austria and Eastern European countries) also enjoyed a return to growth after activity stabilizing in 2010: revenues totaled €626 million, up 17.3% on 2010 (6.1% like-for-like), and represented 6.5% of total Group revenues. Once again, all businesses participated in the recovery. However, at 6.9%, profitability is down 2.1 points, mainly due to losses on Technology Services projects.

The **Asia/Pacific** region (€278 million, 2.8% of Group revenues) is in a period of strong growth (+39.4% and 31.3% like-for-like, with the increase in the various regional currencies accounting for most of the difference between these two rates). The operating margin (€83 million) cannot be compared directly to revenues, as only sales to local clients are recognized in this region, with internal sub-contracting revenues for clients belonging to other Group regions generally recorded in the accounts of the region which invoices the client: however, part of the margin realized with certain clients of other regions is recorded in the accounts of the Asia/Pacific region, making a direct interpretation of profitability figures for the different regional components impossible.

OPERATIONS BY BUSINESS

Technology Services (41.5% of Group revenues) remains the Group's powerhouse, with like-for-like growth of 8.4%. This growth triggered renewed recruitment in the Group's historical countries, as well as an increase in the utilization rate to 80.7% at the year-end, up 1.7 points on the rate at the end of 2010, which already represented an increase of 2 points on 2009. Prices continued to suffer downward pressure, although trends improved at the end of the year with erosion restricted to 1% for onshore Technology Services in the fourth quarter. At 6.8%, the operating margin is up 0.1 points on 2010, with the strong growth recorded in North America offset by downturns in a number of regions and particularly Benelux, the United Kingdom and Central Europe.

Outsourcing Services (37.5% of Group revenues) reported revenue growth of 3% like-for-like. This lower rate of growth reflects the lack of major contract wins during the period. Nonetheless, the operating margin (7.7%) is up 0.6 points on 2010.

Local Professional Services (Sogeti) is the third largest Group business, with revenues equal to 15.7% of total revenues, up 6.3% like-for-like. The utilization rate was held at a satisfactory level at the year-end (82.9%) and prices improved steadily throughout the period. The operating margin is 10.9%, up

1.7 points on 2010, thanks to the improvement observed across all countries with the exception of the Benelux region.

Consulting Services, which reported revenue growth of 1.2% like-for-like, now represents only 5.3% of Group revenues. Of our four businesses, Consulting Services suffered the most as a result of public sector budget cuts, however, the growth recorded in North America, Asia and the Nordic countries is considered highly satisfactory. The headcount was reduced 6.1% year-on-year, enabling a utilization rate of 67.5% in the fourth quarter. Furthermore, selling prices were held at a level more or less identical to 2010, these factors enabling Consulting Services to report a 1.1 point increase in the operating margin rate (12% in 2011, compared to 10.9% in 2010).

HEADCOUNT

At December 31, 2011, the total Group headcount was 119,707 compared to 108,698 one year earlier. This 11,009 increase in employee numbers (+10.1%) reflects:

- 35,871 additions, comprising:
 - 32,713 new hires (12,462 in India, 4,268 for Sogeti and 1,421 in Poland, etc.);
 - and 3,158 transfers during the year in connection with (i) acquisitions (for example the 847 Prosodie employees) and (ii) employee transfer clauses contained in certain Outsourcing Services contracts;
- and 24,862 departures comprising:
 - 20,693 resignations (18.1% of the average headcount for the fiscal year);
 - 50 transfers outside the Group following business divestments or at the end of certain Outsourcing Services contracts;
 - 4,119 layoffs and unsuccessful trial periods.

ORDER BOOK

New orders recorded totaled €9,903 million, down 8.4% (like-for-like) on last year. This decrease is mainly due to fewer new orders being recorded by the Outsourcing Services business than in 2010, when it benefited from the early renewal of several major contracts. The book-to-bill ratio of the three other businesses (Consulting, Local Professional Services and Technology Services) is 1.12.

OTHER SIGNIFICANT EVENTS IN 2011

On **January 26, 2011**, Capgemini signed a three-year contract with BC Hydro, the third largest electric utility in Canada. This contract, worth CAD 63 million (approximately €48 million) forms part of BC Hydro's Smart Metering & Infrastructure program.

On **February 4, 2011**, Capgemini completed the acquisition in Germany of CS Consulting, one of the leading providers of consulting services in the banking and insurance sector. CS Consulting specializes in the migration of core banking systems and the implementation of business intelligence solutions.

On **March 2, 2011**, Capgemini UK signed an outsourcing services contract with EDF Energy, one of the leading producers and distributors of electricity in the United Kingdom. This three-year contract, with a renewal option for a further two years, is worth an estimated GBP 100 million (€120 million) over the period 2011-2015.

On **April 5, 2011**, Capgemini announced the acquisition of two French companies, Artésys and Avantias. Artésys is a French leader in the design of infrastructure solutions, while Avantias specializes in the implementation of Enterprise Content Management (ECM) solutions. These two transactions strengthen the Group's positioning in two highly dynamic market segments in France and representing an integral part of its growth program. These two acquisitions, financed in full by Group net cash, represented a total consideration of €42.7 million for 100% of the share capital of each company.

On **May 5, 2011** Capgemini announced the acquisition of BI Consulting Group (BICG). This American IT service provider, based in Minneapolis, specializes in integration services for customers who purchase Oracle Business Intelligence (BI) and Enterprise Performance Management (EPM) solutions. BICG offers a comprehensive range of services, including implementation, support, training and software enhancement services. This acquisition is consistent with the objectives of Capgemini's external growth program and strengthens its positioning in the information management market. It was also financed by Group net cash.

On **June 24, 2011** Capgemini acquired Praxis Technology, a Beijing-based specialist provider of IT and consulting service to the *Utilities sector*¹. Praxis Technology's offering includes business management consulting services, Enterprise Resource Planning (ERP) implementation services and application and software development services for leading Chinese utilities. The acquisition of Praxis Technology fits perfectly with the Group's strategic plan to intensively build its position in China and strengthens its position in the fast growing utility sector. The acquisition of 100% of the share capital of Praxis Technology was financed by Group net cash.

On **July 5, 2011**, Capgemini acquired 100% of the share capital of the Italian IT service provider, AIVE Group. This strategic acquisition enabled Capgemini to strengthen its application portfolio as well as its SaaS (Software as a Service) positioning and its market share in Italy. AIVE Group was acquired based on an enterprise value of €40.3 million and was financed by Capgemini Group net cash.

On **July 29, 2011**, as announced on June 14, Capgemini completed the acquisition of Prosodie, a multi-channel services operator. The transaction, for a total consideration of €376 million, was financed by Group net cash. This acquisition provided Capgemini with access to the high value-added transaction solutions market. Prosodie joined the New Business Model (NBM) service line, the aim of which is to develop services based on proprietary solutions invoiced on a pay-as-you-go basis.

On **September 21, 2011** Capgemini and EMC formed a global strategic alliance in cloud computing. This strategic alliance aims to create a diversified cloud-based IT-as-a-Service offering. This new offering will enable customer companies to reduce costs and gain efficiency and business agility. By joining with EMC, the global leader in information infrastructures, Capgemini aims to expand its cloud-based business service portfolio worldwide. The first offering rolled out was "Storage-as-a-Service".

On **November 18, 2011**, Capgemini launched a five-year €500 million bond issue paying gross annual interest of 5.25%. The transaction was settled on November 29, 2011. Placed with institutional investors following a series of meetings in the main European market places, the bond issue was three times over-subscribed.

On **November 30, 2011**, Capgemini extended its BPO contract with International Paper, a global leader in the paper and packaging sector. This contract, worth €42 million, covers the existing scope of Finance and Accounting (F&A) services already provided to International Paper and will bring the total collaboration period to 19 years – one of the longest relationships in the BPO sector.

¹ Public services companies operating in the water, energy, transportation or waste sectors

4.2 Comments on the Capgemini Group Consolidated Financial Statements and outlook for 2012

CONSOLIDATED INCOME STATEMENT

Consolidated revenues total €9,693 million for the year ended December 31, 2011, up 11.4% on published figures for 2010 (5.6% like-for-like), while operating expenses total €8,980 million, up 10.7% on 2010.

An analysis of costs by nature reveals:

- an increase of €623 million (+12%) in personnel costs, nonetheless lower than the increase in the average headcount (114,354 employees in 2011 compared to 97,571 in 2010, +17.2%). This was the positive outcome of continued strong "offshore" recruitment, particularly in India: at December 31, 2011, the Asia/Pacific region comprised 39,097 employees (33% of the total headcount) compared to 33,655 (31%) one year previously, representing growth of 16%.
- a decrease of 0.5 points in the "purchases/sub-contracting" account (23% of revenues compared to 23.5% last year).
- a moderate increase (6%) in travel expenses: at €391 million, they represent 4% of revenues, down 0.2 points on last year.
- an increase of 15% in rent and local taxes (3.3% of revenues, up 0.1 points on 2010).

An analysis of costs by function reveals that:

- the cost of services rendered increased €794 million to €7,425 million, giving a gross margin of 23.4% (compared to 23.8% in 2010);
- selling costs increased 9.7% to €746 million, remaining stable in proportion to revenues at 7.7%;
- general and administrative expenses (€809 million) increased only 1% and therefore fell as a percentage of revenues (8.3% compared to 9.2% in 2010).

The operating margin is €713 million and represents 7.4% of revenues (compared to €587 million and 6.8% of revenues last year).

Other operating income and expenses represent an overall net expense of €118 million in 2011 compared to €98 million last year. This €20 million increase was mainly due to the increase in restructuring costs which rose from €71 million to €81 million.

Operating profit is €595 million and represents 6.1% of revenues, compared to €489 million and 5.6% of revenues last year.

The net financial expense is €105 million in 2011 (including purely notional expenses of €34 million), up €18 million on last year. This increase is mainly due to the inclusion of a full year of interest on CPM Braxis S.A. borrowings in the Group accounts (consolidated in October 2010).

The income tax expense is €101 million (compared to €124 million last year), including a current income tax expense of €129 million (€71 million in 2010) and deferred tax income of €28 million (expense of €53 million in 2010).

The deferred tax income recognized in 2011 includes in particular the utilization of US deferred tax assets in the amount of \$72 million (€52 million) and the remeasurement of the same US deferred tax in the amount of \$177 million (€127 million). This operation alone accounts for nearly the entire decrease in the effective tax rate which is 20.6% in 2011 (compared to 30.9% in 2010).

Profit for the year attributable to owners of the Company is €404 million in 2011, up 44% on the profit of €280 million realized in 2010. Earnings per share is €2.59 (also up 44%) based on 155,770,362 shares outstanding at December 31, 2011, compared to €1.80 in fiscal year 2010.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Equity attributable to owners of the Company totaled €4,256 million at December 31, 2011, down €58 million on December 31, 2010. This decrease was mainly due to:

- profit for the year of €404 million,
- the recognition in equity, in the amount of €224 million, of actuarial losses on provisions for pensions and other post-employment benefits, net of deferred tax and in the amount of €41 million, of fair value losses on cash flow hedges primarily in India, net of deferred tax,
- the payment to shareholders of the 2010 dividend (€1 per share) of €154 million in total
- the decrease in reserves (attributable to the owners of the Company) of €64 million in respect of CPM Braxis S.A. following the recognition of an additional put option granted to minority shareholders (€34 million), the unwinding of the discount on the first put option (€7 million) and the impact of the change in the Group's percentage holding (56.06% to 61.10%) as a result of the share capital increase subscribed by shareholders (€23 million),
- the increase in translation reserves of €10 million,
- the increase of €11 million in incentive instruments, employee shareholding and treasury shares.

Fixed assets increased €600 million on December 31, 2010, mainly due to:

- an increase of €567 million in goodwill as a result of acquisitions performed during the fiscal year: €547 million overall, including €366 million in respect of the acquisition of Prosodie and translation gains on existing goodwill balances denominated in US dollar and pound sterling (€25 million),
- a net decrease in other intangible assets (€15 million),
- a net increase of €48 million in property, plant and equipment, mainly consisting of assets acquired during the year (€190 million) and assets "brought into the scope of consolidation" (€17 million), partially offset in the amount of €133 million by the depreciation charge for the period.

Operating receivables (accounts and notes receivable) totaled €2,685 million at December 31, 2011, compared to €2,371 million at December 31, 2010, representing an increase of nearly 13%. Accounts receivable net of advances from clients and amounts billed in advance totaled €1,909 million at December 31, 2011, compared to €1,678 million at December 31, 2010 and represented 70 days annual revenue (compared to 66 days at December 31, 2010).

Non-current liabilities increased €378 million at December 31, 2011 (to €2,754 million from €2,376 million last year), chiefly due to:

- an increase of €33 million in long-term borrowings, mainly due to the reclassification of OCEANE 2005 bonds in short-term borrowings (€476 million) and a new bond issue performed in November 2011 (€495 million, net of issuance costs),
- an increase of €295 million in provisions for pensions and other post-employment benefits, following a net actuarial loss of €293 million in 2011, recognized mainly in the United Kingdom and Canada and due to the decrease in the discount rate applied to obligations at December 31, 2011, partially offset by the increase in the value of plan assets following the rally in the financial markets during the year,
- an increase of €43 million in other non-current liabilities, primarily due to the recognition of an additional put option granted to CPM Braxis minority shareholders in the amount of €34 million.

Current liabilities increased €692 million at December 31, 2011 (to €3,977 million from €3,285 million last year), chiefly due to:

- an increase of €492 million in short-term borrowings and overdrafts mainly due to the reclassification in current liabilities of the OCEANE 2005 bonds (€476 million),
- operating liabilities consisting mainly of accounts payables and related accounts, amounts due to members of personnel and accrued taxes (other than on income), which totaled €2,340 million at December 31, 2011, up €35 million on December 31, 2010,
- an increase of €57 million in other current liabilities mainly attributable to derivative instruments.

Consolidated net cash and cash equivalents totaled €454 million at December 31, 2011, compared to €1,063 million at December 31, 2010. This decrease of €609 million was mainly due to:

- cash generated by operating activities of €349 million, the cash flow from operations (€743 million) having been reduced by an increase in working capital requirements (€290 million) and income tax paid of €104 million. After interest paid (€30 million) and purchases of property, plant and equipment and intangible assets net of disposals (€155 million), "organic free cash flow" generated in 2011 totaled €164 million (compared to €359 million in 2010 and €396 million in 2009),
- cash outflows relating to acquisitions (net of cash and cash equivalents acquired) of €554 million and concerning the

acquisition of Prosodie Group in the amount of €366 million; other acquisitions primarily concern CS Consulting, AIVE Group and Artésys in the amount of €111 million (net of cash and cash equivalents acquired),

- the payment to shareholders of a dividend of €154 million,
- a net increase in borrowings of €101 million,
- a payment of €34 million received from CPM Braxis minority shareholders following their subscription of the BRL 80 million share capital increase performed in December 2011.

OUTLOOK FOR 2012

Strengthened by investments in recent years, the Group is implementing strategic priorities that enable it to approach 2012 with a certain degree of confidence. The good demand levels witnessed at the end of last year have not weakened at the beginning of 2012 and activity trends remain positive in several major markets including North America. However, due to reduced visibility and the uncertain macro-economic environment, the Group currently expects to report limited organic growth in revenues (taking account in particular of the public sector cost cuts introduced in the majority of European countries) and an increase in the operating margin rate.

4.3 Comments on the Cap Gemini S.A. Financial Statements

INCOME STATEMENT

The Company reported operating income for the year ended December 31, 2011 of €241 million (including €227 million in royalties received from subsidiaries) compared to €202 million last year (including €201 million in royalties).

Operating profit increased to €190 million thanks to the rise in royalties received during the year, compared to €165 million in 2010.

The net financial expense is €2 million (compared to €41 million in 2010) and reflects:

- income of €98 million, mainly comprising dividends received from subsidiaries (€49 million), interest income on cash investments (€10 million), interest on loans granted to certain subsidiaries (€15 million) and finally provision reversals (€20 million),
- expenses of €100 million, mainly comprising the interest expense on the 2005 and 2009 convertible bond issues and the 2011 bond issue (€27 million), the amortization of the OCEANE 2005 bond redemption premium (€9 million) and charges to provisions for investments in subsidiaries (€38 million) and to a provision for impairment of marketable securities (treasury shares) (€16 million).

This €39 million improvement in the net financial expense year-on-year was mainly due to a decrease in charges to provisions for investments in subsidiaries (which are only €38 million in 2011 compared to €79 million in 2010).

After a net non-recurring expense of €14 million compared to €3 million in 2010 and an income tax expense of €3 million compared to income tax income of €16 million in 2010, the Company reported a net profit of €172 million, up €35 million (25%) on 2010 (€137 million).

BALANCE SHEET

Net investments rose from €8,523 million last year to €8,692 million at December 31, 2011. This €169 million increase is mainly attributable to:

- two advances on capitalization of €116 million (including €104 million to a French subsidiary pursuant to the CPM Braxis share capital increase and €12 million to a Singapore subsidiary),
- share capital increases performed by four European subsidiaries in the total amount of €52 million;
- a net increase in loans granted to certain subsidiaries of €14 million,
- charges to and reversals of provisions for investments in subsidiaries in the net amount of €18 million.

Shareholders' equity is €8,218 million, up €21 million on last year. This rise essentially corresponds to the difference between:

- profit for 2011 (€172 million),

- and the June 9, 2011 dividend payment of €1 per share on the 155,770,362 shares making up the Company's share capital at December 31, 2010, representing a total payment of €154 million (taking into account the 2 million treasury shares held by the Company at the dividend payment date).

Borrowings totaled €2,302 million at December 31, 2011, up €885 million compared to December 31, 2010. This increase was mainly due to:

- the €500 million euro bond issue performed in November 2011,
- the €263 million increase in bank overdrafts on the accounts included in the Group's cash pooling arrangement (Cash pooling international), for which the Company acts as the centralizing agent, offset in full by an opposite position of the same amount in the cash and cash equivalents of the company,
- the issue of commercial paper in the amount of €90 million,
- the increase in outstanding inter-company loans in the amount of €129 million.
- finally, the partial redemption in November 2011 of 2,350,000 OCEANE 2005 convertible bonds in the amount of €98 million.

Cash and cash equivalents net of borrowings totaled negative €690 million at the end of 2011, compared to negative €451 million at December 31, 2010. This downturn of €239 million was mainly due to:

- payments relating to share capital increases carried out by several subsidiaries in the amount of €168 million,
- a net increase in loans granted to certain subsidiaries in 2011 of €15 million,
- an increase in current account advances to Group subsidiaries in the amount of €165 million, mainly due to the acquisition of Prosodie;
- payment of the 2010 dividend for €154 million,
- the collection of brand royalties for €245 million.

In addition to the above, the following two items of information are required by law:

- External accounts payable of Cap Gemini S.A. total €1.433 million, 94% of which (€1.342 million) are not yet due. Group accounts payable total €4.359 million, nearly all of which (€4.345 million) are not yet due.
- Capgemini France S.A.S. acquired the French company, Camélia Participations S.A.S., which in turn owns Prosodie, a company specializing in the management of telecommunication, internet and payment transaction flows for major clients. Capgemini Outsourcing Services S.A.S. and Capgemini Technology Services S.A.S., both subsidiaries of Capgemini France S.A.S., acquired the French companies Artésys and Avantias, respectively.

APPROPRIATION OF EARNINGS

During its meeting of February 15, 2012, the Board of Directors decided to recommend to the next Ordinary Shareholders' Meeting, the following appropriation of net profit for the year:

Net profit for 2011	€171,563,263.44
Allocation to the legal reserve	€0
i.e. a balance of	€171,563,263.44
Retained earnings of previous years	€387,512,560.04
i.e. distributable earnings at December 31, 2011 of	€559,075,823.48
This amount will be allocated to:	
• payment of a dividend of €1 per share:	€155,770,362.00
• retained earnings for the balance:	€403,305,461.48
Giving a total of	€559,075,823.48

This dividend of €1 for each of the 155,770,362 shares bearing dividend rights on January 1, 2011, will be fully eligible for the 40% tax rebate referred to in Article 158.3.2 of the French Tax Code (Code Général des Impôts). Taking account of the recommendations of certain investors, and so as not to encourage security lending/borrowing transactions around the date of the Combined Shareholders' Meeting, the Board of Directors proposes an ex-dividend date of June 4, 2012 and a dividend payment date of June 7, 2012. If, at the time of payment of the dividend, the Company still holds some of its own shares, the dividend amount for these shares will be allocated to retained earnings. Furthermore, pursuant to Article 243 bis of the French Tax Code, dividends paid over the past three fiscal years were as follows:

- €155,770,362.00 for 2010 (€1 per share);
- €123,341,916.80 for 2009 (€0.80 per share);
- €145,844,938 for 2008 (€1 per share).

All of these dividends were fully eligible for the 40% tax rebate set out in Article 158.3.2 of the French Tax Code.

SHARE CAPITAL AND OWNERSHIP STRUCTURE

As no movements were recorded in the Company's share capital in 2011 (no stock options previously granted to Group employees were exercised), the share capital of the Company at December 31, 2011 is unchanged on December 31, 2010, that is €1,246,162,896 consisting of 155,770,362 shares of €8 par value each.

Pursuant to Article L. 233-13 of the French Commercial Code (Code de commerce), the Board of Directors informs shareholders that, based on notifications received to date, no shareholder held, directly or indirectly, more than 5% of the Company's share capital and voting rights at the year end.

During the fiscal year:

- Alliance Bernstein L.P. reported to the Company that it fell below the 5% share capital and voting rights threshold on April 5, 2011,
- Amundi Asset Management reported that it successively exceeded on June 7, 2011 and then fell below on June 28, 2011 the 5% share capital and voting rights threshold.

The breakdown of the Company's share capital as known at December 31, 2011 is provided on page 222 of this Reference Document

AUTHORIZATION TO BUY BACK THE COMPANY'S SHARES

Shareholders are reminded that last year, the Ordinary Shareholders' Meeting renewed the authorization granted to the Company to buy back its shares. This authorization was used in 2011 in connection with the liquidity agreement entered into on September 15, 2010. The purpose of this agreement is to improve the liquidity of the Cap Gemini share and stabilize the share price. In 2011, a total of 4,522,181 shares were purchased on behalf of Cap Gemini S.A., at an average price of €33.98 per share, representing 2.90% of the share capital at December 31, 2011. During the same period, 4,293,681 Cap Gemini shares were sold at an average price of €34.17 per share, representing 2.76% of the share capital at December 31, 2011. At the year-end, the liquidity account balance comprised 403,500 treasury shares (0.26% of the share capital) and approximately €2 million.

Furthermore, after transferring 200,250 shares to employees and corporate officers during the year under the Group free share grant program, the Company held 1,799,750 of its own shares as at December 31, 2011, representing 1.16 % of the share capital held following share buybacks performed between January 17 and 25, 2008 at an average share price of €34.48.

Overall, the Company therefore held 2,203,250 of its own shares at December 31, 2011, representing 1.41% of the share capital and a total value of €53,197,471, based on the closing price of the Cap Gemini share at this date of €24.145

As the authorization granted by the Ordinary Shareholders' Meeting last year is only valid for 18 months, we are asking shareholders to replace last year's authorization with a similar authorization to allow the Company to:

- manage the secondary market and encourage the liquidity of the Cap Gemini share within the scope of a liquidity agreement;

- grant shares to employees and corporate officers, on the terms and by the methods provided for by law, concerning the grant of performance shares or the set-up of a company savings plan or an international employee share ownership plan;
- grant shares to holders of securities conferring entitlement to the capital of the Company upon exercise of the rights attached thereto in accordance with the applicable regulations;
- purchase shares to be retained with a view to remitting them in the future in exchange or payment for potential external growth transactions;
- to propose at a later date to a Shareholders' Meeting the adoption of an extraordinary resolution cancelling some or all of the shares purchased.

To this end, the Board of Directors is seeking an authorization for the Company to buy back shares during the next eighteen months, representing up to 10% of its share capital and at a maximum price of €55 per share, these purchases taking place within the scope of:

- Articles L. 225-209 et seq. of the French Commercial Code (which also authorize the Board of Directors to cancel some or all of the shares purchased, representing up to 10% of its share capital by 24-month period);
- European Regulation No. 2273 of December 22, 2003 that came into effect on October 13, 2004.

STOCK OPTIONS

The last stock option plan authorized by the Extraordinary Shareholders' Meeting of May 12, 2005 (the 6th plan), expired on July 12, 2008. As the Board of Directors has not since sought the plan's renewal, no new stock options were therefore granted by the Board during fiscal year 2011.

The Board of Directors would remind shareholders that in the event of a notice of authorization of a takeover bid or exchange offer for some or all of the Company's shares published by the Eurolist market of Euronext Paris S.A., Group employees who still hold such stock options will be entitled, if they so wish, to exercise all of their remaining unexercised options immediately without waiting for the end of the lock-in period specified at the time of grant.

As already indicated above:

- no shares were subscribed in 2011;
- no further shares may be subscribed under the first five plans for which the subscription periods expired on November 1, 1995, April 1, 1999, April 1, 2002, December 1, 2006 and March 31, 2010, respectively.

INTERNATIONAL EMPLOYEE SHAREHOLDING SYSTEM

The Combined Shareholders' Meeting of May 26, 2011 authorized the Board of Directors to issue 6 million shares

as part of a share capital increase reserved for employees and corporate officers of the Company and its French and foreign subsidiaries who are members of the Capgemini Group's Company Savings Plans (Plan d'Épargne d'Entreprise). An initial international employee shareholding operation in 2009 was subscribed to by nearly 14,000 Group employees in 19 countries, either directly or indirectly through a French collective employee shareholding vehicle (FCPE). In application of the provisions of Article L.225-102 of the French Commercial Code, the Board of Directors informs you that employees and corporate officers who subscribed to this operation under a Capgemini Group Savings Plan, together held 3.4% of the Company's share capital at December 31, 2011.

On February 15, 2012, the Board of Directors decided the principle of a further share capital increase reserved for employees, with similar characteristics to the operation performed in 2009.

ISSUE OF REDEEMABLE SHARE SUBSCRIPTION OR PURCHASE WARRANTS (BSAAR)

The Combined Shareholders' Meeting of May 26, 2011 authorized the Board of Directors, for a period of 18 months, to issue Redeemable Share Subscription or Purchase Warrants (BSAAR) to employees and corporate officers of the Group up to a maximum of one million shares (approximately 0.6% of the share capital at December 31, 2011), representing a maximum par value amount of €8 million. This authorization was not used during fiscal year 2011 and the Board of Directors has decided not to ask you to renew this authorization at the Combined Shareholders' Meeting.

PERFORMANCE SHARE GRANT

We would remind you that the Combined Shareholders' Meeting of May 26, 2011 authorized the Board of Directors to grant performance shares, during a period of 18 months, to employees of the Company and its French and foreign subsidiaries up to a maximum of one million shares. This authorization was not used in fiscal year 2011. The Board of Directors asks you today to approve a new 18-month authorization replacing the authorization still in effect and increasing the maximum amount of shares to be issued to 1.5% of the share capital at the date of the grant decision by the Board of Directors. This authorization will replace the delegation of powers currently in effect.

COMPENSATION OF THE TWO EXECUTIVE CORPORATE OFFICERS

(gross amounts)		Compensation in respect of 2010			Compensation in respect of 2011		
	Total 2009 (Reminder)	Paid in 2010	Paid in 2011	Total 2010	Paid in 2011	Paid in 2012	Total 2011
Serge Kampf: Chairman							
Gross fixed compensation	840,000	960,000	-	960,000	960,000	-	960,000
Variable compensation	399,000	-	-	-	-	-	-
Exceptional compensation	-	-	-	-	-	-	-
Attendance fees	-	-	-	-	-	-	-
Benefits in kind	-	-	-	-	-	-	-
Value of options granted	-	-	-	-	-	-	-
Value of performance shares	-	-	-	-	-	-	-
TOTAL	1,239,000	960,000	-	960,000	960,000	-	960,000
Paul Hermelin: Chief Executive Officer							
Gross fixed compensation	1,320,000	1,320,000	-	1,320,000	1,320,000	-	1,320,000
Variable compensation	624,500	-	834,680	834,680	-	864,000	864,000
Exceptional compensation	-	-	-	-	-	-	-
Attendance fees	-	-	-	-	-	-	-
Benefits in kind	3,600	3,600	-	3,600	3,600	-	3,600
Value of options granted	-	-	-	-	-	-	-
Value of performance shares	-	-	-	-	-	-	-
TOTAL	1,948,100	1,323,600	834,680	2,158,280	1,323,600	864,000	2,187,600

2011 compensation of the Chairman

Mr. Kampf has always considered that a fundamental management rule for a service company is the inclusion in a manager's compensation of a variable component, the final amount of which is directly tied to the attainment of a number of objectives –general and/or personal– set at the beginning of the year (a rule which the Group has applied consistently for more than 40 years for nearly all its managers). However, taking into consideration the pressure exercised on companies with a “dissociated” Chairman to remove any variable component from their compensation package, he therefore proposed to the Board of Directors that his 2010 compensation solely comprise a fixed amount, which after discussion with the Board was set at €960,000, representing a decrease of 31.4% on his 2009 theoretical compensation. Again at his proposal, this fixed compensation was maintained at the same amount for 2011.

The Board also took due note of Mr. Kampf's decision to waive his right to collect attendance fees as a Director of Cap Gemini S.A. in respect of 2011, as he did for the last two years.

2011 compensation of the Chief Executive Officer

After noting that Mr. Hermelin's variable compensation is based 50% (V1 component) on a comparison of actual and budgeted Group consolidated results and 50% (V2 component) on the attainment of a certain number of personal objectives set at the beginning of the fiscal year, the Board of Directors:

- verified that for Mr. Hermelin, as for the other key managers of the Group, V1 is equal to 91.3% of its theoretical value
- validated the Selection & Compensation Committee's appraisal of the degree of attainment of each of the six personal objectives set for fiscal year 2011, resulting in a total mark awarded of 105 (out of a theoretical total of 100).

Mr. Hermelin's compensation for fiscal year 2011 therefore breaks down as follows:

- fixed compensation of €1,320,000 (60% of the theoretical total), which it should be noted is unchanged for the last five years,
- V1 compensation equal to 91.3% of €440,000, or €402,000,
- V2 compensation equal to 105% of €440,000, or €462,000, representing a total of €2,184,000, up 1.4% on his 2010 compensation (€2,154,680).

In addition, the Board took due note of Mr. Hermelin's decision to waive his right to collect attendance fees as a Director of Cap Gemini S.A. in respect of 2011, as he did for 2010.

2012 compensation

The Board accepted –following the acceptance by the Selection & Compensation Committee– the proposal of Messrs. Kampf and Hermelin to maintain their respective compensation levels unchanged in 2012 (with new personal objectives being set for Mr. Hermelin for the calculation of the V2 variable component of his 2012 compensation).

Additional comments regarding the compensation of these two executive corporate officers

It should be noted that:

- as has always been the case in Capgemini Group, Messrs. Serge Kampf and Paul Hermelin did not receive any benefits in kind (medical assistance, housing, private use of company cars, cell phone, free use of products or services, etc.) during 2011, nor did they benefit from any specific provision related to indemnities for termination for any reason whatsoever (removal from office, resignation, retirement, etc.), with the sole exception of contributions paid by the Company for Mr. Paul Hermelin's unemployment insurance underwritten by the "Garantie Sociale des Chefs d'Entreprise" (these contributions totaling €3,600 are presented in the table on page 85 in "Benefits in kind");
- in 2011, for the 23rd consecutive year, Mr. Serge Kampf decided not to ask the Company to reimburse the expenses he incurred in the performance of his duties (business travel, entertainment, etc.), with the exception of TGV train travel between Paris and Grenoble, the historical headquarters of Cap Gemini, where he has kept his main office and where part of the Group's corporate affairs are still conducted;
- Mr. Serge Kampf has never been awarded (and has never requested) any stock options or performance shares;
- Mr. Paul Hermelin was not granted any performance shares by the Board of Directors in 2011;
- At the end of the 2-year vesting period in March 2011, a total of 25,000 shares out of the 50,000 shares subject to performance and presence conditions initially allocated in March 2009 under the first performance share plan, definitively vested to Mr. Paul Hermelin. Application of the performance calculation led to the definitive vesting of only 50% of the initial theoretical amount. In addition, Mr. Hermelin is required to hold these shares until the later of the end of the two-year legal lock-in period and the expiry of his term as corporate officer.

Employment contract of executive corporate officers

After noting that Mr. Paul Hermelin's employment contract was suspended in its entirety on May 24, 1996 (date from which Mr. Hermelin exercised his first term of office as a member of the Management Board), the Board of Directors also noted that it decided in 2009, upon a recommendation by the Selection & Compensation Committee, to maintain jointly his term as corporate officer and his employment contract. This decision was based on the desire to maintain for this executive corporate officer his entitlement to pension benefits, given his seniority in the Group (19 years at March 1, 2012) and the services he has rendered to the Company. The Board wishes to emphasize that this decision was in no way motivated by a desire to maintain for his benefit any entitlement to a severance pay provision stipulated in his employment contract (his contract does not contain any such provision) and that the Chief Executive Officer does not enjoy any specific compensation clause in the event of his early departure at the initiative of the Board. In keeping with this measure, Mr. Hermelin has made a commitment to the Board of Directors to waive his employment contract when he reaches the age at which he may legally exercise his right to retire.

As for Mr. Kampf, founder and executive corporate officer of the Group for nearly 45 years, he has never held nor been proposed an employment contract.

Executive corporate officers: employment contracts and deferred compensation	Employment contract	Supplementary pension scheme (see below)	Indemnities and benefits following appointment, termination or change in function	Indemnities in respect of non-compete clause
Serge Kampf - Chairman Term of office renewed on May 27, 2010 and ending at the 2014 Combined Shareholders' Meeting called to approve the 2013 accounts	No	Yes	No	No
Paul Hermelin - Chief Executive Officer Term of office renewed on May 27, 2010 and ending at the 2014 Combined Shareholders' Meeting called to approve the 2013 accounts	Yes (March 1993)	Yes	No	No

Other compensation

In 2006, Cap Gemini set up a supplementary collective defined benefit pension scheme for certain senior executives regarded as having made a significant and lasting contribution to the Group's development, which was reviewed to ensure it complied with AFEP-MEDEF's subsequent recommendations. In effect, the beneficiaries of this scheme are persons deemed to have made a major contribution to the Group's business over at least ten years and having ended their career within the Company. In addition, this scheme stipulates certain limits ensuring that the amount of the supplementary pension may not exceed 40% of the beneficiary's reference earnings and the beneficiary's cumulative pension benefits from all mandatory and top-up schemes may not exceed 50% of his/ her reference earnings. Reference earnings are calculated by taking average compensation over the final employment years capped at 60 times the annual ceiling set by the French Social Security. Therefore, in order to receive the maximum pension amount, beneficiaries must have between 25 and 30 years' service depending on the circumstances. An external firm was asked to review this scheme and confirmed that it complied with the recommendations published by AFEP-MEDEF on October 6, 2009 concerning the compensation of executive corporate officers of publicly listed companies. It should be noted that based on the number of years' service upon retirement of the two corporate officers, the projected replacement rate will be between 39% and 40% of the reference earnings and the estimated cost of one year of service for all Executive Corporate Officers may be estimated at €1.2 million for 2011.

Attendance fees and other compensation received by corporate officers

Readers are reminded that Messrs. Kampf and Hermelin voluntarily waived their right to collect attendance fees as Directors of Cap Gemini S.A. in respect of 2011 (in the same way as for 2010 and 2009).

The eleven non-executive corporate officers received no additional compensation other than the attendance fees indicated below:

(in euros)	Amount awarded in respect of 2010	Amount awarded in respect of 2011
Serge KAMPF	0	0
Daniel BERNARD	63,500	57,000
Yann DELABRIERE	61,000	66,000
Laurence DORS	21,000	45,000
Paul HERMELIN	0	0
Michel JALABERT	68,500	72,000
Phil LASKAWY*	44,500	48,000
Bernard LIAUTAUD *	70,000	60,000
Thierry de MONTBRIAL	61,500	51,000
Ruud van OMMEREN*	65,000	69,000
Terry OZAN*	51,500	51,000
Pierre PRINGUET	57,500	57,000
Bruno ROGER	60,500	57,000
TOTAL	624,500	633,000

* As required by law, the Company deducted withholding tax on the amounts paid to these four non-resident beneficiaries.

The Board of Directors decided to continue paying the two non-voting directors for 2011 (as in previous years) the same attendance fees as the directors. They therefore received the following compensation in respect of the last two years:

(in euros)	2010	2011
Pierre HESSLER	38,000	46,000
Geoff UNWIN **	36,000	43,000
TOTAL	74,000	89,000

** As required by law, the Company deducted withholding tax on the amounts paid to this non-resident beneficiary.

Attendance fees paid to directors and non-voting directors for 2011 therefore amount to €633,000 + €89,000 = €722,000€ (or €654,250 after deduction of withholding tax on the amounts paid to non-resident beneficiaries).

The rules governing the allocation of these attendance fees are presented in Chapter 5.3 – Compensation of directors, non-voting directors and executive corporate officers – of the Special Report of the Chairman of the Board of Directors.

Stock subscription options, stock purchase options and performance shares

The following tables present a breakdown of stock options and performance shares granted to the two executive corporate officers and historical information on stock options granted:

Performance shares granted during the year to the two executive corporate officers by Cap Gemini S.A. and/or any other Group company	Plan date and number	Theoretical maximum number of shares granted during the year	Value of shares calculated using the method adopted in the consolidated financial statements	Potential vesting date	Potential availability date
Serge KAMPF	n/a	n/a	n/a	n/a	n/a
Paul HERMELIN	n/a	n/a	n/a	n/a	n/a
Stock options vested during the year to the two executive corporate officers	Plan date and number	Number of options exercised during the year	Strike price	Exercise period	
Serge KAMPF	n/a	n/a	n/a	n/a	
Paul HERMELIN	n/a	n/a	n/a	n/a	
Performance shares vested to the two executive corporate officers	Plan date and number	Number of shares vested during the year	Vesting conditions	Year of grant	
Serge KAMPF	n/a	n/a	n/a	n/a	
Paul HERMELIN	1 st Plan	25,000	Performance and presence	2009	

Historical information concerning stock options granted to corporate officers

Date of Shareholders' Meeting	05/12/2005	05/12/2005	05/12/2005	05/12/2005
Grant date	10/01/2006	04/01/2007	10/01/2007	06/01/2008
Plan number	6 th plan	6 th plan	6 th plan	6 th plan
Total number of shares granted	2,067,000	400,000	1,932,500	219,000
<i>o/w granted to Serge Kampf</i>	<i>(nil)</i>	<i>(nil)</i>	<i>(nil)</i>	<i>(nil)</i>
<i>o/w granted to Paul Hermelin ^(*)</i>	<i>50,000</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>o/w granted to the ten employees receiving the greatest number of shares</i>	<i>200,000</i>	<i>86,000</i>	<i>114,000</i>	<i>60,000</i>
Start of exercise period	10/01/2007	04/01/2008	10/01/2008	06/01/2009
Expiry date	09/30/2011	04/01/2012	10/01/2012	06/01/2013
Subscription price (in euros)	43	55	44	40.5
Exercise conditions	10% after 1 year, 30% after 2 years, 60% after 3 years and 100% after 4 years			

^(*) Complete historical information on stock options granted and still available for exercise is provided on pages 185 to 187 and 230 of the Reference Document.

Stock options granted by Cap Gemini S.A. to the ten employees (non-corporate officers) having received the greatest number of shares and the number of shares vested to the ten employees (non-corporate officers) having thus subscribed for the greatest number of shares are as follows:

Stock options granted to/exercised by the ten employees (non-corporate officers) having received the greatest number of shares	Total number of stock options granted / exercised	Weighted average price	Plan number
Options granted during the year by Cap Gemini S.A. to the ten employees of all eligible companies having received the greatest number of shares	n/a	n/a	n/a
Options exercised (held previously on Cap Gemini S.A.) by the ten Group employees having exercised the greatest number of shares	n/a	n/a	n/a

Performance shares granted by Cap Gemini S.A. to the ten employees (non-corporate officers) having received the greatest number of shares and the number of performance shares vested to the ten employees (non-corporate officers) holding the greatest number of vested shares are as follows:

Performance shares granted/vested to the ten employees (non-corporate officers) having received the greatest number of shares	Total number of shares vested / granted	Plan number
Performance shares granted during the year by Cap Gemini S.A. to the ten employees of all eligible companies having received the greatest number of shares	n/a	n/a
Shares available (held previously on Cap Gemini S.A.) to the ten Group employees holding the greatest number of vested shares	57,500	1 st Plan

DIRECTORSHIPS AND OTHER FUNCTIONS HELD BY CORPORATE OFFICERS

The list of directorships and other functions held by each of the corporate officers in other companies is provided on pages 225 to 228 of the Reference Document.

APPOINTMENT OF A DIRECTOR REPRESENTING EMPLOYEE SHAREHOLDERS PURSUANT TO ARTICLE 11-5 OF THE BYLAWS

Last year, the Combined Shareholders' Meeting amended Article 11 of the Company's Bylaws, to allow for the appointment of an employee shareholder director and to set out the conditions for this appointment. Accordingly, two candidates for the position of director are presented to the Combined Shareholders' Meeting:

- one of these candidates was nominated by the members of the Supervisory Boards of each of the Fonds Commun de Placement d'Entreprise (French collective employee shareholding vehicles, or "FCPE") through which employees hold their Cap Gemini shares: **Lucia Sinapi-Thomas**,
- the other candidate was nominated by a vote of employee shareholders who hold their Cap Gemini shares directly and residents of countries not permitting shares to be held through an FCPE. **Carla Heimbigner**.

In so far as Lucia Sinapi-Thomas was nominated by the Fonds Communs de Placement d'Entreprise, which together hold 2.85% of the Cap Gemini share capital and represent 11,800 employees, while Carla Heimbigner was nominated by employee shareholders holding directly their shares and representing 0.5% of the Cap Gemini share capital and 1,145 employees, it appeared both natural and logical to the Board of Directors –as permitted by Article 11-5 of the Company's Bylaws– to indicate its preference for Lucia Sinapi-Thomas' candidature, by approving the resolution concerning her.

RENEWAL OF THE TERMS OF OFFICE OF THE TWO NON-VOTING DIRECTORS

The terms of office of the two non-voting directors (Pierre Hessler and Geoff Unwin) were renewed for a period of two years at the Combined Shareholders' Meeting of May 27, 2010: these two terms of office therefore expire today and the Board of Directors proposes their renewal for a further period of two years.

AMENDMENT OF ARTICLE 19 OF THE BYLAWS TO ALLOW SHAREHOLDERS TO VOTE USING THE INTERNET

The so-called New Economic Regulations Law (NRE) of May 15, 2001 and the Decree of May 3, 2002 authorized shareholders to vote by email prior to Shareholders' Meetings (voting by correspondence was renamed "remote voting"), as well as to vote during Meetings using all means of telecommunication or teletransmission. However, remote voting by email and voting during Shareholders' Meetings requires prior amendment of the Company's Bylaws. So that the Board of Directors may in the future decide the use of these shareholder voting methods when convening a Shareholders' Meeting, should it so wish, we propose the adoption of a resolution amending Article 19 of the Company's Bylaws accordingly. The form of this Article has been redrafted slightly to facilitate its reading.

TRANSACTIONS CARRIED OUT IN 2011 BY MEMBERS OF THE BOARD OF DIRECTORS AND OTHER SENIOR MANAGERS INVOLVING CAP GEMINI SHARES

Transactions carried out in 2011 and 2012 by directors and senior managers involving the Company's shares, based on AMF disclosures and Article 223-26 of the AMF's General Regulations, may be summarized as follows: Mr. Serge Kampf (Chairman of the Board of Directors) sold:

- 50,000 shares at a unit price of €42.16 and 50,000 shares at a unit price of €42.77 on February 17, 2011,
- 37,752 shares at a unit price of €39.15 on June 24, 2011,
- 14,500 shares at a unit price of €39.10 on June 28, 2011,
- 10,825 shares at a unit price of €33.10 on February 23, 2012,
- and 157,587 shares at a unit price of €33.10 on February 29, 2012.

4.4 Environmental and social impact of the Group's operations

A specific chapter of the Reference Document (entitled "Corporate Social Responsibility and Sustainability", pages 33 *and seq.*), explains Group policy with regard to the environment, human resources (changes in headcount, career development, role of the Capgemini University) and its relations with external business partners (customers, suppliers and the general public at large).

4.5 Financing policy and market risks

FINANCING POLICY AND FINANCIAL RATING

Financing policy

Capgemini's financing policy is intended to provide the Group with adequate financial flexibility and is based on the following main criteria:

- a moderate use of debt leveraging: over the last ten years Capgemini Group has strived to maintain at all times a limited level of net debt (and even a positive net cash position) including in the manner in which it finances its external growth.
- diversified financing sources adapted to the Group's financial profile: Capgemini seeks to maintain a balance between bank financing (including the syndicated credit line, use of leasing to finance property and IT equipment) and market financing (issue of OCEANE bonds convertible and/or exchangeable for new or existing shares for €437 million in June 2005 and €575 million in April 2009; euro bond issue performed in November 2011 for €500 million (see Note 17 to the consolidated financial statements).
- a good level of liquidity and durable financial resources, which means:
 - maintaining a high level of available funds (€2,297 million at December 31, 2011), supplemented by a €500 million multi-currency syndicated line of credit secured on January 13, 2011 and maturing on January 13, 2016 and backed by a €550 million commercial paper program;
 - financial liabilities (excluding accounts payable) with only a limited portion falling due within 12 months: 16% after the redemption on January 2, 2012 of the remaining OCEANE bonds issued in 2005 in the amount of €400 million.

Financial rating

The Group's ability to access financial and banking markets and the cost of accessing such markets depends in least in part on the credit rating attributed by the rating agency Standard & Poor's: on January 21, 2008, the latter attributed Cap Gemini the long-term credit rating of BBB- (stable outlook), which has not since changed.

MARKET RISKS

Currency risk, interest rate risk, equity risk, liquidity risk and credit risk are set out in Notes 9, 17 and 19 to the consolidated financial statements of the Capgemini Group in this Reference Document.

4.6 Financial authorizations

AUTHORIZATION TO CANCEL SHARES PURCHASED UNDER THE BUYBACK PROGRAM

As stated above, the Board of Directors is seeking shareholders' authorization to cancel some or all of the shares purchased pursuant to Articles L. 225-209 et seq. of the French Commercial Code (the authorization to buy back shares is described in section 4.3 page 76 of this report), for up to 10% of its share capital by 24-month period.

DELEGATIONS OF AUTHORITY TO INCREASE THE SHARE CAPITAL

Pursuant to the delegations of authority given to the Board of Directors by the Extraordinary Shareholders' Meeting of May 27, 2010, the Board was granted a 26-month authorization (expiring therefore July 27, 2012) to:

- increase the share capital by capitalizing reserves;
- issue ordinary shares and/or securities granting access to the Company's share capital or granting a right to allocation of debt instruments, with pre-emptive subscription rights;
- issue ordinary shares and/or securities granting access to the Company's share capital or granting a right to allocation of debt instruments, without pre-emptive subscription rights, in the form of a public offering or a private placement;
- increase the amount of the issues if the requests for shares exceed the number of shares on offer, up to 15% of the initial issue and at the same price as for the initial issue ("Greenshoe" options);
- issue shares and/or securities granting access to the Company's share capital or granting a right to allocation of debt instruments, as payment for shares tendered to a public exchange offer made by the Company or contributions in kind to the Company of shares or securities granting access to the Company's share capital.

The overall limits on the amounts of the issues that could be decided pursuant to the delegations of authority given to the Board were set at:

- a maximum par value amount of €1.5 billion for share capital increases paid up by capitalizing reserves;
- a maximum par value amount of €500 million for share capital increases with pre-emptive subscription rights, and a maximum of €3.5 billion in total issuance amounts;
- a maximum par value amount of €185 million for share capital increases without pre-emptive subscription rights, and a maximum of €1.25 billion in total issuance amounts;
- a maximum aggregate par value amount of €500 million and

an aggregate issuance amount of €3.5 billion for securities granting access to the Company's share capital or granting a right to allocation of debt instruments.

Your Board of Directors did not use any of these delegations of authority in 2011. The Board of Directors asks shareholders to renew all of these authorizations, unchanged and for a period of 26 months, to replace the current delegations of authority which remain in effect until July 27, 2012.

Finally, in accordance with the AMF recommendation of July 6, 2009 –and desirous to always respect both the principles of transparency and good governance and shareholder rights– we present for your vote specific resolutions for each type of operation and, in particular:

- two separate resolutions authorizing issues, without pre-emptive subscription rights, in the form of a public offering in the first case and a private placement in the second;
- two separate resolutions authorizing issues, without pre-emptive subscription rights, as payment for shares tendered to the Company under a public exchange offering launched by the Company (up to a maximum par value amount of €185 million, representing approximately 15% of the share capital) in the first case, and in consideration for contributions in kind made to the Company (up to a maximum of 10% of the share capital) in the second.

The share capital issues that may be carried out pursuant to these delegations of authority which you are asked to approve today, would be offset against the following ceilings:

- a maximum aggregate par value amount of €185 million, or approximately 15% of the share capital, and an aggregate issuance amount of €1.25 billion for all issues performed without pre-emptive subscription rights, that is (i) issues performed by way of a public offering or private placement at a price at least equal to the weighted average price of the Company's shares during the three trading days preceding the date on which the price is set, potentially reduced by a discount of up to 5%, and (ii) issues as payment for contributions in kind made to the Company or shares tendered to any public exchange offering launched by the Company;
- a maximum aggregate par value amount of €500 million (unchanged on the previous delegation) and an aggregate issuance amount of €3.5 billion (unchanged) for all issues of ordinary shares and/or securities granting access to the Company's share capital or granting a right to allocation of debt instruments, with or without pre-emptive subscription rights. Over-allotment options ("Greenshoe" options) will of course be included in these ceilings.

In the event of a share capital issue in the form of a public offering with cancellation of pre-emptive subscription rights, the Board of Directors has the power to provide for a priority right for shareholders, during the period and by the methods it deems fit.

Should the Board of Directors use one or other of these delegations of authority, the Statutory Auditors will issue a special report for the attention of the Shareholders' Meeting.

A table summarizing the delegations of authority and powers granted by the Combined Shareholders' Meeting to the Board of Directors with regard to share issues is provided on pages 218 to 220 of the Reference Document.

This Report, drafted and presented to the Ordinary Shareholders' Meeting of May 24, 2012 on behalf of the Board of Directors by its Chairman, Mr. Serge Kampf, was the subject of specific verifications by the Statutory Auditors which issued a report on the results thereof (see their report in Chapter 6.1 page 114).

5.

SPECIAL REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

5. SPECIAL REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS	89
5.1 The Board of Directors and its activities	91
5.2 Role and composition of the four Specialized Board Committees	96
5.3 Compensation of Directors, non-voting Directors and executive corporate officers	99
5.4 General organization of the Group	100
5.5 Internal control and risk management procedures	103
5.6 Statutory Auditors' report	111

To the Shareholders,

I would remind you that this Special Report, which supplements the traditional Management Report that I presented to you on behalf of the Board of Directors (see pages 69 to 87 of the Reference Document) was drawn up pursuant to:

- the requirements of Article L.225-37 of the French Commercial Code (*Code de Commerce*) (as amended by the Law of July 3, 2008, the Order of January 22, 2009 and the Law of January 27, 2011),
- the recommendations of the Corporate Governance Code issued in December 2008 by AFEP and MEDEF (French private business associations) and updated on April 2010,
- and the rules of good governance applied and complied with by the Group for more than 40 years.

I have divided this Report into five sections:

- the Board of Directors and its activities
- the role and composition of the four Specialized Board Committees,
- the compensation of directors, non-voting directors and executive corporate officers,
- the general organization of the Group,
- internal control and risk management procedures.

5.1 The Board of Directors and its activities

Legal structure

Created in Grenoble in October 1967, the Company and the Group it formed were managed for nearly 30 years by a “traditional” limited liability company (*société anonyme*). Throughout this period, I was the Chairman and Chief Executive Officer and major shareholder, controlling - directly and then indirectly - the majority of the share capital. At the end of this initial period, Capgemini comprised 25,000 employees and reported annual revenues of approximately FRF 13 billion (€2 billion).

On May 24, 1996, under the combined pressure of the two other major shareholders at the time (Daimler-Benz and CGIP), who convinced me that in the interests of Capgemini Group, its financial capacity should no longer be limited to that of its founding Chairman, I finally recommended that the Shareholders' Meeting approve the merger-absorption of SKIP and SOGETI (the two holding companies which had until then allowed me to retain majority control of the Group) within a new company, Cap Gemini S.A. with a Management Board, which I chaired - and a Supervisory Board initially chaired by Klaus Mangold and then - after the exit of the shareholder Daimler-Benz - by Ernest-Antoine Seillière, the Chairman of CGIP.

On May 23, 2000, at the same time as the integration within our structures of Ernst & Young Consulting (which almost doubled the size of the Group), the need to return to the previous governance structure of a “traditional” limited liability company became apparent with, this time, the appointment of a General Manager, Geoff Unwin, replaced by Paul Hermelin on January 1, 2002.

On July 24, 2002, I took the initiative to recommend to the Board of Directors - which accepted - to split the functions of

Chairman and Chief Executive Officer, as recently made possible by the New Economic Regulations Law (NRE). I considered that after creating, expanding, leading and managing the Group for 35 years, the time had come for me to give more power and visibility to the person who, from 1999, I considered the best qualified to succeed me one day. This two-man team has now been operating efficiently and in harmony for more than 10 years and legally may continue until the Combined Shareholders' Meeting in the Spring of 2014, called to approve the 2013 financial statements, marking the simultaneous end of both our current terms of office.

This being said –and as I highlighted last year (*)– the smooth functioning of this team is more closely tied to the long-standing relationship of trust, friendship and mutual respect between Paul Hermelin and myself than what legislation says regarding the respective roles, powers and responsibilities of the Chairman and the Chief Executive Officer. Certain directors have even observed that the very general drafting of this law could one day –for example should one or other of us no longer be part of this two-man team– become a source of ambiguity, confusion and possibly even conflict. I do not therefore exclude the possibility that after having enjoyed the benefits of “separation” for 10 years, I may decide to propose to the Board of Directors to return to a “traditional” limited liability form (i.e. in which the functions of Chairman and Chief Executive Officer are exercised by a single individual) and concomitantly appoint Mr. Paul Hermelin as Chairman and Chief Executive Officer. I would remain at his side and be available if necessary, while continuing to work in the interests of the Group, both within the Board of Director and in the business world at large.

(*) see 2010 Financial Report / Reference Document, page 108.

In the meantime, we can say that there have been four main periods in the governance of the Group:

Duration	Period	Legal form	Group Management
29 years	From creation (1967) to May 24, 1996	“Traditional” Limited liability company (<i>Société Anonyme</i>)	Chairman and Chief Executive Officer: Serge Kampf No General Manager
4 years	From May 24, 1996 to May 23, 2000	Limited liability company with a Management Board and a Supervisory Board (<i>Société à Directoire et Conseil de Surveillance</i>); the Supervisory Board was initially chaired by Klaus Mangold (Daimler-Benz) and then by Ernest-Antoine Seillière (C.G.I.P.) from September 8, 1997	Management Board with 4 members: Serge Kampf (Chairman) Paul Hermelin, Pierre Hessler and Geoff Unwin
2 years	From May 23, 2000 (merger with Ernst & Young Consulting) to July 24, 2002	Return to a “traditional” Limited liability company (<i>Société Anonyme</i>)	Chairman and Chief Executive Officer: Serge Kampf General Manager: Geoff Unwin (until December 12, 2001) and then Paul Hermelin
10 years	From July 24, 2002 to date	Limited liability company (<i>Société Anonyme</i>) with separation of the functions of Chairman and Chief Executive Officer	Chairman: Serge Kampf Chief Executive Officer: Paul Hermelin
45 years			

Composition of the Board of Directors

The term of office of members of the Board of Directors, which was initially six years, was reduced to four years by decision of the Combined Shareholders' Meeting of May 11, 2006, in response to the legislator's desire to more frequently offer shareholders the opportunity to decide on the composition of the Board which represents them.

Thirteen directors currently sit on the Board of Directors of Cap Gemini S.A.:

- two of these directors, **Bernard Liautaud and Pierre Pringuet**, were appointed at the Combined Shareholders' Meeting of April 30, 2009 and their terms of office will therefore expire next year, the day of the Combined Shareholders' Meeting held in the Spring of 2013;
- two additional directors, **Daniel Bernard and Thierry de Montbrial**, were initially appointed at the Combined Shareholders' Meeting of May 12, 2005 and their terms of office were renewed for a further four years at the same Combined Shareholders' Meeting on April 30, 2009. Their terms of office will therefore also expire the day of the Combined Shareholders' Meeting held in the Spring of 2013;
- eight other directors, who have been Board members for several years, saw their terms of office renewed at the Combined Shareholders' Meeting of May 27, 2010 for a period of four years, therefore expiring in the Spring of 2014, the day of the Combined Shareholders' Meeting called to approve the 2013 financial statements: the directors in question are **Yann Delabrière, Paul Hermelin, Michel Jalabert, Serge Kampf, Phil Laskawy, Ruud van Ommeren, Terry Ozan, and Bruno Roger**.
- the thirteenth director was elected by the same Combined Shareholders' Meeting of May 27, 2010 to replace Jean-Rene Fourtou, who did not seek the renewal of his term of office. The term of office of the director in question, **Laurence Dors**, will also expire in the Spring of 2014, at the same time as the above eight directors.

The Board of Directors is assisted by **two non-voting directors** who were previously directors and who were appointed non-voting directors in July 2002. The non-voting directors are **Pierre Hessler and Geoff Unwin**, who replaced Phil Laskawy (a non-voting director subsequently appointed director) and Chris van Breugel. Their terms of office were renewed for a period of two years at the Combined Shareholders' Meeting of May 27, 2010 and therefore expire today. The Company's directors have on several occasions indicated their satisfaction with the contribution of the two non-voting directors to Board meetings (the attendance rate for non-voting directors was quite remarkable in 2010 at 94% !), but reserve the right to hold all or part of these meetings in their absence.

The role of the Board of Directors

The principal role of the Board of Directors is to determine the key strategies of Cap Gemini S.A. and its subsidiaries, to ensure that these strategies are implemented, to validate the legal and operational structure of the Group and the appointment of key

managers and, more generally, to deal with any issues that arise in respect of the day-to-day operation of the Group. The Board pays particular attention to the management of the Group's 120,000 employees and thousands of managers across the globe, given Capgemini's business as a service provider. The Board takes decisions collectively and seeks to comply with and ensure compliance with all rules of good governance together with a certain number of values which each Board member has solemnly undertaken to respect. A "Code of Business Ethics" was drafted at its initiative and distributed to all Group employees (and is signed by all new recruits) with the following main objectives:

- ensure all Group companies comply with a certain number of rules of good behavior and primarily that of perfect integrity in the conduct of business and the management of employees,
- implement measures stopping, fighting and sanctioning non-compliance with the core values of the Group, or prevailing laws and regulations in the country concerned,
- provide an institutional framework for the actions, controls and dissuasive measures required to deal with the problems identified by these measures.

It is not incidental to note that each of the 13 directors signed this Code, evidencing their support (both individual and collective) for all the measures contained therein.

Meetings

The Board meets at least six times a year. Meetings are convened by the Chairman in accordance with a timetable decided by the Board before the end of the prior year. However, this timetable may be amended during the year in response to unforeseen circumstances or at the request of more than one director. In 2011, the Board met eight times (four times during the first six-months and four times during the second six-months), representing a total of 104 theoretical attendances for all directors. The average attendance rate was 88% (92 out of 104 attendances), with each of the 12 absences noted due to cases of force majeure.

The Notice of Meeting, which I generally send to directors 15 days before the meeting date, contains the agenda determined after consultation with the Chief Executive Officer and any directors who have proposed specific points to be discussed by the Board. If the agenda includes questions requiring specific analysis, a memorandum or supporting documentation prepared by members of Group Management is sent to directors prior to the meeting (or is handed to them at the beginning of the meeting) providing them with the information they need to form an opinion on the issue (provided there is no risk that sensitive information, or any information that should remain confidential prior to the Board meeting, could fall into the hands of anyone other than the members of the Board). Directors are also sent or handed a summary report comparing the share price of the Cap Gemini share to that of various general and sector indexes and to its main competitors and, where appropriate, a table providing a breakdown of the last known consensus.

Operating rules

For many years, the Company's Board of Directors has applied the best governance practices now recommended by the AFEP/MEDEF corporate governance code. Accordingly, the Board has:

- prepared, adopted, applied (and amended where useful or necessary) highly detailed Internal Rules of Operation (see below);
- set up four specialized Board Committees –the Audit Committee, the Selection & Compensation Committee, the Ethics & Governance Committee, and finally the Strategy & Investments Committee– and given each a clearly defined role (see section 2);
- adopted a system for allocating attendance fees, whereby the majority of such fees are indexed to attendance at Board and Committee meetings (see section 3);
- periodically reviewed the personal situation of each director in light of the definition of independence provided under French corporate governance guidelines (a director is independent when he/she has no relationship of any sort with the Company, the Group or its Management, that is likely to impair his/ her judgment) and the numerous criteria applied in the different countries in which the Group operates. Based on the aforementioned reviews, the Board considers that ten out of the thirteen directors qualify as independent (Daniel Bernard, Yann Delabriere, Michel Jalabert, Phil Laskawy, Bernard Liautaud, Thierry de Montbrial, Ruud van Ommeren, Terry Ozan, Pierre Pringuet and Laurence Dors).

Self-assessment procedure

Again within the framework of these best governance practices, the Board has performed on three occasions (in 2005, 2008 and 2011) a self-assessment of its operations and the impact of its decisions. Each director was presented with a detailed questionnaire validated upfront by the Board. This questionnaire and the individual responses of directors were then used as the basis for two-hour interviews with each director, aimed at gathering their comments and proposals on a completely anonymous basis. For the purposes of the 2011 self-assessment, carried out by Jean-Philippe Saint-Geours, a partner with the consulting firm Leaders Trust International, the questionnaire was divided into five sections:

- understanding of the Group's businesses, its management and its competitors, etc.
- strategy,
- the Board of Directors' activities
- risk management.
- the composition of the Board of Directors and Board members' compensation.

Each of these sections contained numerous questions (between 8 and 15 for the most detailed), including an open question encouraging respondents to add any specific comments for two sections. In addition, each of the four Specialized Board Committees received a specific tailored questionnaire. An analysis of the information collected from the questionnaires and the one-on-one interviews was summarized in a report submitted by Mr. Jean Philippe Saint-Geours to the Board on June 22, 2011, when it was discussed at length. The primary

focus of this assessment was to analyze the activities of the Board today and to compare them with its activities three years ago. From this point of view, the general conclusion of the summary report was as follows:

- significant progress has been achieved in the way the Board operates,
- further improvements could be achieved in certain areas, and particularly the organization and monitoring of Committee activities.

In terms of progress achieved, all directors noted and appreciated the efforts of the Chairman (and also the Chief Executive Officer) to take account of the recommendations made three years previously and thereby improve the operation and working conditions of the Board:

- Board meetings are considered more animated and open to discussion and each Board member makes an increased contribution to strategic planning;
- with regards to understanding the Group's businesses and competitive position, the level of information provided has considerably improved: the Barcelona Meeting (which brought together 450 Group managers in October 2010) brought participants up to speed on technological developments and how they are taken on board by the Group;
- with regards to strategic planning, a clear majority of members considers that the Board's contribution has increased, while expressing a generally positive opinion on the usefulness of the Strategy & Investments Committee, whose new Chairman is unanimously appreciated. The vast majority of directors consider they have a clearer picture of the various strategic directions open to the Group than three years previously and recognize the efforts of Group Management to clarify the choices available and inform them of their consequences;
- significant improvements were identified in the organization of the Board's activities: documents useful to the preparation of Board meetings are communicated earlier (such that directors have more time to prepare the meetings and can provide more relevant contributions), discussions are conducted in a satisfactory manner, the allocation of roles between the Chairman and Chief Executive Officer is well respected and their good relationship is evident and a guarantee of efficiency, etc.
- risk management is unanimously considered to be under tight control, with the Audit Committee and its Chairman inspiring considerable confidence in all Board members;
- a large majority of Board members considers the Board's composition to be satisfactory: they did not consider the introduction of "nationality quotas" to be desirable, as renewals of terms of office in recent years have favored additional diversity beneficial to a richer quality of debate.

In terms of improvements that may still be made, it is emphasized that the significant progress achieved on the prior assessment does not preclude certain directors from wishing further efforts in some of the following areas:

- the Board would like even more comprehensive information and true monitoring instruments covering the roll-out of the strategy adopted by the Group. Extremely rapid changes in markets and technologies are sometimes difficult for

Board members (who come from a variety of professional backgrounds) to follow and they have asked for “ongoing training” in these areas to enable them to more precisely assess the competitive position of the Group;

- the time devoted to the presentation by the Specialized Committees of their activity reports is considered somewhat insufficient;
- Board members would like a better balance between financial issues and operational and strategic issues in meeting agendas;
- with regard to other issues, such as the human resources policy (particularly concerning key managers) and the identification of risks and the risk management policy, directors wish better coordination between the Board and Specialized Committees (Selection & Compensation, Audit).

Internal rules of operation

When the legal form of the Company returned to that of a traditional limited liability company (*société anonyme*) in May 2000, a new set of Internal Rules of Operation were debated and adopted by the Board of Directors. These rules have since been amended three times:

- on July 24, 2002, following the decision to separate the functions of Chairman and Chief Executive Officer and the definition of conditions enabling the Board to go back on this decision (notice period, two-thirds majority of members present, etc.)
- on July 25, 2006, to incorporate a number of amendments and additions primarily concerning:
 - the possibility of holding Board meetings using video conference or telecommunications facilities;
 - the main obligations under the Code of Business Ethics with which directors and non-voting directors of Cap Gemini S.A. undertake to comply throughout their term of office;
 - the requirement for directors to inform the French stock market authority (*Autorité des Marchés Financiers*), and the Company itself –directly or indirectly through the intermediary of their financial managers– of any transactions they may have carried out involving the Company’s shares within five trading days of the execution of such transactions;
 - an update to the rules governing share trading;
- on June 9, 2010, to incorporate new provisions concerning:
 - decisions requiring the prior authorization of the Board of Directors,
 - the role and responsibilities of the Specialized Board Committees.

These amended Internal Rules of Operation set out or clarify the scope of (and bases for exercising) the various powers entrusted to the Board of Directors, the four Specialized Board Committees, the Chairman, the Vice-Chairman and the Chief Executive Officer.

- The Board of Directors represents shareholders and its principal role is to determine the key strategies of the Company, to monitor their implementation, to ensure the smooth running of the day-to-day operations of the Company and to resolve, through deliberations, any issues that may arise in respect

of such operations. With the exception of the Chairman and the Chief Executive Officer, the directors have no individual power and actions and decisions must therefore be taken on a collective basis.

- The role of the four Specialized Board Committees is to study and document the issues that the Board has scheduled for discussion and to present recommendations on the subjects and sectors within their remit to plenary sessions of the Board. The Committees are consultation bodies and therefore hold no decision-making powers. Their members (and the Chairman) are appointed by the Board of Directors and are selected exclusively from among Cap Gemini S.A. directors and non-voting directors. They are appointed in a personal capacity and may under no circumstances be represented at the meetings of the Committee(s) to which they belong. The Board reserves the right to amend at any time the number and/or make-up of these Committees, as well as the scope of their duties. Finally, the Internal Rules of Operation of each of the four Committees –and any amendments thereto which the Committee may later propose– must be formally approved by the Board.
- The Chairman represents the Board of Directors and prepares, organizes and leads its work. He sets the date and agenda of meetings, ensures that directors are able to carry out their duties and have all information necessary for this purpose, and oversees the proper operation of the Company’s bodies, the correct implementation of Board decisions and compliance with the rules of good conduct adopted by Cap Gemini. He acts as a liaison between Board members and Group Management and to this end, stays constantly informed of the Group’s position and decisions made (or planned) which are likely to have a major impact on business. He chairs Combined Shareholders’ Meetings, to which he reports on the activities and decisions of the Board of Directors.
- The Vice-Chairman: in the absence of the Chairman - and for the duration of this absence - the Chairman’s powers are exercised by a Vice-Chairman appointed by the Board of Directors in accordance with the possibility granted by the Combined Shareholders’ Meeting of May 27, 2010. At the end of this Combined Shareholders’ Meeting and after re-electing me as Chairman, the Board of Directors –at my recommendation– elected Paul Hermelin to this position, while confirming him in his functions as Chief Executive Officer.
- The Chief Executive Officer has the most extensive powers to act in all circumstances in the name of the Company. The Internal Rules of Operation stipulate nonetheless that he must seek and obtain prior approval from the Board of Directors –or from its Chairman acting under delegated powers– for any decision which is of major strategic importance or which is liable to have a material impact on the financial position or commitments of the Company or those of one or more of its principal subsidiaries. This applies in particular to:
 - the approval and update of the three-year plan based on the strategy approved by the Board,
 - the conclusion of strategic alliances,
 - significant changes to the structure of the Group or to its range of business activities;

- significant internal restructuring operations and/or changes to the make-up of the group management team (including Strategic Business Unit Managers) that he wishes to make,
- financial transactions with a material impact –or a potential material impact– on the financial statements of the Company or the Group (in particular the issue of securities conferring immediate or future access to the share capital, or issues of market debt instruments);
- acquisitions or disposals of assets or investments not recorded in the budget, individually worth more than €100 million and subject to a cumulative annual ceiling of €300 million,
- increases or reductions in the share capital of a direct subsidiary of Cap Gemini S.A., concerning an amount in excess of €50 million,
- specific authorizations concerning the granting of pledges, security and guarantees.

5.2 Role and composition of the four Specialized Board Committees

Some twelve years ago in May 2000, I proposed to the Board of Directors the creation of three specialized Committees (an Audit Committee, a Selection & Compensation Committee and a Strategy & Investments Committee). Each Committee would be tasked with studying in-depth certain specific matters as well as reviewing and preparing the corresponding Board discussions in plenary session, submitting proposals to the Board, and providing advice and recommendations to the Board on decisions to be made. The initial appointment of directors and non-voting directors to these Committees was decided by the Board of Directors at its meeting of September 13, 2000, following which each Committee drafted specific Internal Rules of Operation defining its roles and responsibilities.

Following the appointment on May 12, 2005 of two new directors (Daniel Bernard and Thierry de Montbrial) and a new non-voting director (Marcel Roulet), the Board of Directors decided on July 27, 2005 to reallocate the directors and non-voting directors to these three Committees, appointing three or four directors to each one and in certain cases a non-voting director.

At its meeting of July 26, 2006, the Board adopted my recommendation to set up a fourth Committee called the Ethics & Governance Committee, whose terms of reference encompass all matters relating to the legal or operational organization of the Group (previously included in the brief of the Selection & Compensation Committee) and decided that it was appropriate that I chair this Committee.

Following the appointment of two new directors at the Combined Shareholders' Meeting of April 30, 2009 (Bernard Liautaud and Pierre Pringuet) and the expiry on the same day of the term of office of Marcel Roulet, a non-voting director (who did not seek reappointment), the Board of Directors decided on June 17, 2009 to appoint Bernard Liautaud to the Strategy & Investments Committee and Pierre Pringuet to the Audit Committee.

After the Combined Shareholders' Meeting of May 27, 2010 renewed the terms of office of 8 of the 12 directors and appointed Laurence Dors as a new director (to replace Jean-René Fourtou who did not seek reappointment), the Committee –on June 9 and December 15– reviewed all of these appointments and reiterated that in order to comply with the principle of collective decision-making, the Committees must, under no circumstances, usurp the power of the Board which has sole decision-making power and that the directors are collectively responsible for the decisions made and the duties entrusted to them by law and/or the Combined Shareholders' Meeting.

The Audit Committee

In accordance with the Order of December 8, 2008 and the AMF recommendation of July 22, 2010 issued following the report of the Audit Committee working group, the role of the Cap Gemini S.A. Audit Committee is to control the processes governing the preparation and distribution of accounting and financial information, to assess the appropriateness and the consistency of the accounting policies and methods used to

prepare the annual and half-year consolidated and company financial statements, to check the efficiency of internal control and risk management procedures, to ensure by all means the quality of information presented to the Board and finally to present to the Board its assessment of the various engagements carried out by the Statutory Auditors and give its opinion on whether their audit engagement should be renewed.

The Audit Committee currently has four directors: **Yann Delabrière** (Chairman), **Michel Jalabert**, **Phil Laskawy** and **Pierre Pringuet**. It met six times in 2011, with an average attendance rate of 79% (19 out of 24 attendances).

The Committee reviewed the company and consolidated financial statements for the year ended December 31, 2010 and the consolidated financial statements for the half-year ended June 30, 2011. It focused in particular on the accounting treatment of events with a material impact on the annual or half-year financial statements (such as the consolidation of CPM Braxis) and on changes in working capital requirements, the treatment of deferred tax and the financial impact of the UK employee pension plan. It also reviewed the way in which the proper performance of a certain number of major contracts is determined. The Committee interviewed:

- **Philippe Christelle**, Internal Audit Director, questioning him on working methods, terms of reference, the findings of audits carried out during the year and any avenues for further improvement;
- **François Hucher**, Technical Director in charge of support services, IT and procurement, questioning him in particular on operations and developments at production centers, on the results of audits performed by the so-called "flying squads" on risk-sensitive topics and finally on the program to reduce production costs through the better reuse of existing tools;
- **Lucia Sinapi-Thomas**, Corporate Finance Director in charge of Risk Management in the pre-sale phase, questioning her on the way in which major business proposals are dealt with, on potential strategic partnership arrangements and on framework client or supplier contracts with certain specific characteristics and as such, subject to the prior approval of the Group Review Board.

Finally, the Committee reviewed various recapitalization projects for certain subsidiaries and presented its opinion to the Board on the utility of these capital contributions and the means of their performance.

The Statutory Auditors also issued recommendations to the Audit Committee to make the accounting and financial procedures, which they already consider "extremely good", even more efficient.

The Selection & Compensation Committee

This Committee is tasked with monitoring the human resources policies applied by Cap Gemini S.A. subsidiaries to executive managerial positions (executive appointments, additional training, changes in theoretical and actual compensation, setting objectives to determine the variable portion of compensation, criteria for the

grant of performance shares, career and succession planning, etc.) and making sure that the policy is both consistent –while complying with specific local requirements– and closely aligned with individual and collective performances in the Business Unit to which the manager concerned belongs. It is consulted by Group Management prior to any decisions concerning the appointment or replacement of Executive Committee members and Strategic Business Unit directors. It informs the Chief Executive Officer of its recommendations concerning proposals made by him in relation to the fixed and variable compensation of these managers. It presents to the Board its opinion on the recommendations regarding the Chairman's proposals concerning the compensation, personal objectives and performance of the Chief Executive Officer and its own recommendations on the Chairman's compensation structure and the amount thereof. Finally, the Committee reviews the various schemes enabling employees to share in Group profits (performance share grants, Group savings schemes, etc.) and proposes to the Board of Directors the incentive instruments it considers appropriate and capable of being implemented in all (or certain) Capgemini Group companies.

The Selection & Compensation Committee currently has four directors: **Ruud van Ommeren** (Chairman), **Michel Jalabert**, **Terry Ozan** and **Pierre Pringuet** and a non-voting director, **Pierre Hessler**. This Committee met five times in 2011, with an average attendance rate of 92% (23 out of 25 attendances). In accordance with the Committee's remit, it ensured throughout 2011 the consistency of the Group's senior executive management and compensation policy. Its Chairman regularly reported on the Committee's work and presented recommendations to the Board of Directors concerning the following areas:

- the general compensation policy of the Group and its subsidiaries;
- the compensation of the two executive corporate officers (the Chairman and the Chief Executive Officer) and that of the members of the Executive Committee and the Group Management Board. These recommendations focused at the beginning of the year on:
 - an appraisal of the individual performance of each of these managers compared with objectives set at the beginning of the year;
 - calculation of the variable portion of compensation paid in the first quarter of the next year;
 - adjustment of the fixed and two variable portions of the "theoretical" compensation for the following year;
 - setting objectives to be used at the end of the current year as a basis for calculating the actual variable portion due.

The Committee also monitored the development and succession plans for executives of the Group's Strategic Business Units and performed an extensive review of all the systems in place at each Strategic Business Unit and at Group level to identify high-performing individuals, develop retention schemes, and ensure internal mobility.

The Ethics & Governance Committee

The main remit of this Committee (created in July 2006 by decision of the Board) is to verify that the Group's seven core values (Honesty, Boldness, Trust, Freedom, Team Spirit, Modesty and Fun) are correctly applied and adhered to, defended and promoted by the Group's corporate officers, senior management and employees in all of its businesses and in all subsidiaries under its control, in all internal and external communications –including advertising– and in all other acts undertaken in the Group's name. It is also tasked more generally with overseeing the application of best corporate governance practice within Cap Gemini S.A. and its main subsidiaries. The Ethics & Governance Committee is responsible for all matters relating to the selection, appraisal, independence and compensation of the Company's directors and non-voting directors. It must keep up-to-date (and be ready to implement) the list of measures to be taken, should the question of replacing the Chairman or the Chief Executive Officer suddenly arise. It must handle and propose to the Board any changes it considers appropriate or relevant to the Board's operation and composition (co-opting a new director or replacing a resigning director, increasing the proportion of female directors, etc.) or to the governance structure currently in force within the Group (for example, switching back to a traditional legal form combining the functions of Chairman and Chief Executive Officer), etc.

The Ethics & Governance Committee currently has three directors: I am the Chairman and the two other members are **Daniel Bernard** and **Bruno Roger**. On the creation of this Committee, I wanted Paul Hermelin to be a permanent guest if he could not be a member. He accepted this invitation and has since continued to attend meetings. This Committee met three times in 2011, with an attendance rate of 100%.

The Committee interviewed:

- **Philippe Christelle**, the Internal Audit Director, who presented a special report describing the ethical framework within which the Group has decided to operate, as well as instances of non-compliance (often involuntary), changes and updates performed during 2011 and identifying a certain number of potential improvements in the follow-up of audit recommendations.
- **Hervé Canneva**, the Group Ethics and Compliance Officer, appointed by the Committee on March 1, 2009, who presented a report on the ongoing distribution of the Code of Business Ethics adopted by the Group and translated into 13 languages (a paper copy of this Code was sent to all key managers of the Group accompanied by a letter from Mr. Hermelin, while an electronic version was communicated to all employees with a link to an e-learning module - aimed at the appropriation of this Code by all employees; implementation of a mandatory procedure requiring the signature of this Code by all new employees) and the training program aimed at establishing and strengthening throughout the Group perfect integrity in the conduct of business and awareness of the importance of adopting at all times a behavior in accordance with Cap Gemini

ethics. This report also highlighted the results of a study showing the high rate of commitment of Group managers to the Code of Business Ethics. It also referred to the distribution in the final quarter of 2011 of a document on the Group's anti-corruption policy to all Group employees and the progressive implementation in the main countries of an advice and professional warning procedure for employees (the "Raising Concern Procedure").

Finally, the Committee discussed the composition of the Board of Directors and particularly the principle of equal representation of men and women, as well as the Board's activities and examined a variety of possible general governance scenarios for the Group.

The Strategy & Investments Committee

The role of this Committee is to:

- study in-depth the strategic options open to the Group to ensure its continued growth, improve its profitability and maintain its independence;
- determine the amount of investments required to implement each of these possible strategies;
- identify and assess the alliances or acquisitions which would appear able to facilitate or accelerate the implementation of these strategies;
- finally, recommend a choice to the Board (or at least establish an order of priority).

More generally, the Committee identifies and deliberates on any direction or issue considered relevant to the Group's future, provided it does not compromise the smooth running of operations and guarantees operating and financial stability. The Strategy & Investments Committee currently has six directors: **Bernard Liautaud** (Chairman), **Daniel Bernard**, **Laurence Dors**, **Paul Hermelin**, **Thierry de Montbrial** and **Bruno Roger** and a non-voting director, **Geoff Unwin**. This Committee met four times in 2011, with an attendance rate of 100%. The Committee spent most of its time preparing the discussions and activities of the Board which held a day-and-a-half "Strategy Seminar" at the Méry-sur-Oise Chateau in June 2011 to discuss the following issues:

- the relevance of strategic objectives,
- a review of actions undertaken since the Barcelona Meeting (which brought together 450 key Group managers in October 2010),
- the identification of new challenges currently facing the Group or which it will face in the future (e.g. cloud computing),
- a permanent review of the competitive environment and the market outlook,
- comments on the strategy currently followed with regard to the downturn in the economic environment, etc.

It also performed a detailed review of several potential acquisitions and recommended to the Board the definition of limits within which potential negotiations should take place.

5.3 Compensation of Directors, non-voting Directors and executive corporate officers

In compensation for the time spent actively participating in Board and Committee meetings and in very partial consideration for the directors' increasing responsibilities, the Company was authorized by the Combined Shareholders' Meeting of May 26, 2011 to pay attendance fees to directors of up to €800,000 per year. The Board of Directors decided, following my proposal, to return to paying a fixed portion and therefore to adopt a formula for allocating attendance fees based on the following principles:

- payment once again of a fixed portion: €15,000 per year to each director, €10,000 per year to each non-voting director (i.e. two-thirds of the amount allocated to directors), €15,000 per year to the Chairmen of the specialized Committees and €30,000 per year to the Chairman of the Board;
- retention of a fixed amount of €3,000 for each attendance at an official meeting of the Board or one of the four specialized Committees (no distinction being made here between directors and non-voting directors). This fixed amount may be reduced if circumstances require the Company to hold an exceptional number of meetings, resulting in aggregate attendance fees exceeding the threshold authorized by the Combined Shareholders' Meeting.
- the payment of attendance fees for the half-year then ended, as opposed to once per annum at the year end.

In this respect, it should be noted that Paul Hermelin and myself spontaneously decided to waive for 2011 (in the same way as for 2010 and 2009), our right to receive attendance fees for our duties as directors of Cap Gemini S.A., a decision warmly received by the Board. In application of the above, attendance fees paid to directors and non-voting directors in respect of fiscal year 2011 totaled €722,000 (€376,000 for the first-half and €346,000 for the second-half), representing only 90% of the ceiling authorized by the Combined Shareholders' Meeting.

With respect more specifically to the two executives who are also corporate officers, the Board verified and had it confirmed that in France, in a limited liability company (*société anonyme*) governed by French law, the compensation of the Chairman and the Chief Executive Officer is determined freely by the Board of Directors, pursuant to "exclusive" powers clearly defined by Articles L.225-47 and L.225-53 of the French Commercial Code (*Code de commerce*) and that these exclusive powers confer an institutional –and not a contractual– nature on this compensation. The determination and review of this compensation is not subject to regulated agreement procedures, provided, of course, it is specifically paid for the performance of corporate officer duties and in consideration for actual services rendered to the Company. This is obviously the case for Cap Gemini's two executive corporate officers, it being noted that the rules applied to determine their compensation are identical to those applied for all Group managers (a breakdown of compensation paid to Paul Hermelin and myself in respect of fiscal year 2011 is presented in the section entitled "Compensation of the two executive corporate officers" page 78, of the Management Report).

5.4. General organization of the Group

Cap Gemini S.A. is the parent company of what is generally known as “the Capgemini Group” comprising approximately 189 companies, which are listed on pages 173 to 175 of this Reference Document (after removing dormant companies and companies in the course of dissolution).

OPERATIONAL STRUCTURE

I would remind you, should this be necessary, that one of the founding principles underlying the creation of this Group is decentralization. This seeks to ensure that operating managers act as entrepreneurs, taking each year the risk to commit to a budget and personal and collective objectives. They are provided by the Company with the means necessary to react rapidly to market requirements, changes in demand and the opportunities offered by technological innovation which, in our businesses, is particularly rapid and abundant.

Today, the organizational structure of the Group remains based on this decentralized model, with basic business units deliberately kept small to allow their managers to remain in close contact both with clients and employees of their allocated region. With access to numerous management tools and the daily monitoring of results obtained (contracts signed, activity rates, progress on contracts in progress, etc.), these managers are fully responsible for their business units meeting quantifiable objectives relating to financial performance (growth, profitability, etc), the quality of human resource management (recruitment, training, motivation, good match of employees to the business unit's needs, etc.), business development, client satisfaction, management rigor (administrative and accounting), strict application of internal control procedures, absolute compliance with the values adopted by the Group, etc.

These basic business units –grouped, depending on their number, into larger business units –reflect the Group's presence in around forty countries, which are in turn grouped into eight geographic areas:

- North America: USA, Canada;
- the United Kingdom and Ireland;
- France, to which Morocco is associated;
- Benelux;
- Nordic countries: Denmark, Norway, Sweden, Finland;
- Germany and Central European countries: Switzerland, Austria, Poland, Czech Republic, Romania, Hungary, etc.;
- Southern Europe (Italy, Spain, Portugal) and Latin America: Mexico, Brazil, Argentina, Chile, etc.;
- and finally the Asia/Pacific region: India, China, Singapore, Hong-Kong, Australia.

Useful for reporting purposes and comparing performance year-on-year, this geographic grouping is accompanied by a breakdown of the Group by business into six strategic business units:

- 4 global strategic business units:
 - Consulting
 - Infrastructure Services, i.e. the design, installation and maintenance of client IT infrastructures
 - BPO (business process outsourcing)
 - Local Professional Services, provided by the SOGETI sub-group and its subsidiaries
- 2 systems integration and applicative maintenance strategic business units in the following regions and countries:
 - Application Services One: North America, UK and the Asia/Pacific region (excluding China), including global responsibility for the Financial Services sector;
 - Application Services Two: France, Benelux, the Nordic countries, Germany and Central Europe and Southern Europe.

In addition to these six Strategic Business Units, the Group has three units dedicated to the operational development of new regions (China, Latin America) and New Business Models (including Prosodie).

GROUP MANAGEMENT

As I already indicated above:

- in December 2001, the Cap Gemini S.A. Board of Directors decided to replace Geoff Unwin by Paul Hermelin as Chief Executive Officer of the Group.
- he has been renewed in these functions twice (in May 2006 and May 2010)
- at my recommendation, the Board elected in July 2002 to separate the functions of Chairman and Chief Executive Officer as authorized by the New Economic Regulations Law (NRE) of May 15, 2001.

Paul Hermelin has now therefore been Chief Executive Officer of the Capgemini Group for over ten years. Pursuant to the law, he has the most extensive powers to act in all circumstances in the name of the Company and its subsidiaries. He is currently assisted in the conduct of business, the monitoring of control procedures and the realization of strategic objectives (periodically reviewed by the Board) by:

- Nicolas Dufourcq, Deputy General Manager, who in addition to his primary role as Chief Financial Officer performs a number of other duties which are detailed below;
- Alain Donzeaud, General Secretary in charge of Human Resource management, Capgemini University, legal affairs and controlling the application of prevailing ethical rules within all Capgemini Group companies.

All three individuals are permanent members of the Executive Committee, whose role is to assist Group Management define broad strategies for submission to the Board of Directors, make

all decisions enabling an improvement in Group performance, determine in this context the actions to be undertaken and the priorities to be respected, coordinate their implementation, assess the performance of Group managers and prepare succession plans for major positions within the organization. The Executive Committee meets once a month with:

- the Global Sales and Portfolio Director
- the Development Director
- the Marketing and Communications Director
- the Strategy Director
- the Director of our operations in India
- the Directors of the 6 strategic business units detailed above representing a total of 14 individuals.

Together with the International Legal Director, all three take part in two special-purpose committees:

- the Group Review Board which –with the Director in charge of risk management in the pre-sale phase and the Global Sales and Portfolio Director –examines the major business proposals in the course of drafting or negotiation, multi-national or multi-business framework agreements entered into with clients or suppliers, major contracts involving guarantees given by the Group etc.
- the Merger & Acquisitions Committee which examines acquisition and divestment projects in the course of identification, selection, assessment or negotiation, with the assistance of the Strategy and Transformation Director, the Merger and Acquisitions Director and the Director of the Business Unit which would perform the transaction in question.

Finally, in a certain number of cases where it was considered useful or necessary (and particularly in the Group's main countries), a board was appointed bringing together local managers of the different Group businesses and tasked with ensuring improved cooperation (particularly with respect to actions carried out individually by one or other business for the major clients appearing in a list drawn up at the beginning of the year).

THE CENTRAL DEPARTMENTS

Group Management is assisted by the following central departments:

The Group Finance Department

Headed by **Nicolas Dufourcq**, the primary tasks of this department are the preparation of budgets and monitoring performance, management control, operational reporting, financial and management accounting, consolidation and accounting standards, treasury management, taxation, and financial communications. As Deputy General Manager, Nicolas Dufourcq is also responsible for conducting merger, acquisition and divestment transactions and managing the risks presented by certain business proposals. He is also responsible for the

“Lean” program launched by the Group last year, procurement, internal information systems and finally the Production / Methods and Support department. Headed by **François Hucher**, this department is tasked with designing and disseminating prevailing methodologies within the Group, certifying certain categories of employee (project leaders, architects, etc.) and performing audits of risk-sensitive projects conducted by specialized teams known as “flying squads”.

The General Secretary

This position is currently occupied by **Alain Donzeaud** (who, after much consideration, has unfortunately decided to retire before the end of 2012), who is responsible for:

- Legal affairs, covering two departments: one dealing with all legal matters related to the Group's operating activities (**Isabelle Roux-Chenu**) and the other concerned with the functioning of the Group's governing bodies (the Board of Directors, specialized Board Committees, Shareholders' Meetings, etc.) and in charge of legal matters impacting the general Group structure (**Philippe Hennequin**);
- The Human Resources Department, which is tasked with coordinating policies that fall within its remit implemented by the Group's subsidiaries, in particular career management and employee retention policies for high potential managers (**Jérémy Roffe-Vidal**);
- Capgemini University, which is tasked with providing Group managers and employees with the additional training they require (in new technologies and commercial functions, large-scale project management skills, personal leadership skills development, etc.) and also forms a natural and convivial platform for exchange for all Group members (**Jacques Collin and Steven Smith**);
- The Ethics & Compliance Department whose primary task is promoting and ensuring compliance by all Group entities with a corporate culture and a duty of integrity that requires all 120,000 Group employees to behave in an ethical manner. It implements initiatives aimed at consolidating prevention methods and avoiding any infractions or non-compliance in this area (**Hervé Canneva**).

The Global Sales and Portfolio Department

Headed by **Paul Nannetti**, this department encompasses:

- the management of client offerings and the launch of growth initiatives;
- relationships with major strategic and technological partners of the Group (Jean-Claude Viollier);
- the stimulation and promotion of Group offerings in the following sectors: Utilities / Distribution & Consumer Goods / Telecommunications / Public sector – Taxation and Public Security (Stanislas Cozon);
- the definition and standardization of sales support processes.

The Strategy Department

Headed by **Cyril Garcia**, is primarily tasked with fostering deliberations on strategic issues by Group Management, the Board of Directors, its Chairman and the Strategy & Investments Committee. To this end, it maintains close relations with leading firms specializing in analyzing the market and trends therein.

The Development Department

(**Aymar de Lancquesaing**) is tasked with enhancing Group offerings, selecting investments in the “solutions” sector and implementing our intellectual property policy.

The Marketing and Communications Department

(**Philippe Grangeon**) is responsible for the Group’s internal and external communication and is tasked with coordinating actions implemented in this area by operating subsidiaries as well as their marketing deliberations and initiatives and proposing a selection of “sponsoring” choices.

The Technology Department

(**Andy Mulholland**) is tasked with identifying major technological developments, fostering an active relationship with the Group’s major partners (for example by identifying common development projects) and assisting with the development of commercial offerings calling on advanced solutions.

The Internal Audit Department

(**Philippe Christelle**) reports directly to the Chairman and the Chief Executive Officer and is tasked with controlling the correct application by business units of Group principals and rules, particularly with respect to risk management and control. The implementation of recommendations issued by the Internal Audit Department by the business units concerned is systematically monitored.

5.5. Internal control and risk management procedures

Fiscal year 2011 was marked by the implementation of systems and procedures which contributed to strengthening the uniformity of processes within the Group while defining a tailored level of control.

The following actions may be highlighted:

- the drafting and communication within the Group of an anti-corruption code aimed at all employees and supplementing the Code of Business Ethics issued in 2010,
- the roll-out of a global talents management system encompassing the monitoring of the performance and career of all Group employees,
- the refining of reputation risk management, particularly through the monitoring of social networks and paying close attention to opinions voiced by Group employees,
- finally, the continued transformation of the finance function with:
 - the roll-out of a single integrated management system
 - the transfer of subsidiary accounting services to shared service centers.

These actions help standardize processing and procedures within the Group and strengthen the Capgemini internal control environment.

OBJECTIVES AND MEANS

I would firstly remind you that a blueprint for internal control was defined at the initiative of the French stock market authority (AMF), which it recommends all French companies subject to the requirements of the Financial Security Law (*Loi de Sécurité Financière*) use and apply within their subsidiaries. Capgemini Group has therefore defined and implemented a control system with a view to ensuring:

- compliance of all management acts with relevant laws and regulations;
- compliance with the Group's seven core values and guidelines set by the Board of Directors and/or Group Management;
- application by the subsidiaries of instructions communicated;
- the smooth functioning of the Group's internal control processes safeguarding assets; and
- the reliability of the Group's financial information.

While contributing to the improved efficiency of its operational support functions, the optimal use of resources and good risk control, this system does not however offer an absolute guarantee of the control of all possible risks imaginable, no more than it can –irrespective of the skills of the employees performing the controls– guarantee alone the realization by the Group of all objectives set.

For these reasons, since its creation, Capgemini has placed significant importance on compliance with the values and principles which guide and inspire our actions and, in particular, our business practices. Our seven values (headed by honesty) represent the Group's fundamental DNA and justify its reputation as an ethical and responsible company.

For over 20 years, a set of rules and procedures known as the "Blue Book" has had force of law within Cap Gemini and its subsidiaries. The Blue Book reminds employees of their obligations in this area and inventories the tools and methods helping them avoid identified risks in the exercise of the Group's businesses. The ethics system founded on the Group's values and the Code of Business Ethics was supplement in 2011 by an Anti-Corruption Code. This system seeks to:

- develop within new recruits an ethical culture guaranteeing integrity of behavior;
- raise awareness of compliance with international and national laws;
- highlight initiatives aimed at strengthening the system to prevent and avoid infractions, non-compliance and negligence in these areas.

For over 30 years, the Capgemini Group has had a central Internal Audit function which currently comprises a multidisciplinary team of 25 auditors and whose Director, Philippe Christelle (see Section 5.4), reports directly to both the Group's Chairman and its Chief Executive Officer. Over the last few years, this team has become highly international to accompany the expansion of the Group into new regions of the world. Ten different nationalities, covering 90% of the languages spoken locally in the Group are represented; the internal audit department has a Bombay desk, created more than 3 years ago, with 9 auditors, including 2 technical experts specializing in the review of IT projects. The Internal Audit department is tasked with:

- reviewing the internal control procedures implemented in the Strategic Business Units and their component legal entities to ensure that they comply with the general principles and rules laid down by the Group and with certain specific procedures enabling the elimination or mitigation of the risks to which they are exposed locally.
- auditing the Group's major contracts considered to present significant risk: Internal Audit uses one or more technical experts (Group Delivery Auditors), who are selected from among a list of Group accredited professionals according to their skills (and also their complete independence from the unit being audited).

Each Strategic Business Unit is audited in line with a bi-annual program that the Chairman and/or the Chief Executive Officer have the power to modify in the event of a contingency (delays and irregularities, major divergence from budgetary commitments, etc.). During 2011, the Internal Audit Department performed:

- 53 audits of units belonging to all Group Strategic Business Units, with each audit involving on average 36 days in the field and concluding with the issue of an action plan that management of the unit audited undertook to implement as quickly as possible in order to improve or correct the points identified by the audit. The Internal Audit Department uses a tool enabling it to monitor real-time the implementation of recommendations following the audit, focusing particularly on priority actions.
- 2 special assignments for Group Management.

- 1 due diligence assignment, that is, a prior audit of a company that the Group intends to acquire.

At the request of the Chairman or Chief Executive Officer, the Internal Audit Department may also perform special assignments to review specific situations. Once annually, the Internal Audit Director presents:

- to the Audit Committee, a comprehensive report on the department's work (particularly regarding internal control efficiency and risk management in the preparation and processing of financial and accounting information),
- to the Ethics & Governance Committee, a specific report on compliance with the Group's Code of Business Ethics.

Finally, the Internal Audit Department may at any moment draw up a special report for presentation to the Chairman or the Chief Executive Officer on any matter that it considers should be brought to their attention.

General principles

The aim of the general internal control principles is to ensure efficient and traceable decision-making. They concern:

- Delegation of decision-making powers and authorization: the decision-making process applied within the Group is based on rules concerning the delegation of powers. These rules are regularly updated, comply with the principle of subsidiarity and define three levels of decision-making depending on the issues involved, corresponding to the three levels of Capgemini's organization:
 - the Business Unit, for all issues that fall within its remit;
 - the Strategic Business Unit (or the Country Board) for all issues that concern several Business Units under their authority;
 - the Group (Group Management, Executive Committee, central departments, etc.) for all decisions outside the scope of responsibility of a Strategic Business Unit or region which must be taken at Group level due to their nature (acquisitions, divestments, etc.), or for other major operations whose financial impacts exceed well-defined materiality thresholds.

This process has been formalized in an authorization matrix which requires both prior consultation and the provision of sufficient information to the parties involved. Recommendations submitted to the final decision-maker must include the views of all interested parties as well as an objective assessment of the advantages and drawbacks of each of the possible solutions.

- The framework of general policies and procedures: the Blue Book sets out the main principles and basic guidelines underpinning the Group's internal control procedures, and covers specific issues relating to the following areas:
 - the Group's organization and corporate governance scenarios as well as authorization guidelines;
 - sales policy;
 - contractual engagement guidelines;
 - service production;

- finance function organization and procedures;
- human resources management;
- external communications;
- business knowledge management, sharing and protection;
- information systems;
- procurement organization and controls; and
- environmental protection guidelines.

Operational risk management

Project risk

The Group has devised a formal process to identify and control risks associated with the delivery of information systems projects ordered by clients, from pre-sale to acceptance and payment by the client of the last invoice for the project. This process differentiates between:

- pre-sale risk controls;
- technical controls during the project execution phase; and
- business control.

Pre-sale risk controls

Projects are increasingly complex, both in terms of size and technical specifications, especially in Outsourcing (long-term commitments, sometimes involving transfers of assets, staff and the related obligations). As a result, identifying and measuring the risks involved is essential at all stages of the selling process, not only for new contracts but also for extensions or renewals of existing contracts. This risk analysis is based in particular on:

- a reporting tool consolidating all commercial opportunities at Group level. Data concerning commercial opportunities is entered as and when identified, and updated throughout the sale process;
- validation, at the various organizational levels of the Group's operational structure and at the different stages of the selling process (from identification of an opportunity as investment-worthy from a Group perspective and the submission of service proposals, often in several stages, to the signature of a contract) of the main characteristics of the opportunity, in particular as regards technical, financial and legal matters.

As described above, the decision to commit the Group to commercial opportunities meeting pre-defined criteria concerning size and complexity is the sole prerogative of the Group Review Board. For particularly complex projects, a review of solutions may be carried out during the final pre-sale phase in order to bring to the Group Review Board's attention any potential operational risks.

Production and quality control

The Group has approved policies for monitoring the proper performance of contracts that are applied throughout the life of the project to ensure that it runs smoothly. The key features of these policies include:

- clear definition of the roles and responsibilities of each individual regarding execution and supervision throughout the entire production process, in particular as regards the

choice of project leader, client relationship management, billing, estimation of costs to completion, joint oversight arrangements with the client, etc.;

- use of proprietary production methodologies in all of the Business Units;
- global access to the expertise available through Capgemini's Applications Development Centers;
- monthly Group-wide identification of all risk-sensitive projects in the execution phase, and the implementation of action plans aimed at eliminating or containing such risks;
- commissioning independent technical audits of the teams in charge of a given project to identify additional risks in cases where actual performance appears to diverge from forecasts or from commitments undertaken. These engagements are carried out by the Production/Methods and Support Department, and complement the upstream independent technical audits carried out by the Business Units as a preventative measure for operational risks.

Business control

Depending on its size, each Business Unit has one or more project financial controllers whose role is to:

- monitor the financial aspects of each project and primarily actual versus budgeted project production costs. Progress reports and management indicators are built into the monitoring process, which relies mainly on the periodic analysis of estimated costs to completion and their accounting impact;
- permanently control compliance with contractual commitments – particularly billing and payment milestones.

Reputational risk

Compliance with clear principles of business ethics is firmly embedded in Capgemini's culture. On its creation in 1967, the Group identified seven core values which form the keystone of its identity. Today, each of the 120,000 managers and employees continue to refer to these values and have committed to applying them personally on a daily basis and ensuring their compliance by individuals in their business unit or who participate on joint projects. From this point of view, the Code of Business Ethics issued in 2010 represents the continuation and formal documentation of cultural reflexes already firmly embedded in Capgemini. A specific policy dealing with the prevention of corruption was distributed within the Group in 2011, and all new recruits undertake to comply with the principles explained in the Anti-Corruption Policy and follow an e-learning training course on this policy.

The Group has decided only to locate in those countries satisfying a certain number of criteria concerning work ethics and security in the conduct of business.

In 2011, the Group implemented a new solution for identifying and monitoring risks and problems likely to arise in external social networks and took the necessary measures to deal with such problems where necessary. Internally, communication experts monitor these networks and stand ready to react rapidly to any negative comments from employees.

Listed on the Paris Stock Exchange and a global leader in its business sector, the Group is frequently called upon by the media and the financial community to provide information on its expertise, strategic direction, forecasts, results, etc. Therefore, to control and limit risks to its reputation, only persons duly authorized by Group Management are permitted to speak on behalf of the Group.

Human resources risk

The Group pays very close attention to the quality of its human resource management and employee satisfaction. Accordingly, an internal survey is conducted each year aimed at measuring commitment and expectations among the Group's 120,000 employees. This survey is an appraisal tool and action plans are established based on identified results.

Furthermore, a project in SaaS mode (Software as a Service) is currently being rolled out by the Group Human Resources Department to ensure the comprehensive management of all processes concerning the management of high-performing individuals and a uniform approach to monitoring performance, the development plans of our employees, the management of international mobility and succession plans, in a manner consistent with the strategic objectives of the Group and the interests of our clients.

Finally, the Capgemini Group International Works Council covers not only European countries but also includes representatives of the main countries outside Europe (India, United States and Brazil). The Group's key managers regularly attend meetings to present changes in the Group and the main challenges facing it, and discuss them with employee representatives in an open manner and an environment of mutual understanding.

Information systems risk

While the Group is not highly dependent on information systems in the course of its business, it has nevertheless implemented data recovery procedures for its activities in the event of a disruption to IT services. The Group has drawn up an IT infrastructure security policy which is verified annually by each Group entity. However, certain Group entities have heightened security imperatives reflecting their clients' line of business, and they are consequently certified ISO 27001-compliant by an independent agency.

Production security risk

Telecommunications networks used by the Group are automatically duplicated in cases where "Rightshored" production resources are deployed. In the event of a breakdown in the preferred (fastest) communications network between Europe and India, service continuity is ensured by tried and tested alternative routes. The Group's Indian subsidiary has also set up a Business Continuity Management (BCM) structure to ensure service continuity in line with the Good Practice Guidelines of the Business Continuity Institute (BCI). These measures take account of various hypothetical threats along with the differing degrees of potential damage at site, urban and country level.

Where required by the local contract in force, a business continuity plan is prepared by selecting appropriate measures according

to the criticality of the service. The Group uses reviews and simulations to test the efficiency of these plans.

Environmental risk

As an intellectual service provider, Capgemini has little impact on the environment. The Group nonetheless strives to reduce its environmental footprint through a number of measures set out in the Corporate Social Responsibility and Sustainability Chapter (3.5 The Group and the Environment, page 62). The risks to which the Group is exposed in this respect are not considered material. The Group pays special attention to energy consumption, the management of its IT hardware and waste and has implemented specific action plans in these areas and particularly in the data processing centers. Measures to raise employee awareness and aimed at reducing business travel, though the use of internet and video technology, have been implemented.

Client risk

The Group is exposed to several types of client risk:

- the risk of excessive dependence on a single client or group of clients or a single market sector: the Group has several thousand clients, which to a certain extent enables it to resist market turbulence and reduce its exposure to volatility in certain sectors. The client portfolio consists of both a large number of entities from the public sector and a large number of entities from the private sector, from a wide spread of diversified markets. Exposure to risks of commercial dependency is therefore limited.
- client insolvency: client solvency analysis upstream of the sales process helps minimize client credit risk. Together, the Group's top 30 clients generate slightly over 36% of revenues. The solvency of these major clients, combined with the wide diversity of other smaller clients, helps reduce credit risk.
- the risk of dissatisfaction: Capgemini pays particular attention to assessing client satisfaction and has implemented a rigorous client relationship management process that it carries out throughout the project, known as OTACE (On Time and Above Client Expectations). This is a key pillar of the Group's client loyalty policy, particularly for major client accounts.

Supplier and subcontractor risk

The Group has signed framework agreements and contracts with its suppliers containing clauses similar to those contained in contracts signed with its clients, in a bid to improve the management of contractual risks and acceptance risks. These framework agreements and contracts clearly stipulate obligations with respect to delivery deadlines, service level and operating tests as well as penalties for non-compliance. Over recent years, the Group has signed strategic partnership contracts with a diversified group of major suppliers in order to preserve its independence and guarantee the sustainability of its services. The Group has signed a certain number of strategic contracts with major and financially sound suppliers. The risks represented by smaller suppliers and/or start-ups are analyzed and back-up plans established.

In parallel, Capgemini has implemented a tool allowing for worldwide procurement management and monitoring. This tool, known as GPS (Global Procurement System), is used for the issue and approval of purchase orders. The procurement tool contains an approval chain that ensures the correct allocation of costs to projects and provides for a financial approval mechanism. The centralized management of data in this procurement base enables us to control and better manage Group expenditure and supplier selection. Suppliers are selected by a functional team based on rigorous procedures using multiple criteria, several of which concern ethical standards and sustainable development.

Country risk

The Capgemini Group restricts operations to countries able to offer satisfactory guarantees in terms of individual security. Work on client engagements in certain countries classified as "at risk" is subject to approval by the Group Review Board. Rules and procedures have been drawn up for "at risk" territories in which the Group conducts engagements in order to satisfy the demands of its major clients. Specific contracts have been agreed with organizations specialized in managing these risks to assess independently the risk exposure in each country. Accordingly, certain countries are subject to strict travel bans. The risk is reassessed continuously based on the geopolitical position and warning systems are used to inform employees of country risks. Furthermore, these organizations also help resolve any potential difficulties encountered by employees assigned to work in these countries and provide risk prevention training courses prior to their departure.

Acquisition risk

Capgemini has a wealth of experience in acquisitions, having carried out around 50 external growth transactions since the 1970s. Entrepreneurial spirit, managerial autonomy, and the principle of subsidiarity are crucial factors in the successful integration of newly-acquired businesses. The successful integration of new businesses is also facilitated by the Group's organization along geographic regions and business lines. The Group's Legal Affairs Department is involved in the negotiation of the legal aspects of merger/acquisition projects.

An integration manager is appointed for all acquisitions. He is involved from early on in the acquisition process and generally from the due diligence stage and, in all events, prior to signature of the contract. He has substantial technical experience and the necessary authority and asserts his role as manager responsible for the implementation of appraisal systems and the regular review of management reports used to monitor the integration process and avoid any mismatch.

Economic climate risk

Although a substantial proportion of the Group's operations depends on its clients' investment capacity, the fact that the Group is organized around medium-sized Business Units close to their target market allows for rapid responsiveness to downturns in the business environment.

Legal risk management

Legal risks are identified, analyzed and managed by the Group Legal Affairs Department, which is comprised of central, regional and local teams in each of the main geographic areas in which Capgemini has operations.

Failure to comply with regulations governing our activities

During acquisitions and prior to launching a new business line, the Group performs a focused due diligence review of the target and applicable regulations.

Contractual risk

The Group has established a Contract Clause Negotiating Guide, which identifies clauses exposing the Group to risk and requires information to be reported to the Group Legal Affairs Department in the event of derogation from accepted standard positions. Criteria determining when it is necessary to report to the Group Review Board have also been defined for contracts identified by the Group as presenting a high level of risk due to their size or other criteria.

Compliance with legislation

The Group has a Legal Affairs Department with an established presence in the main geographic regions. Its role is to monitor changes in legislation relevant to the Group's activities, advise the Group thereon and provide training in the main legal issues to targeted employee categories. The Group has also adopted a Code of Business Ethics and calls on a network of Legal Counsels who double-up as Ethics and Compliance Officers and participate in identifying risks and train and monitor employees in order to guarantee compliance.

Litigation risk

A procedure has been implemented for reporting information to the Group Legal Affairs Department on actual and potential litigation and other disputes and government inquiries. The local Legal Affairs Departments also regularly inform the Group Legal Affairs Department of any threats of this nature.

Financial risk management

The Group has standardized rules and procedures for the identification, control and management of financial risks. These are framed in a conservative financing policy based notably on the upstream authorization by the Board of Directors of all major financing decisions, and the measured use of debt thanks to the Group's high liquidity levels.

Equity risk

The Cash surplus investment policy defined by the Group Finance Department and documented in the internal manual (Transform), prohibits all equity investments. The proper application of this policy is regularly controlled by internal and external auditors.

In principle, the Group holds the entire share capital of its subsidiaries and does not hold any listed equity investments. Cap Gemini S.A. has a share buyback program authorized by Shareholders' Meeting. Its implementation is authorized each year by the Board of Directors, which also approves each share buyback decision (outside the liquidity agreement, implementation of which is delegated and subject to a resource ceiling). The value of these shares is deducted directly from Group equity and fluctuations in the Cap Gemini share price do not impact its results.

Counterparty risk

The investment policy authorizes the investment of cash surpluses in money market mutual funds (FCP and SICAV) satisfying the "monetary" classification criteria defined by the AMF, and negotiable debt securities maturing in less than 3 months or immediately available, issued by companies or financial institutions with a good credit rating (minimum A2/P2 or equivalent). The Group also applies maximum concentration per counterparty rules.

The Group abides by similar risk quality/minimum rating and diversification rules when selecting counterparties for foreign currency and interest rate management hedging contracts.

Liquidity risk

The majority of Group financing is borne by the parent company and, as such, implementation of the finance policy is largely centralized. The Group adopts a prudent finance policy based primarily on:

- measured recourse to debt leverage, combined with limiting the grant of contractual provisions that could trigger the early repayment of borrowings,
- the maintenance of a high level of liquidity at all times,
- the active management of financial liability maturities, aimed at limiting the concentration of borrowing maturities,
- the diversification of financing sources, to limit dependence on certain categories of lenders.

Foreign currency risk

The Group implements a policy aimed at mitigating and managing foreign currency risk:

- production cost risks primarily concern internal flows with India; a hedging policy is defined by the Group based on periodic reports and mainly involves forward purchases and sales of currency,
- financial flows exchanged as part of inter-company financing activities primarily in Cap Gemini S.A. are systematically hedged (mainly using forward purchases and sales of currency),
- royalty flows payable to Cap Gemini S.A. by subsidiaries whose functional currency is not the euro are also generally hedged.

Interest rate risk

As part of its financing policy, the Group seeks to restrict interest rate risk by opting for either fixed rates or capped floating rates. The Group favors investments offering a high level of security

and generally floating-rates and as such accepts - in the event of a fall in interest rates - the risk of a drop in returns from the investment of cash surpluses (and as such an increase in the finance cost differential).

Employee-related liabilities

In conjunction with the Trustees, the Group strives to strengthen the governance and management resources of its main pension funds. The investment strategy of its main pension funds, encompassing the management of assets and liabilities, is reviewed annually and monitored periodically with the aim of reducing volatility, as much as economically possible and reasonable to do so. Increased life expectancy is taken into account as and when it is recognized by actuaries.

Group commitments in respect of pension shortfalls depend on local regulations. They are reviewed and negotiated with the Trustees approximately once every three years and give rise to payments spread over periods of 5 to 10 years.

Compliance with rules governing share trading

The Group requires all employees to refrain from carrying out any transactions involving the Company's shares during certain periods of the year. All Group employees are reminded of these restrictions in writing before the start of each such period.

Procedures concerning the preparation and processing of financial and accounting information

These procedures are used to ensure the application of and compliance with Group accounting rules relating to the preparation of budgets and forecasts, financial reporting, consolidation, management control and financial communications. During each accounts closing period, the Group Finance Department sends out a questionnaire to all subsidiaries dealing with the application of general internal control principles and procedures concerning the processing of reported financial and accounting information. These questionnaires are analyzed for any irregularities and corrective measures devised where appropriate.

a. Financial and accounting structure

The Group's financial functions are integrated into the operating structure, that is, both Business Units and countries. They have access to common resources encompassing accounting rules and procedures, information and management systems and share service centers. Each Business Unit has a dedicated financial controller (reporting to the corresponding Strategic Business Unit's financial controller) who is responsible for ensuring that the results of its activities are accurately reported in the accounts in accordance with Group accounting rules and methods. The financial controller verifies that services are correctly billed and paid for, checks profit estimates for ongoing

projects and assesses their accounting impact, and ensures the quality of the information contained in the financial reports and accounting packages used as the basis for preparing the Group's consolidated financial statements. These Business Unit financial controllers report to the financial controller of the Strategic Business Unit, whose main responsibility is to ensure that financial and accounting information is reported to the parent company on a timely basis. Their direct superior is the Group Chief Financial Officer in order to safeguard the independence required when preparing accounting results. Operational control is, therefore, decentralized.

The countries and geographic areas have a Legal Financial Director, whose duties and responsibilities include ensuring that all financial staff in the country or region are well-versed in the Group's accounting policies and methods, checking compliance with local taxation and statutory reporting requirements, helping maintain an effective internal control environment, liaising with shared service centers and the Statutory Auditors, setting accounts closing and financial reporting timetables, signing off on the consolidation packages of the subsidiaries under his or her authority, signing the representation letter and bringing any and all matters that he or she sees fit to the attention of the Chief Financial Officer.

All financial staff is required to apply the Group's accounting procedures and policies contained in the **TransFORM** manual, which sets out:

- the fundamental rules of internal control;
- what information must be reported, when, and how often;
- management rules and procedures;
- accounting policies, rules and methods;
- performance indicators.

Furthermore, the Group has a single integrated management system (GFS), which continued to be rolled out in the Group's subsidiaries in several countries in 2011. Other major business units will migrate to this system in 2012. The desired uniformity of management systems is therefore a step closer, strengthening the control environment.

Finally, the shared service centers pool the accounting processing resources of the Group's subsidiaries. The main centers are located in Warsaw (Poland) and Calcutta (India). The centralization of accounting processes was stepped up in 2011 and also contributed to increased uniformity within the Group.

b. Budgets, forecasting, financial reporting and consolidation

In order to exercise effective control over their operations, the Group requires Business Units to submit weekly, monthly, quarterly, half-yearly and annual reports of all budget, forecast, operational and accounting information required for the general management of the Group:

- **Budget and forecasting process:** budgets form the basic building blocks in the management control process. They are debated and negotiated at length between the different Group Business Unit managers and their superiors, with each budgetary item decided based on past performance, the

Group's chosen strategic priorities and available information concerning expected market trends. Group Management sets quantified targets for each geographic area, Strategic Business Unit and their component Business Units. The budget preparation process is a key moment in the relationship between the different levels of the Group's management and makes it possible to substantially link the variable portion of the compensation paid to Business Unit managers to the attainment of the budgetary targets of their Business Unit and the next level Business Unit to which they belong. A forecast operating income statement (for the current month, the following six months and the full year) is prepared monthly by each Business Unit manager. Variances from budget are analyzed so that any corrective action plans that may be needed can be drawn up as quickly as possible.

- **Operational reporting process:** Information reporting is structured by geographic area and business. This allows revenues and costs to be analyzed on a monthly basis both by type and function, and performance indicators to be updated and measured against budget (A/B), the latest forecasts (A/F) and prior-year figures (A/A'). Balance sheet items are analyzed on a quarterly basis. A monthly management report is prepared for each Strategic Business Unit jointly by the manager and financial controller, and is submitted to Group Management for review. This report gives a detailed breakdown of actual performance, forecasts for the following six months and actions taken in the event of material variances between actual and budget figures. Reconciliations are performed systematically to ensure that financial information derived from the operational reporting system is consistent with the consolidated financial information provided by the legal entities within the Group.
- **Consolidation process:** at each yearly or half-yearly closing, the scope of consolidation is updated at Group level by the Finance Department and validated by the Legal Affairs Department. Written instructions are issued providing the schedule for period-end tasks (particularly the reconciliation of inter-company transaction balances), highlighting current accounting issues requiring specific attention, and describing the control procedures applied during the preparation of the consolidated financial statements. The consolidation process is based on accounting packages by geographic area, which must be signed off by the person responsible for preparing them. Income statements, balance sheets and other key management indicators required for subsequent analysis are stored in a single database maintained at Group level. Access to this information system is strictly controlled.

c. Financial information

- **Controlling financial information:** financial information and its communication are subject to specific controls at half-year and annual period ends. These include:
 - a systematic review carried out with the assistance of the Legal Affairs Department of all material operations and transactions occurring during the period;
 - a procedure to identify, collate and report off-balance sheet commitments and any other information liable to have

significant repercussions on the financial position of the Group or one of its subsidiaries at the period-end;

- a review of the tax position of each of the Group's legal entities;
- a review of the value of intangible assets;
- a detailed analysis of the statement of cash flows.

The controls described above carried out by the Group Finance Department are supplemented by the work of two independent bodies tasked with carrying out checks on the internal control environment and verifying the quality of the financial statements: the Internal Audit department and the Statutory Auditors:

- **Internal Audit:** based on its program covering the Group's Business Units, drawn up in agreement with the Chairman and the Chief Executive Officer (as it reports to both directly), the Internal Audit department is responsible for carrying out controls to ensure that procedures relating to the safeguarding of assets, the valuation of work-in-progress, the actual amount of trade accounts receivable, and the proper recognition of liabilities, are applied in each Business Unit in accordance with the rules and methods established by the Group. In particular, the Internal Audit department is required to pay special attention to revenue recognition methods and to controlling the percentage of completion of projects, so as to ensure that these are accounted for on the basis of rigorous, up-to-date technical assessments. The Internal Audit brief also includes a review of the procedures and controls in place within the Business Unit to ensure the security and validity of transactions and accounting entries;
- **the Statutory Auditors**, who it need merely be noted here, carry out an ongoing review of internal control procedures with an impact on the preparation and quality of the financial statements as part of their audit engagement.

- **Communicating financial information:** this is subject to rigorous internal control, with a particular focus on three key media used to report financial information:

- the half-year financial report and annual report,
- financial press releases,
- analyst and investor meetings.

- **The Annual Report** has been the cornerstone of the Group's financial communications strategy for the past 37 years (the first edition concerned the 1975 fiscal year). The preparation of the report, its content, illustrations, design and distribution are therefore subject to particular attention on the part of Group Management and, above all, the Chairman. All the sections of the Group's Annual Report are written internally by staff and managers of the Group who are each responsible for designing and setting out a chapter on their area of competence, within the general framework proposed by the Communications Department. The Reference Document, which is integrated in the Annual Report, combines all the information that must be provided pursuant to legal and regulatory requirements and is drawn up under the responsibility of the Finance Department.

- **Financial press releases** are only published further to the formal validation of the Board of Directors or the Chairman, and they must therefore be submitted sufficiently in advance to allow time for such approval. Financial press releases are published outside the trading hours of the Paris stock exchange, except in exceptional circumstances.
- **Analyst and investor meetings** are subject to specific preparation, and their content is presented to the Board of Directors or the Chairman prior to such meetings. This preparatory work is then used as a framework for comments and explanations provided by the Chief Executive Officer, the Chief Financial Officer, or employees in charge of investor relations during the meetings.

A weekend in March 2012, in Grenoble
Serge Kampf

*(This report was reviewed by the Statutory Auditors
who issued a report thereon,
which may be found on the following page).*

5.6 Statutory auditors' report

prepared in accordance with Article L.225-235 of the French Commercial Code on the report prepared by the Chairman of the board of Directors of Cap Gemini S.A. (Year ended December 31, 2011)

*This is a free translation into English of the statutory auditors' report issued in French prepared in accordance with Article L.225-235 of the French Commercial Code on the report prepared by the Chairman of the Board on the internal control procedures relating to the preparation and processing of accounting and financial information issued in French and is provided solely for the convenience of English speaking users.
This report should be read in conjunction with, and construed in accordance with, French law and the relevant professional standards applicable in France.*

To the Shareholders,

In our capacity as Statutory Auditors of Cap Gemini S.A., and in accordance with Article L.225-235 of the French Commercial Code (*Code de commerce*), we hereby report to you on the report prepared by the Chairman of your Company in accordance with Article L.225-37 of the French Commercial Code for the year ended December 31, 2011.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report describing the internal control and risk management procedures implemented by the Company and providing the other information required by Article L.225-37 of the French Commercial Code in particular relating to corporate governance.

It is our responsibility:

- to report to you on the information set out in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information; and
- to attest that this report sets out the other information required by Article L.225-37 of the French Commercial Code, it being specified that it is not our responsibility to assess the fairness of this information.

We conducted our work in accordance with professional standards applicable in France.

Information concerning the internal control procedures relating to the preparation and processing of financial and accounting information

The professional standards require that we perform procedures to assess the fairness of the information on internal control and risk management procedures relating to the preparation and processing of financial and accounting information set out in the Chairman's report. These procedures mainly consisted of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report is based, and of the existing documentation;
- obtaining an understanding of the work performed to support the information given in the report and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of financial and accounting information that we may have identified in the course of our work are properly described in the Chairman's report.

On the basis of our work, we have no matters to report on the information given on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, set out in the Chairman of the Board's report, prepared in accordance with Article L.225-37 of the French Commercial Code.

Other information

We attest that the Chairman of the Board's report sets out the other information required by Article L.225-37 of the French Commercial Code.

The Statutory Auditors

Neuilly-sur-Seine, April 10, 2012

Paris La Défense, April 10, 2012

PricewaterhouseCoopers Audit

KPMG Audit

Division of KPMG S.A.

Serge Villepelet
Partner

Edouard Sattler
Partner

Jean-Luc Decornoy
Partner

Jacques Pierre
Partner

6.

CONSOLIDATED FINANCIAL STATEMENTS

6. CONSOLIDATED FINANCIAL STATEMENTS	113
6.1 Statutory auditors' report on the consolidated financial statements	114
6.2 Consolidated income statement	115
6.3 Statement of income and expense recognized in equity	116
6.4 Consolidated statement of financial position	117
6.5 Consolidated statement of cash flows	118
6.6 Consolidated statement of changes in equity	119
6.7 Notes to the consolidated financial statements	120

6.1 Statutory auditor's report

on the consolidated financial statements

Year ended december 31, 2011

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether qualified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2011, on:

- the audit of the accompanying consolidated financial statements of Cap Gemini S.A.,
- the justification of our assessments,
- the specific verification required by law.

The consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes verifying, on a test basis or by other selection methods, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the consolidated Group as at December 31, 2011, and of the results of its operations for the year then ended in accordance with IFRS as adopted by the European Union.

JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of Article L.823-9 of the French Commercial Code (Code de commerce) relating to the

justification of our assessments, we bring to your attention the following matters:

- Note 1-E to the consolidated financial statements sets out the methods used to account for revenues and costs related to long-term contracts. As part of our assessments, we ensured that the abovementioned accounting rules and principles adopted by your Group were properly applied and verified that the information provided in the note above was appropriate. We also obtained assurance that the estimates used were reasonable.
- Goodwill of €3,768 million is carried in the consolidated balance sheet. The approach adopted by the Group as well as the accounting principles and methods applied to determine the value in use of these assets are described in Notes 1-H and 12 to the consolidated financial statements. As part of our assessments, we verified whether the approach applied was correct and that the assumptions used and resulting valuations were consistent overall.
- Deferred tax assets amounting to €1,020 million are recorded in the consolidated balance sheet. Notes 1-K and 13 to the consolidated financial statements describe the methods used to calculate the value of these assets. As part of our assessments, we verified the overall consistency of the information and assumptions used to perform these calculations.

These assessments were made in the context of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

SPECIFIC VERIFICATION

In accordance with professional standards applicable in France, we have also verified the specific information required by law and given in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

The Statutory Auditors

Neuilly-sur-Seine, April 10, 2012

Paris La Défense, April 10, 2012

PricewaterhouseCoopers Audit

KPMG Audit
Division of KPMG S.A.

Serge Villepelet
Partner

Edouard Sattler
Partner

Jean-Luc Decornoy
Partner

Jacques Pierre
Partner

6.2 Consolidated income statement

	Note	2009		2010		2011	
<i>in millions of euros</i>		Amount	%	Amount	%	Amount	%
Revenues	3	8,371	100	8,697	100	9,693	100
Cost of services rendered	4	(6,366)	(76.1)	(6,631)	(76.2)	(7,425)	(76.6)
Selling expenses	4	(629)	(7.5)	(680)	(7.8)	(746)	(7.7)
General and administrative expenses	4	(781)	(9.3)	(799)	(9.2)	(809)	(8.3)
Operating margin		595	7.1	587	6.8	713	7.4
Other operating income	5	7	0.1	6	0.1	-	-
Other operating expenses	5	(269)	(3.2)	(104)	(1.3)	(118)	(1.3)
Operating profit		333	4.0	489	5.6	595	6.1
Income from cash equivalents and cash management assets	6	22	0.3	20	0.3	23	0.2
Gross finance costs	6	(65)	(0.8)	(74)	(0.9)	(88)	(0.9)
Net finance costs	6	(43)	(0.5)	(54)	(0.6)	(65)	(0.7)
Other financial income	6	75	0.9	22	0.2	64	0.7
Other financial expense	6	(125)	(1.6)	(55)	(0.6)	(104)	(1.1)
Net financial expense		(93)	(1.2)	(87)	(1.0)	(105)	(1.1)
Income tax expense	7	(61)	(0.7)	(124)	(1.4)	(101)	(1.0)
Share of profit of associates		(1)	-	-	-	-	-
PROFIT FOR THE YEAR		178	2.1	278	3.2	389	4.0
Attributable to:							
Owners of the Company		178	2.1	280	3.2	404	4.2
Non-controlling interests		-	-	(2)	-	(15)	(0.2)
EARNINGS PER SHARE (in euros)							
Basic earnings per share	8	1.23		1.83		2.63	
Diluted earnings per share	8	1.22		1.74		2.49	

6.3 Statement of income and expense recognized in equity

<i>in millions of euros</i>	Note	2009	2010	2011
Exchange differences	9	42	158	9
Remeasurement of hedging derivatives, net of deferred tax	19	27	9	(41)
Actuarial gains and losses on defined benefit pension plans, net of deferred tax	20	(120)	(101)	(224)
Other income		-	1	-
TOTAL INCOME AND EXPENSE RECOGNIZED IN EQUITY		(51)	67	(256)
Profit for the year (reminder)		178	278	389
If this income and expense recognized in equity had been recognized in profit or loss, profit for the year would have been as follows		127	345	133
Attributable to: Owners of the Company		-	347	149
Non-controlling interests		-	(2)	(16)

6.4 Consolidated statement of financial position

<i>in millions of euros</i>	Note	December 31, 2009	December 31, 2010	December 31, 2011
Goodwill	10	2,750	3,201	3,768
Intangible assets	10	116	169	154
Property, plant and equipment	11	421	499	547
Deferred taxes	13	887	891	1,020
Other non-current assets	14	112	115	119
Total non-current assets		4,286	4,875	5,608
Accounts and notes receivable	15	2,067	2,371	2,685
Current tax assets		54	40	55
Other current receivables	16	203	306	370
Cash management assets	17	-	71	73
Cash and cash equivalents	17	2,603	2,305	2,223
Total current assets		4,927	5,093	5,406
TOTAL ASSETS		9,213	9,968	11,014

<i>in millions of euros</i>	Note	December 31, 2009	December 31, 2010	December 31, 2011
Share capital		1,233	1,246	1,246
Additional paid-in capital		2,842	2,875	2,875
Retained earnings and other reserves		(40)	(87)	(269)
Profit for the year		178	280	404
Equity (attributable to owners of the Company)	9	4,213	4,314	4,256
Non-controlling interests		-	(7)	27
Total equity		4,213	4,307	4,283
Long-term borrowings	17	1,057	1,102	1,135
Deferred taxes	13	153	178	183
Provisions for pensions and other post-employment benefits	20	680	804	1,099
Non-current provisions	21	21	13	15
Other non-current liabilities	22	95	279	322
Total non-current liabilities		2,006	2,376	2,754
Short-term borrowings and bank overdrafts	17	278	210	702
Accounts and notes payable	23	2,026	2,305	2,340
Advances from customers and billed in advance	15	567	576	661
Current provisions	21	28	53	48
Current tax liabilities		52	61	89
Other current payables	24	43	80	137
Total current liabilities		2,994	3,285	3,977
TOTAL EQUITY AND LIABILITIES		9,213	9,968	11,014

6.5 Consolidated statement of cash flows

in millions of euros

	Note	2009	2010	2011
Profit for the year attributable to owners of the Company		178	280	404
Non-controlling interests		-	(2)	(15)
Impairment of goodwill	12	12	-	-
Depreciation, amortization and impairment of fixed assets	10 -11	164	176	188
Net charges to provisions		(54)	(2)	(33)
Losses on disposals of assets		4	5	13
Expenses relating to share subscriptions, share grants and stock options	5	19	16	17
Net finance costs	6	43	54	65
Income tax expense	7	61	124	101
Unrealized gains and losses on changes in fair value and other		18	(23)	3
Cash flows from operations before net finance costs and income tax		445	628	743
Income tax paid (B)		(56)	(52)	(104)
Change in accounts and notes receivable and advances from customers and amounts billed in advance		309	(85)	(140)
Change in capitalized costs on projects		(15)	(16)	5
Change in accounts and notes payable		(73)	3	(81)
Change in other receivables/payables		(115)	25	(74)
Change in operating working capital (C)		106	(73)	(290)
NET CASH FROM (USED IN) OPERATING ACTIVITIES (D=A+B+C)		495	503	349
Acquisitions of property, plant and equipment and intangible assets	10 -11	(119)	(144)	(158)
Proceeds from disposals of property, plant and equipment and intangible assets		24	11	3
		(95)	(133)	(155)
Cash outflows on business combinations net of cash and cash equivalents acquired	2	(11)	(218)	(554)
Net proceeds on disposals of companies and operations		3	1	-
Net proceeds/payments relating to deposits and long-term investments		(5)	(13)	11
Cash outflows on cash management assets		-	(71)	(2)
Dividends received from associates		-	1	1
		(13)	(300)	(544)
NET CASH FROM (USED IN) INVESTING ACTIVITIES (E)		(108)	(433)	(699)
Proceeds from issues of share capital		225	46	-
Proceeds from issues of share capital subscribed by non-controlling interests		-	-	34
Dividends paid		(143)	(122)	(154)
Net proceeds/payments relating to treasury share transactions		8	(1)	(7)
Proceeds from borrowings	17	569	10	817
Repayments of borrowings	17	(310)	(367)	(381)
Interest paid	6	(26)	(32)	(53)
Interest received	6	22	21	23
NET CASH FROM (USED IN) FINANCING ACTIVITIES (F)		345	(445)	279
NET INCOME (DECREASE) IN CASH AND CASH EQUIVALENTS (G=D+E+F)		732	(375)	(71)
Effect of exchange rate movements on cash and cash equivalents (h)		60	85	(12)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (I)	17	1,805	2,597	2,307
CASH AND CASH EQUIVALENTS AT END OF YEAR (G+H+I)	17	2,597	2,307	2,224

Cash flows for the period are discussed in Note 18 – Cash flows.

6.6 Consolidated statement of changes in equity

						Con- solidated retained earnings and other reserves	Total income and expense recognized in equity		Equity (attribut- able to owners of the Com- pany)	Non- controlling interests ⁽¹⁾	Total equity
<i>in millions of euros</i>	Note	Number of shares	Share capital	Additional paid-in capital	Treasury shares		Translation adjust- ments	Other			
At January 1, 2009		145,844,938	1,167	2,689	(84)	628	(277)	(184)	3,939	-	3,939
Dividends paid out for 2008		-	-	-	-	(143)	-	-	(143)	-	(143)
OCEANE bonds	17	-	-	-	-	39	-	-	39	-	39
Incentive instruments and employee share ownership	9	8,332,458	66	153	-	25	-	-	244	-	244
Treasury shares	9	-	-	-	5	2	-	-	7	-	7
Transactions with shareholders		8,332,458	66	153	5	(77)	-	-	147	-	147
Income and expense recognized in equity		-	-	-	-	-	42	(93)	(51)	-	(51)
Profit for the year		-	-	-	-	178	-	-	178	-	178
At December 31, 2009		154,177,396	1,233	2,842	(79)	729	(235)	(277)	4,213	-	4,213
Dividends paid out for 2009		-	-	-	-	(122)	-	-	(122)	-	(122)
Incentive instruments and employee share ownership	9	1,592,966	13	33	-	15	-	-	61	-	61
Put option granted to CPM Braxis minority shareholders (43.94%)	2	-	-	-	-	(185)	-	-	(185)	(5)	(190)
Treasury shares	9	-	-	-	(2)	2	-	-	-	-	-
Transactions with shareholders		-	13	33	(2)	(290)	-	-	(246)	(5)	(251)
Income and expense recognized in equity		-	-	-	-	-	158	(91)	67	-	67
Profit for the year		-	-	-	-	280	-	-	280	(2)	278
At December 31, 2010		155,770,362	1,246	2,875	(81)	719	(77)	(368)	4,314	(7)	4,307
Dividends paid out for 2010		-	-	-	-	(154)	-	-	(154)	-	(154)
Incentive instruments and employee share ownership	9	-	-	-	-	17	-	-	17	-	17
Adjustments to the put option granted to CPM Braxis minority shareholders and changes in percentage interest	2	-	-	-	-	(64)	-	-	(64)	50	(14)
Treasury shares	9	-	-	-	(3)	(3)	-	-	(6)	-	(6)
Transactions with shareholders		-	-	-	(3)	(204)	-	-	(207)	50	(157)
Income and expense recognized in equity		-	-	-	-	-	10	(265)	(255)	(1)	(256)
Profit for the year		-	-	-	-	404	-	-	404	(15)	389
At December 31, 2011		155,770,362	1,246	2,875	(84)	919	(67)	(633)	4,256	27	4,283

(1) In 2009, non-controlling interests were negligible. The main movements in 2010 and 2011 concern non-controlling interests in CPM Braxis, acquired on October 6, 2010. See Note 2 – Changes in Group structure.

6.7 Notes to the consolidated financial statements

for the year ended december 31, 2011

Note 1 – Accounting policies	120
Note 2 – Changes in group structure	128
Note 3 – Revenues	131
Note 4 – Operating expenses by nature	131
Note 5 – Other operating income and expense	132
Note 6 – Net financial expense	132
Note 7 – Income tax expense	133
Note 8 – Earnings per share	134
Note 9 – Equity	135
Note 10 – Goodwill and intangible assets	140
Note 11 – Property, plant and equipment	141
Note 12 – Asset impairment tests	142
Note 13 – Deferred taxes	143
Note 14 – Other non-current assets	145
Note 15 – Accounts and notes receivable	146
Note 16 – Other current receivables	147
Note 17 – Net cash and cash equivalents	147
Note 18 – Cash flows	152
Note 19 – Derivative instruments and currency and interest rate risk management	154
Note 20 – Provisions for pensions and other post-employment benefits	157
Note 21 – Current and non-current provisions	162
Note 22 – Other non-current liabilities	162
Note 23 – Accounts and notes payable	163
Note 24 – Other current payables	163
Note 25 – Operating segments	163
Note 26 – Number of employees	170
Note 27 – Off-balance sheet commitments	170
Note 28 – Related-party transactions	172
Note 29 – Subsequent events	172
Note 30 – List of the main consolidated companies by country	173

standards (IFRS, International Financial Reporting Standards) issued by the International Accounting Standards Board (IASB), endorsed by the European Union at December 31, 2011 and published in the Official Journal of the European Union.

The Group also takes account of the positions adopted by Syntec Informatique, an organization representing major consulting and computer services companies in France, regarding the application of certain IFRSs.

New standards and interpretations applicable in 2011

New standards, amendments and interpretations of mandatory application (published by the IASB, endorsed by the EU, entered into effect on January 1, 2011)

The accounting policies applied by the Group are unchanged on those applied for the preparation of the 2010 consolidated financial statements, with the exception of new standards, amendments and interpretations which entered into effect on January 1, 2011.

These standards, amendments and interpretations of mandatory effect did not impact the Group financial statements.

New standards, amendments and interpretations not adopted early (published by the IASB, endorsed by the EU, not yet in effect at January 1, 2011)

During fiscal year 2011, no new standard, amendment or interpretation was published by the IASB, endorsed by the European Union and entered into effect at January 1, 2011.

New standards, amendments and interpretations not yet endorsed (published by the IASB, not yet endorsed by the EU, not yet in effect at January 1, 2011)

The Group did not elect to adopt early the standards, amendments, and interpretations published by the IASB but not yet endorsed by the European Union at December 31, 2011 or in effect at January 1, 2011.

NOTE 1 – ACCOUNTING POLICIES

The consolidated financial statements for the year ended December 31, 2011 and the notes thereto were approved by the Board of Directors on February 15, 2012. The consolidated financial statements become definitive after their approval by the Combined Shareholders' Meeting, scheduled for May 24, 2012.

Accounting basis

IFRS standards-base

Pursuant to European Commission Regulation No.1606/2002 of July 19, 2002, the 2011 consolidated financial statements have been prepared in accordance with international accounting

In June 2011, the IASB published amendments to IAS 19, Employee Benefits, which include, in particular, the requirement to measure the expected return on plan assets on a standardized base (through the discount rate used to measure the obligation), which will impact the net financial expense. In addition, the impact of past services costs will be recognized in profit or loss in the year of the plan amendment and/or the arrival of new participants.

The suppression of the "corridor" method by the amendment will not impact the Group financial statements, as net actuarial gains and losses of the period are already recorded in the amount of the provision for pensions through an adjustment to equity.

The early adoption of the other standards, amendments and interpretations would not have had a material impact on the 2011 consolidated financial statements.

Use of estimates

The preparation of financial statements involves the use of estimates and assumptions which may have an impact on the reported values of assets and liabilities at the period end or on certain items of either the net profit or the income and expenses recognized directly in equity for the year. Estimates are based on economic data and assumptions which are likely to vary over time and are subject to a degree of uncertainty. They mainly concern revenue recognition on fixed-price contracts accounted for on a percentage-of-completion basis, recognition of deferred tax assets, measurement of the recoverable amount of assets, pensions and other post-employment benefit obligations, the fair value of derivatives, and current and non-current provisions.

Overview of the main accounting policies adopted by Capgemini Group

A) Consolidation methods

The accounts of companies directly or indirectly controlled by Cap Gemini S.A. are fully consolidated. Cap Gemini S.A. is deemed to exercise control over an entity when it has the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Investments in companies which Cap Gemini S.A. directly or indirectly controls jointly with a limited number of other shareholders are accounted for by the method of proportionate consolidation. This method consists of consolidating the income and expenses and assets and liabilities of jointly-controlled companies on a line-by-line basis, based on the Group's percentage interest in their capital.

Investments in associates over whose management Cap Gemini S.A. directly or indirectly exercises significant influence, without however exercising full or joint control, are accounted for by the equity method. This method consists of recording the Group's share in profit for the year of the associate in the Income

Statement. The Group's share in net assets of the associate is recorded under "Other non-current assets" in the Consolidated Statement of Financial Position.

Details of the scope of consolidation are provided in Note 30 – List of the main consolidated companies by country.

All consolidated companies prepared their accounts at December 31, 2011 in accordance with the accounting policies adopted by the Group.

Inter-company transactions are eliminated on consolidation, as well as inter-company profits.

The Group does not control any special purpose entities that have not been consolidated.

B) Foreign currency translation

The consolidated financial statements presented in this report have been prepared in euros.

The Consolidated Statements of Financial Position of subsidiaries denominated in foreign currencies are translated into euros at year-end rates of exchange with the exception of equity accounts, which are carried at their historical values. Income statements denominated in foreign currencies are translated into euros at the average rates of exchange for the year. However, for certain material transactions, it may be relevant to use a specific rate of exchange. Differences arising from translation at these different rates are recognized directly in equity under "Translation reserves" and have no impact on the Income Statement.

Exchange differences arising on monetary items which form an integral part of the net investment in foreign subsidiaries are recognized in equity under "Translation reserves" for their net-of-tax amount.

Exchange differences on receivables and payables denominated in a foreign currency are recorded in operating income or expense or financial income or expense, depending on the type of transaction concerned.

The exchange rates used to translate the financial statements of the Group's main subsidiaries into euros are as follows:

	Average exchange rates			Year-end exchange rates		
	2009	2010	2011	2009	2010	2011
US dollar	0.71958	0.75513	0.71920	0.69745	0.75301	0.77286
Pound sterling	1.12282	1.16610	1.15272	1.10619	1.16252	1.19717
Canadian dollar	0.63110	0.73312	0.72716	0.66494	0.75330	0.75672
Swedish krona	0.09423	0.10485	0.11079	0.09713	0.11095	0.11221
Australian dollar	0.56623	0.69368	0.74193	0.62360	0.76458	0.78598
Norwegian krona	0.11465	0.12492	0.12832	0.12016	0.12789	0.12897
Indian rupee	0.01487	0.01652	0.01544	0.01491	0.01676	0.01455
Polish zloty	0.23133	0.25039	0.24340	0.24243	0.25221	0.22432
Brazilian real	0.36233	0.42919	0.43031	0.40106	0.45082	0.41392

C) Consolidated income statement

Income and expense are presented in the Consolidated Income Statement by function to reflect the specific nature of the Group's business more accurately. Operating expenses are broken down into cost of services rendered (corresponding to costs incurred for the execution of client projects), selling expenses, and general and administrative expenses.

These three captions represent ordinary operating expenses which are deducted from revenues to obtain operating margin, one of the main Group business performance indicators.

Operating profit is obtained by deducting other operating income and expenses from operating margin. Other operating income and expenses include the charge resulting from the deferred recognition of the fair value of shares and stock options granted to employees, and non-recurring revenues and expenses, notably impairment of goodwill, capital gains or losses on disposals of consolidated companies or businesses, restructuring costs incurred under a detailed formal plan approved by the Group's management, the cost of acquiring and integrating companies acquired by the Group, and the effects of curtailments and settlements relating to defined benefit pension plans.

Profit for the year is then obtained by taking into account the following items:

- net finance costs, including interest on borrowings calculated using the effective interest rate, less income from cash and cash equivalents;
- other financial income and expense, which primarily correspond to the impact of remeasuring financial instruments at fair value when these relate to items of a financial nature, disposal gains and losses and the impairment of investments in non-consolidated companies, net interest costs on defined benefit pension plans, exchange gains and losses on financial items, and other financial income and expense on miscellaneous financial assets and liabilities calculated using the effective interest rate;
- current and deferred income tax expense;
- share of profit of associates;
- share of non-controlling interests.

D) Earnings per share

Earnings per share are measured as follows:

- basic earnings per share are calculated by dividing profit or loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period, excluding treasury shares. The weighted average number of ordinary shares outstanding is adjusted by the number of ordinary shares bought back or issued during the period and is calculated by reference to the date of redemption or issue of shares during the year;
- diluted earnings per share are calculated by dividing profit or loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding as used to calculate basic earnings per share, both items being adjusted,

where appropriate, for the effects of all potential dilutive financial instruments corresponding to (i) stock subscription options, (ii) bonds convertible/exchangeable into new or existing Cap Gemini S.A. shares, (iii) redeemable share subscription or purchase warrants and (iv) performance shares.

E) Recognition of revenues and the cost of services rendered

The method for recognizing revenues and costs depends on the nature of the services rendered:

a) Time and materials contracts

Revenues and cost of services are recognized as services are rendered.

b) Long-term fixed-price contracts

Revenues, including systems development and integration contracts, are recognized using the "percentage-of-completion" method. Costs are recognized as they are incurred.

c) Outsourcing contracts

Revenues from outsourcing agreements are recognized over the term of the contract as the services are rendered. When the services are made up of different components which are not separately identifiable, the related revenues are recognized on a straight-line basis over the term of the contract.

The related costs are recognized as they are incurred. However, a portion of costs incurred in the initial phase of outsourcing contracts (transition and/or transformation costs) may be deferred when they are specific to a given contract, relate to future activity on the contract and/or will generate future economic benefits, and are recoverable. These costs are allocated to work-in-progress and any reimbursement by the client is recorded as a deduction from the costs incurred.

When the projected cost of the contract exceeds contract revenues, a loss to completion is recognized in the amount of the difference.

Revenues receivable from these contracts are recognized in the Consolidated Statement of Financial Position under "Accounts and notes receivable" when invoiced to customers and "Accrued income" when they are not yet invoiced. Advances from customers and billed in advance are included in current liabilities.

F) Goodwill and intangible assets**a) Goodwill and business combinations**

Since January 1, 2010, business combinations are accounted for using the acquisition method. Under this method, the identifiable assets acquired and liabilities assumed are recognized at fair value at the acquisition date and may be adjusted during the 12 months following this date.

Goodwill represents the excess of the acquisition price over the net fair value of the identifiable assets and liabilities assumed of the acquiree (revalued net assets). Where an acquisition confers control with remaining non-controlling interests (acquisition of

less than 100%), the Group elects either to recognize goodwill on the full amount of revalued net assets, including the share attributable to non-controlling interests (full goodwill method, in force since January 1, 2010) or on the share in revalued net assets effectively acquired only (partial goodwill method).

When a business combination with residual non-controlling interests provides for the grant of a put option to these non-controlling interests, an operating liability is recognized in this respect in the Consolidated Statement of Financial Position through a reduction in reserves. Changes in this put option resulting from any changes in estimates or the unwinding of the discount will also be recognized through reserves. Any additional acquisitions of non-controlling interests are considered a transaction with shareholders and, as such, are not remeasured.

When the cost of a business combination is less than the fair value of the assets acquired and liabilities assumed, the difference is recognized immediately in the Income Statement.

Acquisition-related costs are expensed in the Income Statement in the year incurred in "Other operating expenses".

Goodwill is not amortized but tested for impairment at least annually, or more frequently when events or changes in circumstances indicate that it may be impaired.

b) Intangible assets

Computer software and user rights acquired on an unrestricted ownership basis, as well as software developed for internal use which has a positive, lasting and quantifiable effect on future results, are capitalized and amortized over three to five years.

The capitalized costs of software developed for internal use represent costs that relate directly to its production, i.e. the salary costs of the staff that developed the relevant software.

Finally, on certain business combinations, where the nature of the customer portfolio held by the entity and the nature of the business performed, should enable the entity to continue commercial relations with its customers as a result of efforts to build customer loyalty, customer relationships are valued in intangible assets and amortized over the known term of contracts held in portfolio at the acquisition date.

G) Property, plant and equipment

The carrying amount of property, plant and equipment is recorded in assets in the Consolidated Statement of Financial Position and corresponds to the historical cost of these items, less accumulated depreciation and any impairment. No items of property, plant and equipment have been revalued. Buildings owned by the Group are measured based on the components approach.

Subsequent expenditure (costs of replacing and/or bringing assets into compliance) are capitalized and depreciated over the remaining useful lives of the relevant assets. Ongoing maintenance costs are expensed as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the relevant assets. It is calculated based on acquisition cost less any residual value.

Property, plant and equipment are depreciated over the following estimated useful lives:

Buildings	20 to 40 years
Fixtures and fittings	10 years
Computer equipment	3 to 5 years
Office furniture and equipment	5 to 10 years
Vehicles	5 years
Other equipment	5 years

Residual values and estimated useful lives are reviewed at each period end.

The sale of property, plant and equipment gives rise to disposal gains and losses corresponding to the difference between the selling price and the net carrying amount of the relevant asset.

H) Asset impairment tests

Intangible assets and property, plant and equipment are tested for impairment when there is an indication at the period end that their recoverable amount may be less than their carrying amount. Goodwill is tested for impairment at least once a year.

The impairment test consists of assessing the value in use of each asset or group of assets generating cash flows that are separate from the cash flows generated by other assets or groups of assets (cash-generating units or CGU). The cash-generating units identified by the Group are the geographic areas.

The assessment is performed using the discounted cash flows method and the recoverable amount of each cash-generating unit is calculated based on various assumptions used in the budget procedure and three-year plan extrapolated over a period of five years, including growth and profitability rates considered reasonable. Standard discount rates (based on the weighted average cost of capital) and standard long-term growth rates for the period beyond five years are applied to all valuations of cash-generating units. These rates are determined based on analyses of the business segments in which the Group operates. When the recoverable amount of a cash-generating unit is less than its carrying amount, the impairment loss is deducted from goodwill to the extent possible and charged to operating profit under "Other operating expenses."

I) Leases

Leases that do not transfer to the Group substantially all the risks and rewards incidental to ownership are classified as operating leases, and give rise to lease payments expensed as incurred over the lease term.

However, when the Group assumes substantially all of the risks and rewards incidental to ownership, the lease is classified as a finance lease and is recognized as an asset at the lower of the fair value of the leased asset and the present value of future minimum lease payments, with the related obligation recorded in liabilities within borrowings. The asset is depreciated over the

period during which it is expected to be used by the Group and the obligation is amortized over the lease term. Deferred tax is recognized as appropriate.

J) Treasury shares

Cap Gemini S.A. shares held by the Company or by any consolidated companies are shown as a deduction from equity, at cost. Any proceeds from sales of treasury shares are taken directly to equity, net of the tax effect, so that the gain or loss on the sale has no impact on the Income Statement for the period.

K) Deferred taxes

Deferred taxes are:

- recorded to take account of temporary differences between the carrying amounts of certain assets and liabilities and their tax basis;
- recognized in income or expenses in the Income Statement, in income and expense recognized in equity, or directly in reserves in the period, depending on the underlying to which they relate;
- measured taking account of known changes in tax rates (and tax regulations) adopted or practically adopted at the year-end. Adjustments for changes in tax rates to deferred taxes previously recognized in the Income Statement, in income and expense recognized in equity or directly in reserves are recognized in the Income Statement, in income and expense recognized in equity or directly in reserves, respectively, in the period in which these changes become effective.

Deferred tax assets are recognized when it is probable that taxable profits will be available against which the recognized tax asset can be utilized. The carrying amount of deferred tax assets is reviewed at each period end. This amount is reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which to offset all or part of the deferred tax asset to be utilized. Any such reduction is reversed when it becomes probable that sufficient taxable profit will be available.

Deferred tax assets and liabilities are offset if, and only if, the subsidiaries have a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred taxes relate to income taxes levied by the same taxation authority.

L) Financial instruments

Financial instruments consist of:

- financial assets, including certain other non-current assets, accounts receivable, certain other current receivables, cash management assets and cash and cash equivalents;
- financial liabilities, including long- and short-term borrowings and bank overdrafts, certain accounts payable, and certain other current payables and non-current liabilities.

a) Recognition of financial instruments

Financial instruments are recognized at inception and on subsequent dates in accordance with the methods described below. These methods draw on the following interest rate definitions:

- the coupon interest rate or coupon, which is the nominal interest rate on borrowings;
- the effective interest rate, which is the rate that exactly discounts the estimated cash flows through the expected term of the instrument, or, where appropriate, a shorter period to the net carrying amount of the financial asset or liability at initial recognition. The effective interest rate takes into account all fees paid or received, transaction costs, and, where applicable, premiums to be paid and received;
- the market interest rate, which reflects the effective interest rate recalculated at the measurement date based on current market parameters.

Financial instruments (assets and liabilities) are initially recognized in the Consolidated Statement of Financial Position at their initial fair value.

The subsequent measurement of financial assets and liabilities is based on either their fair value or amortized cost depending on their classification in the Consolidated Statement of Financial Position. Financial assets measured at amortized cost are subject to impairment tests as soon as there are indicators of a loss in value. Any loss in value is recognized in the Income Statement.

The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Amortized cost corresponds to the initial carrying amount (net of transaction costs), plus interest calculated using the effective interest rate, less cash outflows (coupon interest payments and repayments of principal, and redemption premiums where applicable). Accrued interest (income and expense) is not recorded on the basis of the financial instrument's nominal interest rate, but on the basis of its effective interest rate.

Financial instruments (assets and liabilities) are derecognized when the related risks and rewards of ownership have been transferred, and when the Group no longer exercises control over the instruments.

b) Derivative instruments

Derivative instruments mainly comprise forward foreign exchange contracts and interest rate swaps.

Derivative instruments are initially recognized at fair value. Except as described below in the case of instruments designated as cash flow hedges, changes in the fair value of derivative instruments, estimated based on market rates or data provided by bank counterparties, are recognized in the Income Statement at the period end.

When cash flow hedges are eligible for hedge accounting, changes in the fair value of the hedging instruments are recognized firstly in "Income and expense recognized in equity" and subsequently taken to operating profit when the hedged item itself impacts the Income Statement.

c) Financial instrument classification and fair value hierarchy

Financial instruments valued at fair value after initial recognition, that is financial instruments at fair value through the Income

Statement, available-for-sale assets and derivative instruments, can be classified according to the following three fair value levels:

- Level 1: quoted prices (unadjusted) in active markets for identical financial assets or liabilities,
- Level 2: inputs other than quoted prices in active markets, that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices),
- Level 3: inputs that are not based on observable market data.

Financial assets	Note	Classification	Subsequent measurement	Fair value hierarchy	
Shares in non-consolidated companies	14	Available-for-sale assets (fair value through equity)	Fair value (quoted shares)	1	Stock market price
Deposits and long-term receivables	14	Loans and receivables	Amortized cost	n/a	
Long-term investments	14	Fair value through the Income Statement	Fair value	1	Market value (net asset value)
Asset derivative instruments	19	Fair value through the Income Statement	Fair value	2	Present value of future cash flows (ECB fixing)
Accounts receivable (net of provisions)	15	Loans and receivables	Amortized cost	n/a	
Other short-term receivables	16	Loans and receivables	Amortized cost	n/a	
Cash management assets	17	Fair value through the Income Statement	Fair value	1	Market value (net asset value)
Cash and cash equivalents	17	Fair value through the Income Statement	Fair value	1	Market value (net asset value)

Financial liabilities	Note	Classification	Subsequent measurement	Fair value hierarchy	
Bonds	17	Liabilities carried at amortized cost	Amortized cost	n/a	
Finance lease obligations	17	Liabilities carried at amortized cost	Amortized cost	n/a	
Other borrowings	17	Liabilities carried at amortized cost	Amortized cost	n/a	
Liability derivative instruments	19	Fair value through the Income Statement	Fair value	2	Present value of future cash flows (ECB fixing)
Trade payables	23	Liabilities carried at amortized cost	Amortized cost	n/a	
Other liabilities	22, 24	Liabilities carried at amortized cost	Amortized cost	n/a	
Bank overdrafts	17	Fair value through the Income Statement	Fair value	1	Market value (net asset value)

M) Net cash and cash equivalents

Cash and cash equivalents consist of short-term investments and cash at bank less bank overdrafts, and also include the fair value of hedging instruments relating to these items.

Net cash and cash equivalents comprise cash and cash equivalents as defined above, and cash management assets (see below), less short- and long-term borrowings. Account is also taken of the impact of hedging instruments when these relate to borrowings.

Net cash and cash equivalents includes cash management assets, the characteristics of which do not strictly satisfy the

criteria for cash equivalents as defined in IAS 7. These cash management assets are therefore presented separately from cash equivalents in the Statement of Financial Position.

N) Pensions and other post-employment benefits

Defined contribution plans

Defined contribution plans are funded by contributions paid by employees and Group companies to the organizations responsible for managing the plans. The Group's obligations are limited to the payment of such contributions which are expensed as incurred. The Group's obligation under these plans is recorded in "Accounts and notes payable". Defined contribution plans are operated in most European countries

(France, the United Kingdom, the Netherlands, Germany and Central Europe, Nordic countries, Italy and Spain), in the United States and in the Asia-Pacific region.

Defined benefit pension plans

Defined benefit pension plans consist of either:

- unfunded plans, where benefits are paid directly by the Group and the related obligation is covered by a provision corresponding to the present value of future benefit payments. Estimates are based on regularly reviewed internal and external assumptions. These unfunded plans correspond mainly to retirement termination payments and healthcare assistance;
- funded plans, where the benefit obligation is covered by external funds. Group contributions to these external funds are made in accordance with the specific regulations in force in each country.

Obligations under these plans are generally determined by independent actuaries using the projected unit credit method. Under this method, each period of service gives rise to an additional unit of benefit entitlement and each of these units is valued separately in order to obtain the amount of the Group's final obligation.

The resulting obligation is discounted by reference to market yields on high quality corporate bonds, of a currency and term consistent with the currency and term of the post-employment benefit obligation.

For funded plans, only the estimated funding short-fall is covered by a provision.

Current and past service costs –corresponding to an increase in the obligation– are recorded within operating expenses, respectively on an as-incurred basis in the period and over the residual vesting period of the relevant rights.

Gains or losses on the curtailment or settlement of defined benefit pension plans are recognized in "Other operating income" or "Other operating expenses."

The impact of discounting pension benefit obligations as well as the expected return on plan assets is recorded net in "Other financial income" or "Other financial expense."

Actuarial gains and losses correspond to the effect of changes in actuarial assumptions and experience adjustments (i.e. differences between projected actuarial assumptions and actual data) on the amount of the defined benefit obligation or the value of plan assets. They are recognized in full in "Income and expense recognized directly in equity" in the year in which they arise.

O) Incentive instruments and employee share ownership

a) Instruments granted to employees

Stock options

Stock options have been granted to certain Group employees entitling them to purchase Cap Gemini S.A. shares over a period of five years, at a strike price set when the options are granted.

Stock options are measured at fair value, corresponding to the value of the benefit granted to the employee at the grant date. This amount is recognized in "Other operating expenses" in the Income Statement on a straight-line basis over the vesting period, with a corresponding adjustment to equity.

The fair value of stock options is calculated using the "Black & Scholes" model, which incorporates assumptions concerning the option strike price and term, implicit share price volatility and the risk-free interest rate. The expense recognized also takes into account staff attrition rates for eligible employee categories which are reviewed each year.

Performance shares

Performance shares were granted to a certain number of Group employees, subject to performance and continued employment conditions, as set out in Note 9 – Equity. Share grants become definitive after a vesting period of two or four years, depending on the geographic location of the subsidiaries employing the beneficiaries.

The shares are measured at fair value, corresponding to the value of the benefit granted to the employee at the grant date. This amount is recognized in "Other operating expenses" in the Income Statement on a straight-line basis over the vesting period, with a corresponding adjustment to equity.

The fair value of performance shares is calculated using the "Monte Carlo" model, which incorporates assumptions concerning the share price at the grant date, implicit share price volatility, the risk-free interest rate, the expected dividend yield and external performance conditions (market conditions).

The expense recognized also takes into account staff attrition rates for eligible employee categories, which are reviewed each year, and internal performance conditions (non-market conditions).

b) Instruments proposed to employees

Redeemable share subscription or purchase warrants (BSAAR)

Redeemable share subscription or purchase warrants were proposed to employees and corporate officers of the Group. They confer entitlement to subscribe for Cap Gemini S.A. shares at a strike price determined at their date of acquisition by the employees and corporate officers of the Group. The exercise period commences the date of listing of the BSAAR warrants on the Euronext Paris market and terminates on the seventh anniversary of the issue date.

The issue price of these BSAAR warrants is equal to their market value and no benefit granted to beneficiaries is recognized in the consolidated financial statements of the Company.

Employee savings plan

A leveraged employee share ownership plan offering the possibility to subscribe for shares at a discounted preferential rate was set up by the Group. When determining the IFRS 2 expense measuring the benefit granted to employees, the Group adjusts the amount of the discount granted by the Group to employees on the subscription price based on the following two items:

- the cost of the non-transferability of shares granted to employees during a period of five years. This cost is measured taking account of the five-year lock-in period. It corresponds to the cost of a two-stage strategy under which the market participant enters into a forward sale effective at the end of the five-year lock-in period and simultaneously borrows the amount necessary to buy a share available for immediate transfer. This borrowing is financed with the proceeds from the forward sale of the share and the dividends received during the lock-in period. This cost is calculated based on the following assumptions:
 - the subscription price is set by the Chief Executive Officer pursuant to the powers delegated by the Board of Directors. This subscription price is equal to the average Cap Gemini S.A. share price, adjusted for volume, during the twenty trading days preceding the decision of the Chief Executive Officer, to which a discount is applied;
 - the grant date is the date at which employees are fully informed of the specific characteristics and terms and conditions of the offer and particularly the subscription price;
 - the loan rate granted to employees and used to determine the cost of the non-transferability of shares, is the rate at which a bank would grant a consumer loan repayable on maturity without allocation, to a private individual with an average risk profile, for a term corresponding to the term of the plan;
- the opportunity benefit reflecting the possibility granted to employees to benefit from market terms and conditions identical to those of the Group.

In those countries where an Employee Savings Mutual Fund (Fonds Commun de Placement Entreprise) cannot be set up or is not relevant, the employee share ownership plan (@ESOP) includes a Stock Appreciation Rights (SAR) mechanism. The benefit offered by the Group corresponds to the amount of the discount on the share subscription price.

P) Provisions

A provision is recognized in the Consolidated Statement of Financial Position at the year-end if, and only if, (i) the Group has a present obligation (legal or constructive) as a result of a past event; (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (iii) a reliable estimate can be made of the amount of the obligation. Provisions are discounted when the impact of the time value of money is material.

Q) Consolidated statement of cash flows

The Consolidated Statement of Cash Flows analyzes the year-on-year change in cash flows from operating, investing and financing activities.

Foreign currency cash flows are translated into euros at the average exchange rate for the year. Exchange gains or losses resulting from the translation of cash flows relating to foreign currency assets and liabilities at the year-end exchange rate are shown in "Effect of exchange rate movements on cash and cash equivalents" in the Statement of Cash Flows.

R) Operating segments

Group Management analyzes and measures activity performance:

- in the different businesses (Consulting Services, Technology Services, Local Professional Services and Outsourcing Services) and
- in the geographic areas where the Group is present.

The business analysis enables the transversal management and monitoring of resources and service production in 2011 in the seven strategic business units and therefore the roll-out of uniform expertise and know-how in all countries and regions.

The geographic analysis enables management to monitor the performance:

- of commercial development: it focuses on trends in major contracts and clients in Group markets across all its businesses. This monitoring seeks to coordinate the service offering of the different businesses in the territories, given their considerable interaction and to measure the services rendered. These analyses are performed by Group Management within the Coordination Committee of the geographic area, which brings together the business managers operating in a given area;
- at operational and financial level: management of treasury and support services, the operating investment and financing policies and the acquisition policy are decided and implemented by geographic area.

This led the Group to present its segment reporting for the 8 geographic areas grouping together the countries where it is located.

Costs relating to operations and incurred by Group holding companies on behalf of geographic areas are allocated to the relevant segments either directly or on the basis of an allocation key. Items not allocated correspond to headquarter expenses.

Inter-segment transactions are carried out on an arm's length basis.

S) Exchange gains and losses on inter-company transactions

The results and financial position of a foreign subsidiary are included in the Group's consolidated financial statements using consolidation procedures, such as the elimination of inter-company balances and transactions. However, an intercompany short- or long-term monetary asset (or liability) cannot be eliminated against the corresponding inter-company liability (or asset) without showing the results of currency fluctuations

in the consolidated financial statements. This is because the monetary item represents a commitment to convert one currency into another and exposes the Group to a gain or loss through currency fluctuations. Accordingly, in the consolidated

financial statements, these exchange differences continue to be recognized in the Income statement or in Income and expense recognized directly in equity, if the underlying forms an integral part of the net investment in the foreign operation.

NOTE 2 – CHANGES IN GROUP STRUCTURE

Acquisitions during fiscal year 2011

Prosodie

On July 29, 2011, the Group acquired 100% of the share capital of the Prosodie group for a cost of €376 million. A Cloud Computing player, the Prosodie group specializes in the management of telecommunication, internet and payment transaction flows for major clients. It operates in France and Europe. The Prosodie group is fully consolidated.

At December 31, 2011, the provisional allocation of the acquisition price can be summarized as follows:

<i>in millions of euros</i>	Historical cost	Fair value adjustments	Fair value
Goodwill	113	(113)	-
Intangible assets	4	-	4
Property, plant and equipment	13	-	13
Deferred taxes	3	-	3
Cash and cash equivalents	6	-	6
Other assets and liabilities	(17)	1	(16)
Net assets at the acquisition date	122	(112)	10
Goodwill			366
Acquisition price			376
Acquisition-related costs			3.2
Employees at the acquisition date			895

CS Consulting

On February 4, 2011, the Group finalized the acquisition of 100% of the share capital of CS Consulting for a cost of €49 million. Based in Germany, the company specializes in the migration of core banking systems as well as the implementation of business intelligence solutions. CS Consulting is fully consolidated.

At December 31, 2011, the provisional allocation of the acquisition price can be summarized as follows:

<i>in millions of euros</i>	Historical cost	Fair value adjustments	Fair value
Goodwill	23	(23)	-
Intangible assets	-	4	4
Property, plant and equipment	-	-	-
Deferred taxes	-	(1)	(1)
Cash and cash equivalents	5	-	5
Long-term and short-term borrowings	(7)	-	(7)
Other assets and liabilities	9	(2)	7
Net assets at the acquisition date	30	(22)	8
Goodwill			41
Acquisition price			49
Acquisition-related costs			0.6
Employees at the acquisition date			242

Artésys

On March 30, 2011, the Group acquired 100% of the share capital of Artésys S.A. for a cost of €31 million. A Paris-based IT service provider, Artésys is a French leader in the design of infrastructure solutions. The company is fully consolidated.

At December 31, 2011, the provisional allocation of the acquisition price can be summarized as follows:

<i>in millions of euros</i>	Historical cost	Fair value adjustments	Fair value
Goodwill	4	(4)	-
Intangible assets and Property, plant and equipment	-	-	-
Net cash and cash equivalents	4	-	4
Other assets and liabilities	(4)	-	(4)
Net assets at the acquisition date	4	(4)	-
Goodwill			31
Acquisition price			31
Acquisition-related costs			0.4
Employees at the acquisition date			131

AIVE Group

The Group acquired 100% of the share capital of AIVE (in Italy) on August 31, 2011 for a total consideration of €40 million. The company is fully consolidated from September 1, 2011.

At December 31, 2011, the provisional allocation of the acquisition price can be summarized as follows:

<i>in millions of euros</i>	Historical cost	Fair value adjustments	Fair value
Goodwill	2	(2)	-
Intangible assets	1	(1)	-
Property, plant and equipment	1	-	1
Deferred taxes	1	-	1
Cash and cash equivalents	-	-	-
Long-term and short-term borrowings	(6)	-	(6)
Other assets and liabilities	7	-	7
Net assets at the acquisition date	6	(3)	3
Goodwill			37
Acquisition price (paid in full in cash and cash equivalents)			40
Acquisition-related costs			0.9
Employees at the acquisition date			623

Other acquisitions during fiscal year 2011

The Group acquired Avantias, Bakelite and Level IP in France, BI Consulting Group in the United States, Praxis in China and the activities of Vengroff Williams Associates Inc. (primarily located in the United States), representing a total headcount of 729 employees. The total cost of these acquisitions was €78 million. Acquisition-related costs in respect of these transactions totaled €2 million. These entities are fully consolidated and generated provisional goodwill of €72 million.

Contribution of acquisitions during fiscal year 2011

The companies acquired in 2011 contributed €162 million to Group revenues, including €83 million for Prosodie (estimated at €309 million if the companies had been acquired on January 1, 2011, including €161 million for Prosodie).

Their contribution to Group operating margin in 2011 was €19 million, including €12 million for Prosodie (estimated at €28 million if the companies had been acquired on January 1, 2011, including €18 million for Prosodie).

Their contribution to Group net profit in 2011 was €9 million, including €5 million for Prosodie (estimated at €8 million if the companies had been acquired on January 1, 2011, including €4 million for Prosodie).

Overview of major acquisitions in previous fiscal years

CPM Braxis

On October 6, 2010, the Group acquired 56.06% of the share capital of the number one IT service provider in Brazil,

CPM Braxis S.A. which is fully consolidated since this date. The future acquisition of the residual 43.94% of share capital is covered by a put option granted to minority shareholders. This put option, which may be exercised between October 2013 and October 2015, was recognized in liabilities through a reduction in reserves (attributable to owners of the Company).

The put option was partially hedged in fiscal year 2011 to limit the Group's exposure to fluctuations in the Brazilian real exchange rate up to its exercise date.

At the end of the acquisition price allocation period, the acquisition price was BRL 489 million (€202 million at December 31, 2011), compared to BRL 519 million (€224 million at the acquisition date). The goodwill recognized on initial consolidation nonetheless remains unchanged at BRL 525 million (€226 million at the acquisition date).

On December 27, 2011, the Group, through the intermediary of its subsidiary Capgemini do Brasil Consultoria e Participações Ltda, participated in the share capital increase performed by CPM Braxis S.A. subscribing for ordinary shares with a total value of BRL 250 million. The minority shareholder, União Participações Ltda, a subsidiary of the Brazilian bank, Banco Bradesco S.A., also subscribed for new shares under this share capital increase in the amount of BRL 80 million, increasing its investment to 10.81%. Following completion of this transaction, the Group's investment in CPM Braxis S.A. increased from 56.06% to 61.10%. The new shares subscribed during this share capital increase by the minority shareholder, União Participações Ltda, a subsidiary of the Brazilian bank Banco Bradesco S.A., are covered by a put option that may be exercised between October 2013 and October 2015, and were recognized in liabilities in the amount of €33 million through a reduction in reserves (attributable to owners of the Company).

NOTE 3 – REVENUES

	2009		2010		2011	
<i>in millions of euros</i>	Amount	%	Amount	%	Amount	%
North America	1,590	19	1,665	19	1,805	19
France	1,949	23	1,931	22	2,138	22
United Kingdom and Ireland	1,852	22	1,912	22	1,945	20
Benelux	1,397	17	1,314	16	1,266	13
Southern Europe and Latin America	434	5	599	7	1,000	10
Nordic countries	488	6	543	6	635	7
Germany and Central Europe	531	6	534	6	626	6
Asia-Pacific	130	2	199	2	278	3
REVENUES	8,371	100	8,697	100	9,693	100

The year-on-year increase in revenues in 2011 was 11.40%, based on the year-end Group structure and exchange rates, compared to 5.6% on a like-for-like basis (constant Group structure and exchange rates).

NOTE 4 – OPERATING EXPENSES BY NATURE

	2009		2010		2011	
<i>in millions of euros</i>	Amount	% of revenues	Amount	% of revenues	Amount	% of revenues
Personnel costs	4,851	58.0	5,193	59.7	5,816	60.0
Travel expenses	330	3.9	370	4.2	391	4.0
	5,181	61.9	5,563	63.9	6,207	64.0
Purchases and sub-contracting expenses	2,082	24.9	2,042	23.5	2,231	23.0
Rent and local taxes	304	3.6	282	3.2	324	3.3
Depreciation, amortization and provisions and proceeds from asset disposals	209	2.5	223	2.6	218	2.3
OPERATING EXPENSES	7,776	92.9	8,110	93.2	8,980	92.6

In 2011, Research Tax Credit income deducted from operating expenses (purchases and sub-contracting expenses) totaled €42 million (€26 million in 2010) including €27 million in respect of projects costs expensed in prior years (€14 million in 2010).

Breakdown of personnel costs

<i>in millions of euros</i>	Note	2009	2010	2011
Wages and salaries		3,871	4,138	4,583
Payroll taxes		945	1,008	1,183
Pension costs related to defined benefit pension plans and other post-employment benefit expenses	20	35	47	50
PERSONNEL COSTS		4,851	5,193	5,816

NOTE 5 – OTHER OPERATING INCOME AND EXPENSE

<i>in millions of euros</i>	Note	2009	2010	2011
Restructuring costs		(213)	(71)	(81)
<i>o/w Workforce reduction</i>		(151)	(44)	(74)
<i>o/w Real estate assets streamlining</i>		(52)	(19)	(4)
<i>o/w Rightshoring</i>		(10)	(8)	(3)
Integration cost relating to acquired companies		(16)	(11)	(9)
Acquisition-related costs	2	n/a	(4)	(7)
Expenses relating to share subscriptions, share grants and stock options	9	(19)	(16)	(17)
Impairment of goodwill	12	(12)	-	-
Other operating income		7	6	-
Other operating expenses		(9)	(2)	(4)
OTHER OPERATING INCOME AND EXPENSE		(262)	(98)	(118)

Restructuring costs

2011 restructuring costs primarily concern workforce reduction measures and the streamlining of real estate assets, particularly in the Netherlands.

Integration cost relating to acquired companies

In 2011, these costs relate to the integration of the activities of CPM Braxis acquired at the end of 2010 and integration costs relating to acquisitions of the period.

NOTE 6 – NET FINANCIAL EXPENSE

<i>in millions of euros</i>	Note	2009	2010	2011
Income from cash equivalents and cash management assets		22	20	23
Interest on borrowings		(31)	(42)	(54)
Finance costs at the nominal interest rate		(9)	(22)	(31)
Impact of amortized cost on borrowings		(34)	(32)	(34)
Finance costs at the effective interest rate		(43)	(54)	(65)
Net interest cost on defined benefit pension plans	20	(42)	(28)	(25)
Exchange gains (losses) on financial transactions	19	(66)	2	2
Currency derivative instruments on financial transactions	19	63	(2)	(4)
Interest rate derivative instruments	19	(2)	-	-
Other		(3)	(5)	(13)
Other financial income and expense		(50)	(33)	(40)
<i>o/w financial expense</i>		(125)	(55)	(104)
<i>o/w financial income</i>		75	22	64
NET FINANCIAL EXPENSE		(93)	(87)	(105)

Net finance costs mainly comprise:

- the coupons on OCEANE bonds convertible/exchangeable into new or existing Cap Gemini S.A. shares issued on June 16, 2005 (OCEANE 2005) and April 20, 2009 (OCEANE 2009) of €24 million, plus an amortized cost accounting impact of €34 million,
- the coupons on the new bond issue issued on November 29, 2011 of €2 million,

- interest on finance leases of €8 million (primarily in the United Kingdom, France and the United States);
- interest on CPM Braxis group bank loans of €16 million,
- income from cash and cash equivalents of €23 million, the increase in which is due to improved returns on short-term investments.

In other financial income and expense, currency derivative instruments on financial transactions mainly concern fair value gains and losses on currency swaps hedging intercompany loans granted by Capgemini UK Plc., Inergi LP and New Horizons System Solutions LP to Cap Gemini S.A. and an intercompany loan granted by Cap Gemini S.A. to Capgemini North America Inc.

The decrease in the net interest cost on defined benefit pension plans is analyzed in Note 20 – Provisions for pensions and other post-employment benefits.

Other net financial expenses are primarily borne by the CPM Braxis group in the amount of €11 million and mainly comprise bank and factoring commission.

NOTE 7 – INCOME TAX EXPENSE

in millions of euros

	Note	2009	2010	2011
Current income taxes		(24)	(71)	(129)
Deferred taxes	13	(37)	(53)	28
INCOME TAX EXPENSE		(61)	(124)	(101)

In 2011, the current income tax expense includes in France:

- the Corporate Value-Added Contribution (Cotisation sur la Valeur Ajoutée des Entreprises, CVAE), a tax introduced by the 2010 Finance Act, in the amount of €29 million (compared to €25 million in 2010);
- an income tax charge of €15 million on tax group profits, following application of the 60% cap on the offset of tax losses introduced by the second 2011 Supplementary Finance Act.

The deferred tax income recognized in 2011 includes in particular the utilization of US deferred tax assets in the amount of USD 72 million (€52 million) and the remeasurement of the same US deferred tax in the amount of USD 177 million (€127 million) (see Note 13 – Deferred taxes). This remeasurement accounts for the majority of the decrease in the effective tax rate presented below.

The difference between the French standard rate of income tax and the effective Group tax rate can be analyzed as follows:

	2009		2010		2011	
<i>in millions of euros</i>	Amount	%	Amount	%	Amount	%
Profit before tax	240		402		490	
Standard tax rate in France (%)	34.4		34.4		36.1	
Tax expense at the standard rate	(83)	34.4	(138)	34.4	(177)	36.1
Difference in tax rates between countries	7	(2.9)	9	(2.3)	16	(3.3)
Impact of:						
Deferred tax assets not recognized on temporary differences and tax loss carry-forwards arising in the period	1	(0.6)	(9)	2.3	2	(0.3)
Net recognition of deferred tax assets on temporary differences and tax loss carry-forwards arising prior to January 1	16	(6.5)	24	(6.1)	67	(13.6)
Utilization of previously unrecognized tax loss carry-forwards	3	(1.3)	6	(1.5)	(1)	0.1
Adjustments to prior years	29	(12.1)	9	(2.3)	-	-
Minimum income tax charge	(13)	5.1	(38)	9.3	(45)	9.2
Permanent differences and other items	(21)	9.4	13	(2.9)	37	(7.5)
ACTUAL TAX EXPENSE	(61)	25.5	(124)	30.9	(101)	20.6
Effective rate of income tax (%)	25.5		30.9		20.6	

The fourth 2011 Supplementary Finance Act, published in the Official Journal on December 29, 2011, introduced an additional income tax contribution in respect of fiscal years ending from December 31, 2011 to December 30, 2013.

This exceptional contribution is limited in time and should only concern, for companies whose fiscal year is aligned with the calendar year, fiscal years 2011 and 2012. It is equal to 5% of

the income tax charge and is payable by companies reporting revenues in excess of €250 million. In the case of a tax group election, the revenues of all member companies of the tax group are added together when assessing whether the group is liable for this contribution.

Consequently, the standard tax rate applicable to the Group for fiscal year 2011 is 36.10% compared to 34.43% previously.

NOTE 8 – EARNINGS PER SHARE

Basic earnings per share

	2009	2010	2011
Profit for the year (in millions of euros)	178	280	404
Weighted average number of ordinary shares	145,153,387	152,979,307	153,595,650
BASIC EARNINGS PER SHARE (IN EUROS)	1.23	1.83	2.63

The marginal year-on-year increase in the average number of shares between 2010 and 2011 reflects in reality the near stability in the number of shares since December 31, 20.

Diluted earnings per share

Diluted earnings per share are calculated by assuming conversion into ordinary shares of all dilutive instruments outstanding at the period end. The average share price in 2011 was €33.95.

At December 31, 2011, instruments considered dilutive for the purpose of calculating diluted earnings per share include:

- shares falling within the scope of the 2009 and 2010 performance share plans and not subject to any performance conditions;
- performance shares subject to market performance conditions contained in the 2010 plan. As the performance of the Cap Gemini S.A. share since the grant date, at December 31, 2011, is between 90% and 91% of the performance of the reference basket, 493,560 performance shares would have been granted at December 31 if the performance measurement period ended at that date;
- the performance shares subject to internal performance conditions contained in the 2010 plan. At December 31, 2011,

as the increase in the operating margin of Capgemini Group in 2011 at constant Group structure and exchange rates, was greater than 15%, 401,850 performance shares could have been granted at December 31 if the performance measurement period ended at that date;

- the 16,911,765 "OCEANE 2009" convertible bonds issued on April 20, 2009, as the €23 million interest expense recorded (net of taxes) on the bonds is lower per bond than basic earnings per share. These bonds are convertible at any time until the seventh business day preceding January 1, 2014, when they will be redeemable at par.

Conversely, the following financial instruments are not considered dilutive:

- employee stock options, as the average price of ordinary shares during the period is inferior to the strike price of the options;
- the Redeemable Share Subscription or Purchase Warrants, as the aggregate of the €34 strike price and €3.22 issue premium is higher than the average market price of the Cap Gemini share in 2011;
- the "OCEANE 2005" convertible bonds issued on June 16, 2005, not converted and as such redeemed in full on January 2, 2012 (see Note 17 – Net cash and cash equivalents).

in millions of euros

	2009	2010	2011
Profit for the year attributable to owners of the Company	178	280	404
Finance cost savings linked to the conversion of debt instruments, net of tax ⁽¹⁾	14	37	23
Diluted profit for the year attributable to owners of the Company	192	317	427
Weighted average number of ordinary shares (diluted)			
Weighted average number of ordinary shares	145,153,387	152,979,307	153,595,650
Adjusted for:			
“OCEANE 2005” convertible/exchangeable bonds (weighted average)	11,810,809	11,810,809	-
“OCEANE 2009” convertible/exchangeable bonds (weighted average)	-	16,911,765	16,911,765
Employee stock options	36,428	-	-
Performance shares that can be granted	64,750	537,320	1,207,035
Weighted average number of ordinary shares (diluted)	157,065,374	182,239,201	171,714,450
Diluted earnings per share (in euros)	1.22	1.74	2.49

(1) Only OCEANE 2009 convertibles bonds are taken into account as they are the only bonds considered dilutive.

NOTE 9 – EQUITY

Incentive instruments and employee share ownership

Stock option plans

At the May 12, 2005 Combined Shareholders' Meeting, the Board of Directors was given a 38-month authorization to grant stock options to certain Group employees on one or several occasions.

The Group has no contractual or constructive obligations to purchase or settle the options in cash.

In the event of a notice of authorization of a takeover bid for some or all of the Company's shares published by Euronext, option holders would be entitled, if they so wish, to exercise all of their remaining unexercised options immediately.

The main features of this plan and the bases of calculation are set out in the table below:

	2005 Plan
Date of Combined Shareholders' Meeting	May 12, 2005
Maximum number of shares to be issued on exercise of options	6,000,000
Date options first granted under the plan	October 1, 2005
Deadline for exercising stock options after their grant date (based on progressive tranches)	5 years
Strike price as a % of the average share price over the 20 stock market trading days preceding the grant date	100%
Subscription price (per share and in euros) of the various stock option grants	
Low	40.50
High	55.00
Maximum number of shares to be issued on exercise of outstanding options at December 31, 2010	3,482,500
Number of new stock options granted during the year	Plan expired ⁽¹⁾
Number of options forfeited or cancelled in 2011	1,767,000
Number of options exercised in 2011	- ⁽²⁾
Maximum number of shares to be issued on exercise of outstanding options at December 31, 2011	1,715,500 ⁽³⁾
Residual weighted average life (in years)	0.77

(1) Last stock options granted on June 1, 2008 at a price of €40.50.

(2) No options were granted in fiscal year 2011.

(3) Representing 144,000 shares at a price of €55, 1,413,000 shares at €44 and 158,500 shares at €40.50.

Summary	2005 Plan				
Grant dates	October 1, 2005	October 1, 2006	April 1, 2007	October 1, 2007	June 1, 2008
Number of shares initially granted	1,915,500	2,067,000	400,000	1,932,500	219,000
<i>Of which granted to executive corporate officers</i>	50,000	50,000	-	-	-
Subscription price (per share and in euros) of the various stock option grants	30	43	55	44	40.5
Share price at the grant date	32.59	41.84	57.00	42.98	43.37
Number of shares subscribed at December 31, 2011	1,295,306	1,100	-	-	-
Principal market conditions at the grant date:					
Volatility	27.4-29.4%	32.4-35.9%	31.7-32.7%	34.8-35.7%	41.2-42.3%
Average length of the option exercise period (in years)	3-4.25	3-4.25	3-4.25	3-4.25	3-4.25
Risk-free interest rate	2.3-2.7%	3.55-3.58%	4.14-4.15%	4.09-4.14%	4.26-4.35%
Expected dividend rate	1%	1%	1.5%	1.5%	2.3%
Non-market conditions:					
Employee presence within the Group at the exercise date	yes	yes	yes	yes	yes
Other	no	no	no	no	no
Pricing model used to calculate stock option fair values	Black & Scholes				
Range of fair values in euros	7.6-9.4	10.7-11.7	14.5-17.1	10.6-12.6	13.5-15.3
Maximum number of shares to be issued on exercise of outstanding options at December 31, 2011	-	-	144,000	1,413,000	158,500

Impact on the financial statements

An expense of €0.3 million was recognized in 2011 in "Other operating expenses". The residual amount to be amortized between 2012 and 2013 in respect of active option grants is €0.6 million.

Performance share plan

The Combined Shareholders' Meetings of April 17, 2008 and April 30, 2009, authorized the Board of Directors to grant shares to a certain number of Group employees, on one or several occasions and within a maximum period of 12 months

and 18 months, respectively, subject to certain performance and presence conditions within the Group. On March 5, 2009 and then on September 15, 2010, the Board of Directors approved the terms and conditions and the list of beneficiaries of the first and second plans.

The main features of these plans are set out in the table below:

Summary	2009 Plan	Of which corporate officers	2010 Plan	Of which corporate officers
Date of Combined Shareholders' Meeting	April 17, 2008		April 30, 2009	
Total number of shares to be granted	1% of the share capital on the date of the Board of Directors' decision, i.e. a maximum of 1,458,860 shares		1% of the share capital on the date of the Board of Directors' decision, i.e. a maximum of 1,557,703 shares	
Total number of shares granted	1,148,250 ⁽¹⁾		1,555,000 ⁽³⁾	
Date of the Board of Directors' decision	March 5, 2009		October 1, 2010	
Performance assessment dates	At the end of the first and second years following the grant date		At the end of the first and second years following the grant date	
Vesting period	Two years as from the grant date (France) or four years as from the grant date (other countries)		Two years as from the grant date (France) or four years as from the grant date (other countries)	
Mandatory lock-in period effective as from the vesting date (France only)	Two years, or five years in the event of departure from the Group during the two years following the vesting date		Two years, or five years in the event of departure from the Group during the two years following the vesting date	
Number of shares subject to performance and presence conditions granted during the year	-	-	-	- ⁽⁵⁾
Number of options forfeited or canceled during the year	534,125	25,000	94,000	n/a
Number of shares definitively allocated at December 31, 2011	200,250	25,000		
Number of shares at December 31, 2011 that may be definitively allocated under this plan in respect of shares previously granted, subject to performance and presence conditions	311,625 ⁽²⁾	-	1,458,000 ⁽⁴⁾	
Share price at the grant date (in euros)	23.30		37.16	
Main market conditions at the grant date:				
Volatility	42.7%		42.8%	
Risk-free interest rate	1.4%		1.67%	
Expected dividend rate	3.0%		3.0%	
Other conditions:				
Performance conditions	Yes (see below)		Yes (see below)	
Employee presence within the Group at the vesting date	Yes		Yes	
Pricing model used to calculate the fair values of shares	- Monte Carlo for performance shares- Black& Scholes for bonus shares		- Monte Carlo for performance shares with external (market) conditions - Black& Scholes for shares granted without conditions or with internal performance conditions	
Range of fair values in euros:				
Bonus shares (per share and in euros)	20.7 - 21.9	17.53	32.32 - 32.96	
Performance shares (per share and in euros)	16.51 - 17.53		21.54 - 21.97	

(1) Of which 64,750 shares granted without performance conditions (5.6% of the total) pursuant to the relevant resolution (authorization capped at 15% of the total).

(2) Balance on the "foreign" plan that may be allocated on March 5, 2013, subject to conditions of presence.

(3) Of which 124,000 shares granted without performance conditions (8% of the total) pursuant to the relevant resolution (authorization capped at 15% of the total).

(4) Of which 118,500 shares granted without performance conditions.

(5) No performance shares were granted in 2011.

Performance conditions of the 2009 plan

The exact number of shares vesting at the end of the vesting period will be equal to the maximum number of shares initially granted, multiplied by a percentage (from 0% to 100%) corresponding to the chosen performance measurement criteria. The performance of the Cap Gemini S.A. share, measured over the first two years, compared to the average performance of a basket of ten securities of listed companies, measured over the same period and representative of the Group's business sector in at least five countries in which the Group is firmly established, will ultimately condition the vesting of the shares.

The definitive allocation depends on the relative performance of the Cap Gemini S.A. share in relation to the basket of comparable securities. In each period, the number of shares that ultimately vested:

- was equal to 60% of the number of shares initially allocated if the performance of the Cap Gemini S.A. share was equal to 90% of the basket;
- varied on a straight-line basis between 60% and 100% of the initial allocation, based on a predefined schedule, where the performance of the Cap Gemini S.A. share was between 90% and 110% of the basket;
- was equal to 100% of the number of shares initially allocated if the performance of the Cap Gemini S.A. share was higher than or equal to 110% of the basket.

The definitive calculation led to the grant of only 50% of performance shares initially allocated, which after adding shares granted subject to conditions of presence, represents a maximum of 534,750 shares granted. This includes 200,250 shares for grant to members of the French plan which are definitively vested and delivered subject to a 2-year lock-in period and 334,500 shares for grant to members of the foreign plan, of which only 311,625 shares remain, which will be delivered on March 5, 2013 subject to compliance with conditions of presence at this date.

Performance conditions of the 2010 plan

In accordance with the AMF recommendation of December 8, 2009 regarding the inclusion of internal and external performance conditions when granting performance shares, the Board of Directors decided to add an internal condition to the external condition initially planned.

External performance condition:

The external performance condition is calculated in the same way as under the first plan, except for the grant thresholds which have been tightened compared to the first plan. As such:

- no shares will be granted if the performance of the Cap Gemini S.A. share during the period in question is less than 90% of the average performance of the basket of securities over the same period;
- the number of shares that will ultimately vest:
 - will be equal to 40% of the number of shares initially allocated if the performance of the Cap Gemini S.A. share is at least equal to 90% of the basket;

- will be equal to 60% of the number of shares initially allocated if the performance of the Cap Gemini S.A. share is equal to 100% of the basket;
- will vary on a straight-line basis between 40% and 60% and between 60% and 100% of the initial allocation, based on a predefined schedule, where the performance of the Cap Gemini S.A. share is between 90% and 100% of the basket in the first case and 100% and 110% of the basket in the second case;
- will be equal to 100% of the number of shares initially allocated if the relative performance of the Cap Gemini S.A. share is higher than or equal to 110% of the basket.

Under these conditions, if the performance of the Cap Gemini S.A. share is in line with that of the basket of comparable shares, only 60% of the initial allocation will be granted compared to 80% under the first plan.

The external performance condition accounts for 70% of the grant calculation.

Internal performance condition:

The internal performance condition is based on the progression in the 2011 audited and published operating margin of Capgemini Group compared with the 2010 operating margin at constant Group structure and exchange rates.

The performance calculation will be performed once the 2011 accounts have been approved, by comparing the percentage increase in the 2011 audited and published operating margin of Capgemini Group compared with the 2010 audited and published operating margin at constant Group structure and exchange rates. Based on the percentage increase calculated in this way:

- no shares will be granted in respect of the internal performance condition if the increase in the operating margin thus calculated is less than 12%;
- the number of shares that will ultimately vest:
 - will be equal to 40% of the number of shares initially allocated if the increase is between 12% and 13.5%;
 - will be equal to 60% of the number of shares initially allocated if the increase is between 13.5% and 15%;
 - will be equal to 100% of the number of shares initially allocated if the increase is greater than or equal to 15%.

The internal performance condition accounts for 30% of the grant calculation.

The fair value of shares subject to external performance conditions was adjusted for a discount calculated in accordance with the Monte Carlo model, together with a discount for non-transferability for the shares granted in France.

The fair value of shares subject to internal performance conditions is taken into account assuming 100% realization, to which an adjustment may be applied depending on the effective realization or not of this performance condition, and together with a discount for non-transferability for the shares granted in France.

Impact on the financial statements

An expense of €15.7 million was recognized in 2011 in "Other operating expenses" in respect of performance shares (including employer contributions). The residual amount to be amortized between 2012 and 2015 in respect of these two plans is €24.5 million.

Redeemable share subscription or purchase warrants (bons de souscription et / ou d'acquisition d'actions remboursables – bsaar) (reminder 2009)

During 2009, 2,999,000 warrants were subscribed by employees and corporate officers of the Group (at a price of €3.22 per warrant), generating income net of issue costs of €9 million. The exercise period commences the date of listing of the BSAAR warrants on the Euronext Paris market and terminates on the seventh anniversary of the issue date. The warrants will be listed on July 23, 2013. Between July 23, 2009 and the date the warrants are admitted to trading on Euronext Paris, they may not be exercised or transferred except under the conditions specified in the issue agreement (namely in the event of a takeover bid for Cap Gemini S.A. shares). The issue was disclosed in a prospectus approved by the AMF on May 14, 2009 under reference number 09-140.

Employee share ownership plan – @ESOP (recap 2009)

In the second half of 2009, the Group set-up an employee share ownership plan (@ESOP). On December 16, 2009, the Group issued 5,999,999 new shares reserved for employees with a par value of €8, representing a share capital increase of €164 million.

The total cost of this employee share ownership plan in 2009 was €1 million and was the result of a mechanism granting employees entitlement to capital gains on shares in countries where the set-up of an Employees Savings Mutual Fund (FCPE) was not possible or appropriate.

Treasury shares and management of share capital and market risks

The Group does not hold any shares for financial investment purposes and does not have any interests in listed companies. However, at December 31, 2011, under the share buyback program Cap Gemini S.A. holds:

- 403,500 treasury shares following the implementation of a liquidity agreement (the associated liquidity line amounts to €10 million), pursuant to the related share buyback program described in a prospectus published on May 12, 2011;
- 1,799,750 treasury shares representing 1.2% of the share capital at December 31, 2011, purchased between January 17 and 25, 2008, at an average price of €34.48, representing a decrease of 200,250 in the number of shares available.

At December 31, 2011, the value of these treasury shares was deducted from consolidated equity in the amount of €84 million.

In view of the small number of treasury shares held, the Group is not therefore exposed to significant equity risk. Finally, as the value of treasury shares is deducted from equity, changes in the share price have no impact on the Consolidated Income Statement.

The Group's capital management strategy is designed to maintain a strong capital base in view of supporting the continued development of its business activities and delivering a return to shareholders, while adopting a prudent approach to debt as evidenced by the use of the debt-to-equity ratio as a key performance indicator. At December 31, 2009, 2010 and 2011, the Group had a positive net cash position. In order to preserve and control the structure of its capital, the Group can issue new shares, buy back its own shares or adjust the dividend paid to shareholders.

Currency risk and translation gains and losses on the accounts of subsidiaries with a functional currency other than the euro

Regarding risks arising on the translation of the foreign currency accounts of consolidated subsidiaries, as a substantial proportion of the Group's consolidated revenues are generated in the UK and the US (20% and 16% respectively in 2011), fluctuations in the pound sterling and the US dollar against the euro may have an impact on the consolidated financial statements. The positive impact on translation reserves is mainly due to the appreciation of the US dollar against the euro during 2011.

For example, a 10% fluctuation in the pound sterling-euro exchange rate would trigger a corresponding 2% change in revenues and 2% change in operating margin. Similarly, a 10% fluctuation in the US dollar-euro exchange rate would trigger a corresponding 1.6% change in revenues and a 1.7% change in operating margin.

The Group does not hedge risks arising on the translation of the foreign currency accounts of consolidated subsidiaries whose functional currency is not the euro. The main exchange rates used for the preparation of the financial statements are presented in Note 1-B – Accounting policies: Foreign currency translation.

NOTE 10 – GOODWILL AND INTANGIBLE ASSETS

<i>in millions of euros</i>	Note	Goodwill	Customer relationships	Licenses and software	Other intangible assets	Total
GROSS						
At January 1, 2009		2,771	140	129	158	3,198
Translation adjustments	9	27	1	4	1	33
Acquisitions / Increase		-	-	16	4	20
Internal developments		-	-	-	6	6
Disposals / Decrease		-	(5)	(15)	(6)	(26)
Business combinations	2	11	3		(1)	13
Other movements		(9)	(8)	(9)	-	(26)
At December 31, 2009		2,800	131	125	162	3,218
Translation adjustments	9	122	9	7	3	141
Acquisitions / Increase		-	-	16	4	20
Internal developments		-	-	-	7	7
Disposals / Decrease		-	(28)	(4)	(10)	(42)
Business combinations	2	330	52	31	16	429
Other movements		(1)	(2)	(2)	-	(3)
At December 31, 2010		3,251	164	173	182	3,770
Translation adjustments	9	25	(2)	(3)	-	20
Acquisitions / Increase		-	-	22	-	22
Internal developments		-	-	-	6	6
Disposals / Decrease		-	-	(15)	(4)	(19)
Business combinations	2	547	9	22	5	583
Other movements		(4)	2	-	3	1
At December 31, 2011		3,819	173	199	192	4,383
ACCUMULATED AMORTIZATION						
At January 1, 2009			53	101	124	278
Translation adjustments	9		-	4	-	4
Charge			17	17	8	42
Disposals			(5)	(14)	(6)	(25)
Business combinations	2		-	-	1	1
Other movements			-	(8)	-	(8)
At December 31, 2009			65	100	127	292
Translation adjustments	9		3	6	2	11
Charge			20	18	10	48
Disposals			(28)	(4)	(8)	(40)
Business combinations	2		-	20	9	29
Other movements			-	(1)	-	(1)
At December 31, 2010			60	139	140	339
Translation adjustments	9		1	(2)	-	(1)
Charge			25	21	9	55
Disposals			-	(14)	(4)	(18)
Business combinations	2		-	18	2	20
Other movements			-	-	1	1
At December 31, 2011			86	162	148	396
IMPAIRMENT						
At January 1, 2009		45	-	1	8	54
Translation adjustments	9	1	-	-	-	1
Charge		12	-	-	1	13
Disposals		-	-	-	-	-
Business combinations	2	-	-	-	-	-
Other movements		(8)	-	-	-	(8)
At December 31, 2009		50	-	1	9	60
Translation adjustments	9	-	-	-	-	-
Charge		-	-	-	-	-
Disposals		-	-	-	-	-
Business combinations	2	-	-	-	1	1
Other movements		-	-	-	-	-
At December 31, 2010		50	-	1	10	61
Translation adjustments	9	-	-	-	-	-
Charge		-	-	-	-	-
Disposals		-	-	-	-	-
Business combinations	2	-	-	-	-	-
Other movements		1	-	-	3	4
At December 31, 2011		51	-	1	13	65
NET						
AT DECEMBER 31, 2009		2,750	66	24	26	2,866
AT DECEMBER 31, 2010		3,201	104	33	32	3,370
AT DECEMBER 31, 2011		3,768	87	36	31	3,922

The substantial increase in goodwill and customer relationships is attributable to the various acquisitions performed during the period and presented in Note 2 – Changes in Group structure (€556 million) and translation adjustments (€23 million).

NOTE 11 – PROPERTY, PLANT AND EQUIPMENT

<i>in millions of euros</i>	Note	Land, buildings, fixtures and fittings	Computer equipment	Other intangible assets	Total
GROSS					
At January 1, 2009		430	393	129	952
Translation adjustments	9	7	12	3	22
Acquisitions / Increase		41	85	13	139
Disposals / Decrease		(21)	(98)	(7)	(126)
Business combinations	2	-	-	1	1
Other movements		2	31	(7)	26
At December 31, 2009		459	423	132	1,014
Translation adjustments	9	14	22	10	46
Acquisitions / Increase		66	80	23	169
Disposals / Decrease		(16)	(105)	(4)	(125)
Business combinations	2	34	89	15	138
Other movements		(23)	(5)	12	(16)
At December 31, 2010		534	504	188	1,226
Translation adjustments	9	(6)	(10)	(10)	(26)
Acquisitions / Increase		53	111	26	190
Disposals / Decrease		(10)	(44)	(5)	(59)
Business combinations	2	25	38	8	71
Other movements		(3)	5	(10)	(8)
At December 31, 2011		593	604	197	1,394
ACCUMULATED DEPRECIATION AND IMPAIRMENT					
At January 1, 2009		178	261	91	530
Translation adjustments	9	4	8	2	14
Charge		35	75	11	121
Disposals		(17)	(77)	(5)	(99)
Business combinations	2	-	-	1	1
Other movements		-	28	(2)	26
At December 31, 2009		200	295	98	593
Translation adjustments	9	5	16	5	26
Charge		41	74	14	129
Disposals		(14)	(94)	(4)	(112)
Business combinations	2	12	82	7	101
Other movements		(14)	(3)	7	(10)
At December 31, 2010		230	370	127	727
Translation adjustments	9	-	(9)	(5)	(14)
Charge		44	72	17	133
Disposals		(8)	(42)	(4)	(54)
Business combinations	2	19	30	5	54
Other movements		(1)	1	1	1
At December 31, 2011		284	422	141	847
NET					
AT DECEMBER 31, 2009		259	128	34	421
AT DECEMBER 31, 2010		304	134	61	499
AT DECEMBER 31, 2011		309	182	56	547

Property, plant and equipment purchased under finance lease

Net (in millions of euros)	Note	2009	2010	2011
AT JANUARY 1		140	153	157
Translation adjustments	9	3	3	1
Acquisitions / Increase		42	49	60
Disposals / Decrease		(1)	(6)	(1)
Depreciation and impairment		(38)	(45)	(39)
Business combinations	2	-	4	6
Other movements		7	(1)	(1)
AT DECEMBER 31		153	157	183

NOTE 12 – ASSET IMPAIRMENT TESTS

Goodwill was tested for impairment at December 31, 2011 in line with the Group procedure for verifying the value of such assets. Based primarily on the discounted cash flows method, this procedure consists of assessing the recoverable amount of each cash-generating unit (CGU) within the Group.

The main assumptions used to value cash-generating units are as follows:

- basis for CGU valuation: value in use
- number of years over which cash flows are estimated: five years, based on data taken from the budget process for the first year and from the three-year strategic plan for the next two years, with extrapolation of this data for the remaining period;
- long-term growth rate used to extrapolate to perpetuity final year estimated cash flows: 2.1% (2.3% in 2010) and 4% for Brazil;
- discount rate: 9.5% for the Group, 8.04% for North America, 8.14% for the United Kingdom (respectively 9.6%, 9.2% and 9.3% in 2010) and 13% for Brazil.

Group long-term growth and discount rates are based on the average of a representative sample of projections by financial analysts who use these indicators to value the Group. In 2011, the Group used estimates produced by 11 financial analysts, 10 of whom were already included in the group of 12 financial analysts called on in 2010. The change in discount rates arises from the three components used for the calculation: the risk-free rates, the risk premium and the volatility of the Cap Gemini S.A. share price in relation to changes in its listed market ("beta").

No impairment losses were recognized at December 31, 2011 as a result of these impairment tests. An analysis of the calculation's sensitivity to a combined change in the key parameters (operating margin, discount rate and long-term growth rate) based on reasonably probable assumptions, did not identify any probable scenario where the recoverable amount of one of the CGUs would fall below its carrying amount.

Goodwill per cash-generating unit

The cash-generating units adopted by the Group correspond to geographic areas representing the Group's major markets and the main lines of development and strategic investment.

	December 31, 2009			December 31, 2010			December 31, 2011		
<i>in millions of euros</i>	Gross value	Impairment	Net carrying amount	Gross value	Impairment	Net carrying amount	Gross value	Impairment	Net carrying amount
North America	528	(6)	522	599	(6)	593	636	(6)	630
Benelux	781	(12)	769	796	(12)	784	800	(12)	788
France	644	(1)	643	658	(1)	657	1,086	(2)	1,084
United Kingdom and Ireland	453	-	453	515	-	515	533	-	533
Southern Europe and Latin America	33	-	33	270	-	270	289	-	289
Nordic countries	130	-	130	158	-	158	162	-	162
Germany and Central Europe	206	(31)	175	214	(31)	183	258	(31)	227
Asia-Pacific	25	-	25	41	-	41	55	-	55
GOODWILL	2,800	(50)	2,750	3,251	(50)	3,201	3,819	(51)	3,768

NOTE 13 – DEFERRED TAXES

Recognized deferred taxes

Change in deferred tax assets

<i>in millions of euros</i>	Note	Tax loss carry-forwards excl. the United-States	US amortizable goodwill and tax losses	Provisions for pensions and other post-employment benefits	Other deductible temporary differences	Total deferred tax assets
AT JANUARY 1, 2009		591	115	98	59	863
Business combinations		-	-	-	23	23
Translation adjustments	9	1	-	8	3	12
Deferred tax expense recognized in the Income Statement	7	(55)	-	(4)	11	(48)
Deferred tax expense recognized in equity		-	-	39	(2)	37
AT DECEMBER 31, 2009		537	115	141	94	887
Business combinations		7	-	-	1	8
Translation adjustments	9	3	8	8	4	23
Deferred tax expense recognized in the Income Statement	7	(45)	-	(9)	2	(52)
Deferred tax expense recognized in equity		-	-	26	(1)	25
AT DECEMBER 31, 2010		502	123	166	100	891
Business combinations		1	-	1	-	2
Translation adjustments	9	-	9	5	(2)	12
Deferred tax expense recognized in the Income Statement	7	(34)	76	(3)	(8)	31
Deferred tax expense recognized in equity		-	-	70	14	84
AT DECEMBER 31, 2011		469	208	239	104	1,020

Change in deferred tax liabilities

<i>in millions of euros</i>	Note	Tax-deductible goodwill amortization	Customer relationships resulting from business combinations	Amortized cost of bonds	Other taxable temporary differences	Total deferred tax liabilities
AT JANUARY 1, 2009		45	25	11	57	138
Business combinations		-	4	-	-	4
Translation adjustments	9	-	-	-	2	2
Deferred tax expense recognized in the Income Statement	7	4	(9)	(11)	5	(11)
Deferred tax expense recognized in equity		-	-	20	-	20
AT DECEMBER 31, 2009		49	20	20	64	153
Business combinations		-	17	-	1	18
Translation adjustments	9	2	1	-	4	7
Deferred tax expense recognized in the Income Statement	7	-	(5)	(9)	15	1
Deferred tax expense recognized in equity		-	-	-	(1)	(1)
AT DECEMBER 31, 2010		51	33	11	83	178
Business combinations		-	1	-	-	1
Translation adjustments	9	1	-	-	(1)	-
Deferred tax expense recognized in the Income Statement	7	(2)	(8)	(1)	14	3
Deferred tax expense recognized in equity		-	-	-	1	1
AT DECEMBER 31, 2011		50	26	10	97	183

Deferred tax assets arising from tax loss carry-forwards (excluding the United States)

Recognized tax loss carry-forwards (excluding the United States) total €469 million at December 31, 2011. They include tax losses of €423 million attributable to the France tax group. These tax loss carry-forwards are recognized in the accounts based on future taxable profits estimated assuming growth and profitability rates and a timeframe considered reasonable.

US deferred tax assets arising from amortizable goodwill and tax losses

The acquisition of Ernst & Young's North American consulting business in 2000 gave rise to the amortization for tax purposes, over a period of 15 years, of the difference between the acquisition price of the business and the tax base of the assets and liabilities acquired. Since 2000, the annual amortization charge was deducted from US tax profits and the resulting tax loss was carried forward for a period of 20 years.

At December 31, 2011, the cumulative amount of US tax losses, including the amortization charges referred to above, totaled USD 3,346 million (€2,586 million).

These tax loss carry-forwards do not include future amortization charges deductible for tax purposes in respect of the Ernst & Young consulting business goodwill of USD 867 million (€670 million).

After the utilization of USD 72 million in 2011, the value of recognized deferred tax assets was remeasured in the amount of USD 177 million (see Note 7 – Income tax expense), representing

a net increase of USD 105 million, to USD 269 million (€208 million) at December 31, 2011. This remeasurement was based on an estimate of future taxable profits of the Group's North American operations, using growth and profitability rates and a timeframe considered reasonable.

Consequently, unrecognized deferred tax assets as at 31st December 2011, amount to USD 1,375 million (€1,063 million) comprising of:

- deferred tax on all potential tax loss carried forward as at 31st December 2011 which represents a base amount of USD 3,346 million at tax rate of 39%,
- deferred tax on all potential future amortization charges deductible for tax purpose in respect of goodwill mentioned above, which represents a base amount of USD 867 million at tax rate of 39%,
- reduced by the recognized deferred tax assets as at 31st December 2011, representing USD 269 million.

Unrecognized deferred tax assets

At December 31 (in millions of euros)	2009	2010	2011
Tax loss carry-forwards, excluding the United States	233	318	196
US deferred tax on amortizable goodwill and tax loss carry-forwards	971	1,053	1,063
Deferred tax on other temporary differences	146	135	133
UNRECOGNIZED DEFERRED TAX ASSETS	1,350	1,506	1,392

Expiry dates of tax loss carry-forwards (taxable base)

At December 31 (in millions of euros)	2009		2010		2011	
	Amount	%	Amount	%	Amount	%
Y+1	9	-	11	-	12	-
Y+2	14	1	11	-	11	-
Y+3	7	-	5	-	1	-
Y+4	5	-	7	-	9	-
Y+5	10	-	30	1	13	1
Beyond 5 years	4,086	99	4,544	99	4,601	99
TAX LOSS CARRY-FORWARDS (TAXABLE BASE)	4,131	100	4,608	100	4,647	100

NOTE 14 – OTHER NON-CURRENT ASSETS

At December 31 (in millions of euros)	Note	2009	2010	2011
Shares in associates		16	-	-
Shares in non-consolidated companies		1	1	4
Deposits, receivables and other long-term investments		58	88	74
Derivative instruments	19	3	5	-
Pension plans with funding surpluses	20	21	3	-
Other		13	18	41
OTHER NON-CURRENT ASSETS		112	115	119

In 2009, shares in associates concerned Strategic Systems Solutions (SSS) Holdings Corporation Ltd. The remaining 51.17% of the share capital of this company was purchased on June 15, 2010, enabling the full consolidation of this company from 2010.

In 2011, shares in non-consolidated companies primarily comprise shares in O2C Pro LLC (€3 million) acquired by

Capgemini Technologies LLC as part of the acquisition of the activities of Vengroff, Williams and Associates.

Deposits and other long-term investments consist mainly of security deposits and guarantees relating to leases and "aides à la construction" (building aid program) loans in France, as well as at December 31, 2011, legal deposits guaranteeing tax and employee-related disputes in CPM Braxis of €19 million.

NOTE 15 – ACCOUNTS AND NOTES RECEIVABLE

At December 31 (in millions of euros)	2009	2010	2011
Accounts receivable	1,326	1,447	1,710
Provisions for doubtful accounts	(30)	(14)	(11)
Accrued income	677	821	871
Accounts and notes receivable excluding capitalized costs on projects	1,973	2,254	2,570
Capitalized costs on projects	94	117	115
ACCOUNTS AND NOTES RECEIVABLE	2,067	2,371	2,685

Total accounts receivable and accrued income net of advances from customers and billed in advance, can be analyzed as follows in number of days:

At December 31 (in millions of euros)	2009	2010	2011
Accounts and notes receivable excluding capitalized costs on projects	1,973	2,254	2,570
Advances from customers and billed in advance	(567)	(576)	(661)
TOTAL ACCOUNTS RECEIVABLE NET OF ADVANCES FROM CUSTOMERS AND BILLED IN ADVANCE	1,406	1,678	1,909
In number of days' annual revenues ⁽¹⁾	60	66	70

(1) In 2010 and 2011, this ratio is adjusted to take into account the impact of entries into the scope of consolidation.

Aged analysis of accounts receivable

The low bad debt ratio (1% at December 31, 2011) reflects the fact that most invoices are only issued after the client has validated the services provided.

At end-2011, past due balances totaled €482 million, representing 28.4% of accounts receivable less provisions for doubtful accounts. The breakdown is as follows:

in millions of euros	< 30 days	> 30 days and < 90 days	> 90 days
Net accounts receivable	268	140	74
As a % of accounts and notes receivable, net of provisions for doubtful accounts	15.8%	8.3%	4.3%

Past due balances concern accounts receivable from customers which are individually analyzed and monitored.

On December 27, 2011, Capgemini Technology Services S.A.S assigned to a financial institution, without recourse, receivables maturing on January 31, 2012 in the total amount of €25 million. As these receivables were assigned with transfer of credit risk as defined by IAS 39, they were derecognized in the Statement of Financial Position at December 31, 2011.

Credit risk

The Group's largest client, a major British public body, contributes around 9% of Group revenues (10% in 2010 and 11% in 2009), while the second-largest client accounts for just 2%. The top 10 clients collectively account for 22% of Group revenues, and the top 30 represent 36%. The solvency of these major clients and the sheer diversity of the other smaller clients help limit credit risk. The economic environment could impact the business activities of the Group's clients, as well as the amounts receivable from these clients. However, the Group

does not consider that any of its clients, business sectors or geographic areas present a significant risk of non-collection that could materially impact the financial position of the Group as a whole.

NOTE 16 – OTHER CURRENT RECEIVABLES

At December 31 (in millions of euros)	Note	2009	2010	2011
Social security and tax-related receivables, other than income tax		79	126	171
Prepaid expenses		106	119	154
Derivative instruments	19	7	22	12
Other		11	39	33
OTHER CURRENT RECEIVABLES		203	306	370

At December 31, 2011, "Social security and tax-related receivables, other than income tax" include research tax credit receivables in the amount of €53 million (€26 million at December 31, 2010, deducted from amounts due to employees).

NOTE 17 – NET CASH AND CASH EQUIVALENTS

At December 31 (in millions of euros)	Note	2009	2010	2011
Cash management assets		-	71	73
Short-term investments		2,109	1,912	1,877
Cash at bank		494	393	346
Asset/liability derivative instruments on cash items	19	1	8	10
Bank overdrafts (liability)		(7)	(6)	(9)
Cash and cash equivalents	18	2,597	2,307	2,224
Bonds		(969)	(1,001)	(1,036)
Obligations under finance leases		(87)	(88)	(96)
Draw-downs on bank and similar facilities		-	(8)	(2)
Other borrowings		(1)	(5)	(1)
Long-term borrowings		(1,057)	(1,102)	(1,135)
Bonds		(211)	(24)	(422)
Obligations under finance leases		(42)	(51)	(51)
Draw-downs on bank and similar facilities		(8)	(85)	(209)
Other borrowings	19	(10)	(44)	(11)
Short-term borrowings		(271)	(204)	(693)
Borrowings		(1,328)	(1,306)	(1,828)
Derivative instruments on borrowings		-	(9)	(15)
NET CASH AND CASH EQUIVALENTS		1,269	1,063	454

Cash management assets

In 2010, Cap Gemini S.A. invested in capitalization contracts as part of the active management of its cash and cash equivalents. These contracts are presented in "Cash management assets" (see Note 1-M – Accounting policies: Net Cash and cash equivalents) and may be cancelled by the Company at any time without penalty.

Cash and cash equivalents

At December 31, 2011, cash equivalents mainly consist of money market mutual funds (FCP and SICAV), certificates of deposit, commercial paper and term bank deposits.

Derivative instruments on cash items represent a receivable of €10 million at December 31, 2011, corresponding to the fair value of hedging instruments taken out in connection with inter-company financing transactions at Cap Gemini S.A. This receivable is classified under "Other current receivables" in the Consolidated Statement of Financial Position (compared to a receivable of €8 million at December 31, 2010).

Borrowings

Bonds

2011 Bond issue

On November 18, 2011, Cap Gemini S.A. performed a euro bond issue maturing on November 29, 2016 (2011 Bond issue). Bondholders enjoy all rights from November 29, 2011.

The total amount of the issue was €500 million, comprising 5,000 bonds with a nominal value of €100,000 each. The bonds bear interest at 5.25% per year, potentially increasing to 6.50% in the event of a down-grading of Cap Gemini S.A.'s credit rating. The terms and conditions of this issue were set out in the prospectus approved by the AMF on November 25, 2011 under reference number 11-546.

The Bond issue is redeemable in full on November 29, 2016.

Summary of the main terms and conditions of the 2011 bond issue

Redemption at maturity

The bonds are redeemable in full on November 29, 2016.

Early redemption at the Company's option

The bonds are redeemable at the Company's option under certain conditions set out in the issue prospectus and particularly concerning the minimum redemption price.

Early redemption at the option of bondholders

Bondholders may request the early redemption of all or part of their bonds in the event of a change in control of the Company, provided this change in control is accompanied by a downgrading of the Company's financial rating.

Early repayment

At the initiative of a majority of bondholders, particularly in the event of a failure to pay sums due or to comply with other obligations set out in the documentation (beyond any "grace" periods, if applicable), cross default (in excess of a minimum threshold), liquidation, dissolution or sale of all of the Company's assets.

An upgrade or downgrade in Cap Gemini S.A.'s credit rating would not constitute an early redemption event.

Pari passu status

Cap Gemini S.A. has undertaken that the bonds will rank *pari passu* with all other bonds issued by the Company.

OCEANE 2009" convertible bonds

On April 8, 2009, Cap Gemini S.A. issued bonds convertible/exchangeable into new or existing Cap Gemini S.A. shares, maturing on January 1, 2014 ("OCEANE 2009"). Bondholders enjoy all rights from April 20, 2009.

The total amount of the issue was €575 million, comprising 16,911,765 bonds with a nominal value of €34 each, resulting in

an issue premium of 35% compared to the Company benchmark share price. The bonds bear interest at 3.5% per year. They may be converted at any time commencing April 20, 2009 and are redeemable at par on January 1, 2014 if not converted. The terms and conditions of this issue were set out in the prospectus approved by the AMF on April 8, 2009 under reference number 09-084.

OCEANE 2005" convertible bonds and partial redemption

On June 16, 2005, Cap Gemini S.A. issued bonds convertible/exchangeable into new or existing Cap Gemini S.A. shares, maturing on January 1, 2012 ("OCEANE 2005"). Bondholders enjoy all rights from June 24, 2005.

The total amount of the issue was €437 million, comprising 11,810,810 bonds with a nominal value of €37 each. The bonds bear interest at 1% per year. They may be converted at any time commencing June 24, 2005 and are redeemable at a price of €41.90 per bond, representing approximately 113.2% of their nominal unit value, on January 1, 2012 if not converted. The terms and conditions of this issue were set out in the prospectus approved by the AMF on June 16, 2005 under reference number 05-564.

In November 2011, Cap Gemini S.A. redeemed a total of 2,350,000 bonds in a number of transactions for an amount of €99 million, at an average price of €42.18 per bond. Redeemed bonds were cancelled pursuant to the provisions set-out in the prospectus. At December 31, 2011, 9,460,810 OCEANE 2005 bonds remained outstanding, representing 80.1% of the number of bonds initially issued. The remaining bonds were redeemed in full on January 2, 2012.

Impact of bonds on the financial statements

		2009			2010		2011			
		"OCEANE 2003" bonds	"OCEANE 2005" bonds	"OCEANE 2009" bonds	"OCEANE 2005" bonds	"OCEANE 2009" bonds	"OCEANE 2005" bonds	"OCEANE 2009" bonds	2011 Bond Issue	
At December 31	(in millions of euros)	Note								
Equity component			52	40	64	40	64	40	64	n/a
Debt component at amortized cost			192	464	524	480	545	400	561	497
Effective interest rate			5.1%	4.8%	6.8%	4.8%	6.8%	4.8%	6.8%	5.5%
Interest expense recognized in the Income Statement for the period	6		14	21	24	21	35	22	36	2
Nominal interest rate			2.5%	1%	3.5%	1%	3.5%	1%	3.5%	5.3%
Nominal interest expense (coupon)			7	4	14	4	20	4	20	2

Fair value of bonds

	2009			2010		2011		
	"OCEANE 2003" bonds	"OCEANE 2005" bonds	"OCEANE 2009" bonds	"OCEANE 2005" bonds	"OCEANE 2009" bonds	"OCEANE 2005" bonds	"OCEANE 2009" bonds	2011 Bond Issue
At December 31 (in millions of euros)								
Fair value	202	481	580	488	582	400	578	511
Market rate	n/a	2.3%	3.3%	2.2%	3.1%	n/a	3.2%	4.7%

Obligations under finance leases

in millions of euros		Earliest date of leases	Latest expiry date	Effective interest rate	December 31, 2011
Buildings (Universite Capgemini Les Fontaines)		October 2002	July 2014	3-month Euribor +0.75%	26
Computer equipment		July 2003	February 2017	5.97%	118
Other fixed assets		January 2004	June 2015	-	3
OBLIGATIONS UNDER FINANCE LEASES					147

Draw-downs on banks and similar facilities

At December 31, 2011, draw-downs on banks and similar facilities primarily consist of commercial paper issued during the period by Cap Gemini S.A. in the amount of €90 million and CPM Braxis S.A. bank loans in the amount of €109 million.

Syndicated credit facility obtained by Cap Gemini S.A.

On November 14, 2005, Cap Gemini S.A. signed a €500 million multi-currency credit facility with a bank syndicate maturing on November 14, 2011 at the latest.

On January 13, 2011, Cap Gemini S.A. refinanced its multi-currency credit facility with a syndicate of 18 banks for the same amount as previously financed (€500 million), maturing on January 13, 2016.

The initial margin on this new credit facility is 0.90%, compared to 0.40% previously. This margin may be adjusted according to the credit rating of Cap Gemini S.A. The facility is also subject to a fee on undrawn amounts equal to 35% of the margin (i.e. 0.315%), compared to 30% of the margin previously (i.e. 0.12%),

that may be increased to 40% (35% previously) if Cap Gemini S.A.'s rating falls.

An upgrade or downgrade in Cap Gemini S.A.'s credit rating would have no impact on the availability of this credit facility. The other main terms and conditions of this credit facility, in particular with respect to certain financial ratios, remain unchanged. (see Note 27 – Off balance sheet commitments).

At December 31, 2011, this credit facility has not yet been drawn.

Effective interest rate (EIR)

In 2011, the effective interest rate on the Group's average outstanding borrowings was 6.5% (5.6% in 2010). At December 31, 2011, 92% of the Group's borrowings are at fixed rates (compared to 91% at end-2010) and the remainder is at floating

rates. The stable percentage of fixed-rate borrowings is due to the new bond issue performed in 2011, refinancing the OCEANE 2005 bonds maturing at the beginning of January 2012.

At December 31, 2011

	Euro		US dollar		Pound sterling		Other	Total
	EIR %	Amount M€	EIR %	Amount M€	EIR %	Amount M€	Amount M€	Amount M€
"OCEANE 2005" bonds	4.8%	400	-	-	-	-	-	400
"OCEANE 2009" bonds	6.8%	561	-	-	-	-	-	561
2011 Bond issue	5.5%	497	-	-	-	-	-	497
Draw-downs on bank and similar facilities	1.8%	90	-	-	-	-	121	211
Obligations under finance leases	4.1%	49	5.9%	16	6.2%	61	21	147
Other borrowings	-	-	n/a	1	-	-	11	12
BORROWINGS		1,597		17		61	153	1,828

Net cash and cash equivalents by maturity at redemption value

The amounts indicated below correspond to the undiscounted value of future contractual cash flows. Future cash flows relating to the "OCEANE 2005" and "OCEANE 2009" bonds and the 2011 bond issue were estimated based on contractual nominal

interest rates (1%, 3.5% and 5.25%, respectively) and on the assumption that the bonds would be redeemed in full at maturity. The contractual cash flows associated with "Obligations under finance leases" represent contractual repayments of the liability.

At December 31, 2011

<i>in millions of euros</i>	Contractual maturity	Carrying amount	Contractual cash flows	Less than 1 year	1 to 2 years	2 to 5 years	Beyond 5 years
Cash management assets	2012	73	73	73	-	-	-
Cash and cash equivalents	2012	2,223	2,223	2,223	n/a	n/a	n/a
Bank overdrafts	2012	(9)	(9)	(9)	n/a	n/a	n/a
Derivative instruments on cash items	2012	10	10	10	n/a	n/a	n/a
Cash and cash equivalents		2,224	2,224	2,224	n/a	n/a	n/a
"OCEANE 2005" bonds	2012	(400)	(400)	(400)	-	-	-
"OCEANE 2009" bonds	2014	(561)	(635)	(20)	(20)	(595)	-
2011 Bond issue	2016	(497)	(631)	(2)	(26)	(603)	-
Obligations under finance leases	2012 à 2017	(147)	(153)	(56)	(45)	(52)	-
Draw-downs on bank and similar facilities	2012 à 2014	(211)	(211)	(209)	(1)	(1)	-
Other borrowings	2012 à 2014	(12)	(12)	(11)	(1)	-	-
Borrowings		(1,828)	(2,042)	(698)	(93)	(1,251)	-
Derivative instruments on borrowings	n/a	(15)	n/a	n/a	n/a	n/a	n/a
NET CASH AND CASH EQUIVALENTS		454	255	1,599	(93)	(1,251)	n/a

At December 31, 2010

<i>in millions of euros</i>	Contractual maturity	Carrying amount	Contractual cash flows	Less than 1 year	1 to 2 years	2 to 5 years	Beyond 5 years
Cash management assets	2011	71	71	71	-	-	-
Cash and cash equivalents	2011	2,305	2,305	2,305	n/a	n/a	n/a
Bank overdrafts	2011	(6)	(6)	(6)	n/a	n/a	n/a
Derivative instruments on cash items	2011	8	8	8	n/a	n/a	n/a
Cash and cash equivalents		2,307	2,307	2,307	n/a	n/a	n/a
"OCEANE 2005" bonds	2012	(480)	(504)	(4)	(500)	-	-
"OCEANE 2009" bonds	2014	(545)	(656)	(20)	(20)	(616)	-
Obligations under finance leases	2011 à 2015	(139)	(149)	(55)	(40)	(54)	-
Draw-downs on bank and similar facilities	2011 à 2012	(93)	(93)	(85)	(8)	-	-
Other borrowings	2011 à 2015	(49)	(49)	(44)	(4)	(1)	-
Borrowings		(1,306)	(1,451)	(208)	(572)	(671)	-
Derivative instruments on borrowings	n/a	(9)	n/a	n/a	n/a	n/a	n/a
NET CASH AND CASH EQUIVALENTS		1,063	927	2,170	(572)	(671)	n/a

At December 31, 2009

<i>in millions of euros</i>	Contractual maturity	Carrying amount	Contractual cash flows	Less than 1 year	1 to 2 years	2 to 5 years	Beyond 5 years
Cash and cash equivalents	2010	2,603	2,603	2,603	n/a	n/a	n/a
Bank overdrafts	2010	(7)	(7)	(7)	n/a	n/a	n/a
Derivative instruments on cash items	2010	1	1	1	n/a	n/a	n/a
Cash and cash equivalents		2,597	2,597	2,597	n/a	n/a	n/a
"OCEANE 2003" bonds	2010	(192)	(192)	(192)	-	-	-
"OCEANE 2005" bonds	2012	(464)	(508)	(4)	(4)	(500)	-
"OCEANE 2009" bonds	2014	(524)	(670)	(14)	(20)	(636)	-
Obligations under finance leases	2010 à 2014	(129)	(129)	(43)	(37)	(49)	-
Other borrowings	2010 à 2015	(19)	(19)	(18)	-	-	(1)
Borrowings		(1,328)	(1,518)	(271)	(61)	(1,185)	(1)
Derivative instruments on borrowings	n/a	-	n/a	n/a	n/a	n/a	n/a
NET CASH AND CASH EQUIVALENTS		1,269	1,079	2,326	(61)	(1,185)	(1)

Net cash and cash equivalents and liquidity risk

The financial liabilities whose repayability could expose the Group to liquidity risk are mainly the two convertible bonds ("OCEANE 2005" and "OCEANE 2009") and the new 2011 bond issue. However, the OCEANE 2005 bond was definitively redeemed on January 2, 2012.

To manage the liquidity risk that may arise on repayability of financial liabilities, the Group has implemented a conservative financing policy mainly based on:

- prudent use of debt leveraging, coupled with limited use of any clauses that could lead to early repayment of borrowings;
- maintaining a high level of available funds at all times (€2,297 million at December 31, 2011), which could be increased by a multi-currency syndicated line of credit of €500 million (undrawn to date);
- actively managing the due dates of financial liabilities in order to limit the concentration of borrowings maturities;
- using diverse sources of financing, allowing the Group to reduce its reliance on certain categories of lenders.

Net cash and cash equivalents and credit risk

Financial assets which could expose the Group to a credit or counterparty risk mainly consists of financial investments: in accordance with Group policy, cash balances are not invested in equity-linked products, but in (i) negotiable debt securities (certificates of deposit and commercial paper), (ii) deposits and accounts, (iii) capitalization contracts or (iv) short-term money market mutual funds, subject to minimum credit rating and diversification rules.

At December 31, 2011, short-term investments totaled €1,877 million and comprise mainly (i) money market mutual funds meeting the criteria defined by the AMF for classification in the "monetary category"; and (ii) negotiable debt securities maturing within three months or immediately available, issued by highly rated companies or financial institutions (minimum rating of A2/P2 or equivalent). Consequently, these short-term investments do not expose the Group to any material credit risk.

NOTE 18 – CASH FLOWS

At December 31, 2011, cash and cash equivalents totaled €2,224 million (see Note 17 – Net cash and cash equivalents), down €83 million on December 31, 2010 (€2,307 million). Excluding the impact of exchange rate fluctuations on cash and cash equivalents (€12 million), this decrease is €71 million. Cash flow impacts are shown in the Consolidated Statement of Cash Flows.

Net cash from (used in) operating activities

In 2011, net cash from operating activities totaled €349 million (compared to €503 million in 2010) and resulted from:

- cash flows from operations before net finance costs and income tax in the amount of €743 million,
- payment of income taxes in the amount of €104 million,
- an increase in working capital requirements, generating a negative cash impact of €290 million.

Changes in working capital requirements (WCR) and the reconciliation with the Consolidated Statement of Financial Position are as follows:

	Working capital requirement components (Consolidated Statement of Financial Position)						Items with no cash impact			Statement of Cash Flows items
	Note	December 31, 2010	December 31, 2011	Net impact	Non-WCR items ⁽¹⁾	Impact of WCR items	Income impact	Foreign exchange impact	Reclassifi- cation and changes in Group structure ⁽²⁾	Amount
<i>in millions of euros</i>										
Accounts and notes receivable	15	2,371	2,685	(314)	-	(314)	-	14	100	(200)
Advances from customers and billed in advance	15	(576)	(661)	85	-	85	-	(9)	(11)	65
Change in accounts and notes receivable and advances from customers and amounts billed in advance				(229)	-	(229)	-	5	89	(135)
Accounts and notes payable (Accounts payable)	23	(957)	(944)	(13)	-	(13)	-	(1)	(67)	(81)
Change in accounts and notes payable				(13)	-	(13)	-	(1)	(67)	(81)
Other non-current assets	14	115	119	(4)	(14)	(18)	(1)	0	(3)	(22)
Other current receivables	16	306	370	(64)	4	(60)	1	(5)	36	(28)
Other non-current liabilities	22	(279)	(322)	43	(30)	13	(1)	2	(13)	1
Accounts and notes payable (excluding accounts payable)	23	(1,348)	(1,396)	48	-	48	-	5	(55)	(2)
Other current payables	24	(80)	(137)	57	(14)	43	(3)	4	(67)	(23)
Change in other receivables/payables				80	(54)	26	(4)	6	(102)	(74)
CHANGE IN OPERATING WORKING CAPITAL						(216)	(4)	10	(80)	(290)

(1) Consolidated Statement of Financial Position items explaining cash flows relating to investing and financing activities and the payment of the income tax expense are not included in working capital requirements.

(2) The Reclassifications heading mainly includes changes relating to the current and non-current reclassification of certain accounts and notes receivable and payable, changes in the position of certain tax and employee-related receivables and payables in assets or liabilities.

Net cash from (used in) investing activities

The main components of net cash used in investing activities of €699 million (compared to €433 million in 2010) reflect:

- cash outflows of €554 million on business combinations, net of cash and cash equivalents acquired, including primarily the acquisition of Prosodie for €366 million (acquisition price of €376 million, cash and cash equivalents acquired of €6 million and an earn-out of €4 million), CS consulting (€44 million), AIVE Group (€40 million) and Artésys (€27 million). Acquisition-related costs disbursed in the year totaled €7 million;
- cash outflows of €28 million relating to acquisitions of intangible assets, net of disposals, mainly involving software for customer projects or for internal use and internally generated intangible assets (see Note 10 – Goodwill and intangible assets);
- cash outflows of €127 million relating to acquisitions of property, plant and equipment, net of disposals, mainly involving computer purchases for projects or relating to the partial renewal of IT installations and the renovation, extension and refurbishment of office space (see Note 11 – Property, plant and equipment).

Net cash from (used in) financing activities

Net cash inflows as a result of financing activities totaled €279 million (compared to an outflow €445 million in 2010) and mainly comprised:

- payment of the 2010 dividend of €154 million;
- a cash inflow of €495 million following the new bond issue performed in November 2011;
- a cash outflow of €99 million for the partial redemption of OCEANE 2005 bonds in November 2011;
- a cash inflow of €90 million in respect of issues of commercial paper;
- a cash outflow of €54 million in respect of repayments of obligations under finance leases;
- the receipt of €34 million from CPM Braxis non-controlling interests following their subscription of the December 2011 share capital issue in the amount of BRL 80 million;
- interest paid net of interest received of €30 million.

NOTE 19 – DERIVATIVE INSTRUMENTS AND CURRENCY AND INTEREST RATE RISK MANAGEMENT

Currency risk management**Currency risk management policy****Currency risk and hedging operating transactions**

The growing use of offshore production centers located in India, but also in Poland and Latin America, exposes the Group to currency risk with respect to some of its production costs.

The Group has therefore implemented a policy aimed at minimizing and managing these currency risks, mainly due to internal flows with India. The hedging policy is defined by the Group based on periodic reports and implemented primarily through forward foreign exchange contracts.

These transaction are recognized in accordance with accounting rules applicable to cash flow hedges.

Currency risk and hedging financial transactions

The Group is exposed to the risk of exchange rate fluctuations in respect of:

- inter-company financing transactions, mainly within Cap Gemini S.A.: as inter-company lending and borrowing is systematically hedged (in particular using forward foreign exchange contracts), the impact of changes in exchange rates on the Income Statement is negligible.
- fees paid to Cap Gemini S.A. by subsidiaries whose functional currency is not the euro. As the majority of these flows are hedged, the impact of changes in exchange rates on the Income Statement is not significant.

Currency risk and hedging of other non-current liabilities

During the fiscal year, the Group hedged part of its exposure to currency risk on the call-put option held respectively by Capgemini Group and the other shareholders of CPM Braxis over the share capital not yet held by the Group.

The sensitivity of translation reserves to currency risk is analyzed in Note 9 - Equity.

Exposure to currency risk

Amounts hedged at December 31, 2011 and detailed below mainly concern Cap Gemini S.A. for inter-company financing transactions, and the subsidiary Capgemini India Private Ltd. for sub-contracting activities performed for other Group regions. As Capgemini India Private Ltd. invoices its services to Group ordering entities in US dollar, pound sterling and euro, the currency risk in respect of production incurred in Indian rupee is reflected by exposure to these three currencies.

December 31, 2011

<i>in millions of euros</i>	Euro	US dollar	Pound sterling	Australian dollar	Swedish krona	Canadian dollar	Other ⁽¹⁾
Total assets	101	388	161	13	72	2	11
Total liabilities	(70)	(84)	(383)	(1)	(47)	(127)	(4)
Exposure to currency risks before hedging	31	304	(222)	12	25	(125)	7
Amounts hedged	(27)	(212)	225	(11)	(23)	126	(1)
Exposure to currency risks after hedging	4	92	3	1	2	1	6

(1) Other currencies essentially include the Polish zloty, Swiss franc, Singapore dollar and Norwegian krona.

At December 31, 2011, the euro-equivalent value of forward foreign exchange contracts breaks down by transaction type and maturity as follows:

<i>in millions of euros</i>	Less than 6 months	More than 6 months and less than 12 months	More than 12 months	Total
Operating transactions	225	185	162	572
Financial transactions	574	5	17	596
Transactions on other non-current liabilities	-	-	105	105
TOTAL	799	190	284	1,273

Hedges contracted in respect of operating transactions in India mainly comprise forward contracts to sell foreign currency maturing between 2012 and 2013 with an aggregate equivalent value of €505 million (€532 million at December 31, 2010). The hedges were chiefly taken out in respect of transactions in US dollars (\$376 million), euros (€149 million) and pounds sterling (£55 million). The maturities of the hedges range from 2 months to nearly 2 years.

The Group has also entered into forward contracts to sell foreign currency (mainly pounds sterling, US dollar and Swedish krona) in Poland, France and the United States. These contracts mature between 2012 and 2016 and have an equivalent value of €43 million.

Hedges contracted in respect of financial transactions primarily concern Cap Gemini S.A. At December 31, 2011, hedged inter-company loans totaled €570 million (€440 million at December 31, 2010) and comprised loans denominated in pound sterling, Australian dollar, Swedish krona, US dollar and Canadian dollar.

Hedges contracted in respect of other non-current liabilities mainly comprise forward foreign exchange contracts with a nominal value of BRL 253 million (€105 million), maturing in October 2013.

Fair value of hedging derivatives

At December 31 (in millions of euros)	Note	2009	2010	2011
Other non-current assets	14	3	5	-
Other current receivables	16	7	22	12
Other non-current liabilities	22	(3)	(2)	(15)
Other current payables	24	(4)	(10)	(51)
Fair value of hedging derivatives		3	15	(54)
relating to:				
- operating transactions		3	16	(49)
- financial transactions		-	(1)	(5)
Hedging derivative counterparty recognized in equity at December 31 (on operating transactions)		2	11	(44)
Change in the period in hedging derivatives recognized in equity		29	9	(55)
o/w amounts released to operating profit in respect of transactions performed		19	(15)	3
o/w fair value of hedging derivatives relating to future transactions		10	24	(58)

The fair value of hedging derivatives and the hedging derivative counterparty recognized in equity primarily concern hedges of inter-company flows between India and other Group entities. The change in these items between December 31, 2010 and December 31, 2011 is attributable to the depreciation of the Indian rupee against the euro, US dollar and pound sterling.

Fair value of interest rate derivatives

An interest rate swap contract maturing in July 2014, covering 50% of a finance lease taken out by S.A.R.L. Immobiliere Les Fontaines (owner of Capgemini University) was entered into by this latter in 2003 for a residual notional amount of €26 million. Under the terms of the swap, S.A.R.L. Immobiliere Les Fontaines pays a fixed rate of 3.51% and receives 3-month Euribor.

Interest rate risk management

Interest rate risk management policy

The Group's exposure to interest rate risk should be analyzed in light of its cash position: at December 31, 2011, the Group had €2,296 million in cash and cash equivalents, mainly invested at floating rates (or failing this at fixed rates for periods of less than or equal to 3 months), and €1,837 million in gross indebtedness principally at fixed rates (92%) (see Note 17 – Net cash and cash equivalents). The high proportion of fixed rate borrowings is due to the weight of bond issues in gross indebtedness.

Exposure to Interest rate risk: sensitivity analysis

Based on average levels of cash and cash equivalents and borrowings in 2011, a 100-basis point rise in interest rates would have a positive impact of around €17 million on the Group's net finance costs (€17 million in 2010 and 2009). Conversely, a 100-basis point fall in interest rates would have an estimated €17 million negative impact on the Group's net finance costs for 2011 (€17 million in 2010 and 2009).

Counterparty risk management

In addition, in line with its policies for managing currency and interest rate risks as described above, the Group also enters into hedging agreements with leading financial institutions. Accordingly, counterparty risk can be deemed not material. At December 31, 2011, the Group's main counterparties in respect of managing currency and interest rate risk are Barclays, BNP Paribas, CA CIB, Citibank, Itau, HSBC, Natixis, Santander and Société Générale.

NOTE 20 – PROVISIONS FOR PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

Breakdown of provisions for pensions and other post-employment benefits

Change in the obligation, plan assets and the expense recognized in the Income Statement

<i>in millions of euros</i>	Note	2009	2010	2011
Present value of the obligation at January 1		1,616	2,112	2,548
Business combinations		-	-	8
Service cost		30	39	43
Past service cost		14	6	3
Interest cost		113	131	136
Effect of curtailments and settlements		(4)	(2)	-
Contributions paid by employees		5	6	6
Benefits paid to employees		(48)	(76)	(71)
Changes in actuarial gains and losses ⁽¹⁾		249	198	280
Translation adjustments		133	133	72
Other movements		4	1	2
Present value of the obligation at December 31		2,112	2,548	3,027
Fair value of plan assets at January 1		(1,090)	(1,417)	(1,713)
Expected return on plan assets		(71)	(103)	(111)
Effect of curtailments and settlements		3	2	-
Contributions paid by employees		(5)	(6)	(6)
Benefits paid to employees		41	68	66
Contributions paid		(100)	(84)	(93)
Changes in actuarial gains and losses ⁽¹⁾		(90)	(71)	13
Translation adjustments		(100)	(97)	(45)
Other movements		(5)	(5)	(9)
Fair value of plan assets at December 31		(1,417)	(1,713)	(1,898)
Total net funding shortfall		695	835	1,129
Unrecognized past service costs		(36)	(34)	(30)
Net provision in the Consolidated Statement of Financial Position at December 31		659	801	1,099
Funding surplus recognized in assets	14	(21)	(3)	-
Provisions recognized in liabilities		680	804	1,099
Expense for the period recognized in the Income Statement				
Service cost	4	(30)	(39)	(43)
Past service cost	4	(5)	(8)	(8)
Interest cost	6	(113)	(131)	(136)
Expected return on plan assets	6	71	103	111
Effect of curtailments and settlements	5	1	-	-
TOTAL EXPENSE FOR THE PERIOD		(76)	(75)	(76)

(1) The change in actuarial gains and losses is recorded in "Income and expense recognized in equity".

Breakdown of the change by main beneficiary country

<i>in millions of euros</i>	United Kingdom	Canada	Other	Total
At December 31, 2009				
Present value of obligations under funded plans	1,525	305	130	1,960
Fair value of plan assets	(1,024)	(289)	(104)	(1,417)
Funding shortfall under funded plans	501	16	26	543
<i>o/w actuarial gains and losses recognized in equity ⁽¹⁾</i>	297	56	8	361
Funding shortfall under unfunded plans	-	37	115	152
<i>o/w actuarial gains and losses recognized in equity ⁽¹⁾</i>	-	(5)	18	13
Total net funding shortfall	501	53	141	695
Unrecognized past service costs	-	-	(36)	(36)
Net provision in the Consolidated Statement of Financial Position	501	53	105	659
Funding surplus recognized in assets	-	(5)	(16)	(21)
Provisions recognized in liabilities	501	58	121	680
At December 31, 2010				
Present value of obligations under funded plans	1,827	368	167	2,362
Fair value of plan assets	(1,251)	(341)	(121)	(1,713)
Funding shortfall under funded plans	576	27	46	649
<i>o/w actuarial gains and losses recognized in equity ⁽¹⁾</i>	398	75	13	486
Funding shortfall under unfunded plans	-	58	128	186
<i>o/w actuarial gains and losses recognized in equity ⁽¹⁾</i>	-	6	25	31
Total net funding shortfall	576	85	174	835
Unrecognized past service costs	-	-	(34)	(34)
Net provision in the Consolidated Statement of Financial Position	576	85	140	801
Funding surplus recognized in assets	-	-	(3)	(3)
Provisions recognized in liabilities	576	85	143	804
At December 31, 2011				
Present value of obligations under funded plans	2,187	425	180	2,792
Fair value of plan assets	(1,428)	(345)	(125)	(1,898)
Funding shortfall under funded plans	759	80	55	894
<i>o/w actuarial gains and losses recognized in equity ⁽¹⁾</i>	619	141	20	780
Funding shortfall under unfunded plans	-	85	150	235
<i>o/w actuarial gains and losses recognized in equity ⁽¹⁾</i>	-	27	28	55
Total net funding shortfall	759	165	205	1,129
Unrecognized past service costs	-	-	(30)	(30)
Net provision in the Consolidated Statement of Financial Position	759	165	175	1,099
Funding surplus recognized in assets	-	-	-	-
Provisions recognized in liabilities	759	165	175	1,099

(1) Actuarial gains and losses are recorded in "Income and expense recognized in equity."

The countries included in the "Other" column are the United States, Sweden, Norway, France, Germany, Austria, Switzerland, the Netherlands, Italy and India. These countries represent 16% of net provisions in the Consolidated Statement of Financial Position.

Principal actuarial assumptions

Discount rate and salary inflation rate

	2009	2010	2011		
%			United Kingdom	Canada	Other
Discount rate	3.3 - 8.3	2.4 - 8.4	4.7	5.2	2.9 - 8.8
Salary inflation rate	1.0 - 7.0	1.0 - 7.0	3.9	3.3	1.5 - 10.0

In 2011, the benchmark indexes used to calculate discount rates were identical to those used in previous years.

Plan assets and the expected and actual return on plan assets

			Expected return			Actual return		
<i>in millions of euros</i>	Amount	%	United Kingdom	Canada	Other	United Kingdom	Canada	Other
At December 31, 2009								
Shares	841	59	8.0	8.5	6.3 - 8.3	176 - 26.6	11.6 - 12.2	(2.5) - 32.2
Bonds	509	36	5.9	4.0	2.1 - 4.7	7.0 - 9.2	7.1	(2.5) - 23.3
Real estate assets	14	1	6.5	-	3.9	(6.1)	-	(2.5) - 9.8
Cash and cash equivalents	31	2	3.8	1.0	3.9	0.8	(1.5) - (1.1)	0.2
Other	22	2	-	-	(6.6) - 12.2	-	-	(12.3) - 9.8
TOTAL	1,417	100						
At December 31, 2010								
Shares	1,015	59	8.0	8.5	3.0 - 8.7	12.8 - 16.3	8.6 - 8.8	0.9 - 13.5
Bonds	595	35	5.5	4.0	1.5 - 4.5	9.4 - 11.0	9.0 - 9.2	0.9 - 8.5
Real estate assets	3	-	-	-	3.0 - 3.9	-	-	0.9 - 8.5
Cash and cash equivalents	71	4	3.8	1.0	0.8 - 3.0	1.3	(1.4) - (1.3)	0.1 - 8.5
Other	29	2	-	-	3.8 - 5.9	-	-	0.9 - 24.3
TOTAL	1,713	100						
At December 31, 2011								
Shares	1,068	56	8.0	7.5	4.3 - 10.1	(5.7) - (4.8)	(4.1) - (4.0)	1.5 - 3.3
Bonds	752	40	4.7	4.0	2.0 - 4.6	15.3 - 15.8	10.8	1.5 - 6.2
Real estate assets	3	-	6.5	-	3.0 - 4.0	-	-	1.5 - 3.0
Cash and cash equivalents	44	2	3.8	1.0	0.5 - 4.0	0.5	(1.2) - (0.8)	-
Other	31	2	-	-	(2.3) - 9.4	-	-	0.9 - 9.4
TOTAL	1,898	100						

In the United Kingdom, expected rates of returns are validated by experts. For shares, the expected rate of return is based on a study of a selection of leading companies in the United Kingdom which takes account of the maturity of obligations hedged and forecast expected returns based on past trends. The expected rate of return on bonds is determined based on the discount rate used for the obligation, that is, the expected rate of return on corporate bonds rated AA.

In Canada, expected rates of return are determined in accordance with a model based on economic data observable in financial markets (assumptions on the profitability of shares and bonds, validated by expert analyses).

Employees covered by pension plans

	2009	2010	2011			
At December 31	Total	Total	United Kingdom	Canada	Other	Total
Current employees – accruing pensionable service	44,626	54,284	1,160	2,697	57,581	61,438
Former and current employees – not accruing pensionable service	12,101	12,014	8,607	225	3,047	11,879
Retirees	2,288	2,538	1,843	639	338	2,820
TOTAL	59,015	68,836	11,610	3,561	60,966	76,137

The increase in employees in 2011 is chiefly attributable to the expansion of Group operations in India. At December 31, 2011, a total of 35,932 employees were eligible for these pension plans in India, versus 30,621 employees at December 31, 2010.

Analysis of the change in provisions for pensions and other post-employment benefits

Change in regulatory context: pension reform in France

The pension reforms adopted in France and resulting in the lengthening of the period of activity, did not have a material impact on the amount of retirement termination payments.

Impact on the Income Statement: change in the service cost and the interest cost

In 2011, the expense recognized in operating margin in respect of the service cost and the past service cost is €51 million and mainly concerns France (€16 million), Canada (€14 million) and the United Kingdom (€12 million). The increase in the service cost in 2011 compared to 2010 (€4 million) was mainly due to the decrease in discount rates between 2009 and 2010 in the majority of regions and particularly Canada.

The net impact of the interest cost (discounting of the obligation) and the expected return on plan assets was a financial expense of €25 million (mainly concerning the United Kingdom for €15 million). The decrease in this financial expense in 2011 compared to 2010 (€3 million) was due to:

- the increase in the fair value of plan assets as a result of the rise in contributions paid by the Group, as well as the positive impact of the slight increase in the expected average rate of return for the main pension regime in the United Kingdom. The overall impact was a decrease in the net financial expense of €8 million,
- the favorable impact tied to the fall in interest rates in the majority of regions was nonetheless more than offset by the increase in the net present value of obligations, particularly in the United Kingdom, resulting in an increase in the net financial expense of €5 million.

Impact on equity: change in actuarial gains and losses

Actuarial gains and losses reflect increases or decreases in the present value of the obligation or the fair value of the related plan assets. Actuarial gains and losses include (i) the impact of changes in actuarial assumptions and (ii) experience adjustments, reflecting differences between projected actuarial assumptions and what has actually occurred.

	2009	2010	2011			
At December 31	Total	Total	United Kingdom	Canada	Other	Total
Impact of changes in actuarial assumptions	257	186	240	61	5	306
Experience adjustments, o/w:	(98)	(59)	(39)	22	4	(13)
Adjustment on liabilities ⁽¹⁾	(8)	12	(29)	2	1	(26)
Adjustment on assets ⁽²⁾	(90)	(71)	(10)	20	3	13
IMPACT ON INCOME AND EXPENSE RECOGNIZED IN EQUITY	159	127	201	83	9	293

(1) +: increase in liabilities / -: decrease in liabilities

(2) -: increase in assets / +: decrease in assets

Impact of changes in actuarial assumptions

Changes in actuarial assumptions (essentially the discount rate and the expected rate of return on plan assets) generated an actuarial loss in 2011 of €293 million. This loss is attributable to changes in actuarial assumptions between 2010 and 2011, particularly in the United Kingdom and Canada where discount rates dropped by 83 and 45 basis points, respectively.

Experience adjustments

Experience adjustments result from differences between projected actuarial assumptions and what has actually occurred during the fiscal year. The impact of experience adjustments on the value of plan assets was an actuarial loss of €13 million, primarily due to an actuarial loss of €20 million in Canada (as actual rates of return were lower than expected rates of return) partially offset by an actuarial gain of €10 million in the UK (as actual rates of return were higher than expected rates of return).

Other impacts on the statement of financial position: contributions, benefits and translation adjustments

Contributions paid by the Group totaled €93 million in 2011, including €61 million in the United Kingdom and €24 million in Canada.

The benefits paid to employees of €71 million mainly involved the United Kingdom (€30 million) and Canada (€26 million).

The €27 million increase in provisions for pensions for translation adjustments, was due to the appreciation, in particular, of the pound sterling (€23 million) and the Canadian dollar (€3 million) during the period.

In the United Kingdom, the defined benefit section of the main Capgemini UK Plc. pension plan terminated on March 31, 2008 for the large majority of beneficiaries. In exchange, these individuals were given the opportunity to join the defined contribution section of this plan. In accordance with the recommendations put forward by the UK Pensions Regulator, Capgemini UK Plc. has committed to fund the shortfall identified at the last three-year valuation up to July 2018.

Sensitivity analysis**Analysis of the sensitivity of the present value of the obligation in the United Kingdom**

The impact of a change of 50 basis points in the discount rate and the inflation rate on the present value of the obligation in the United Kingdom, which represents 72% of the total Group obligation at December 31, 2011, is presented below:

<i>in millions of euros</i>	Impact	Present value of obligation
Present value of the obligation at December 31, 2011		2,187
Increase of 50 basis points in the discount rate	(204)	1,983
Decrease of 50 basis points in the discount rate	236	2,423
Increase of 50 basis points in the inflation rate	194	2,381
Decrease of 50 basis points in the inflation rate	(200)	1,987

Analysis of the sensitivity of healthcare assistance costs

Healthcare assistance costs exclusively concern Canada. For 2009, 2010 and 2011, a 1% change in healthcare assistance costs would have an impact of plus or minus €2 million in the

Consolidated Income Statement (service cost and interest cost). The impact of this 1% change would range from negative €13 million to positive €16 million in the Consolidated Statement of Financial Position at December 31, 2011.

NOTE 21 – CURRENT AND NON-CURRENT PROVISIONS

<i>in millions of euros</i>	2009	2010	2011
AT JANUARY 1	65	49	66
Charge	24	42	34
Reversals (utilization of provisions)	(10)	(8)	(13)
Reversals (surplus provisions)	(37)	(19)	(31)
Other	7	2	7
AT DECEMBER 31	49	66	63

At December 31, 2011, current provisions (€48 million) and non-current provisions (€15 million) mainly concern risks relating to projects and contracts amounting to €46 million (€46 million at December 31, 2010) and risks relating to tax and labor disputes amounting to €17 million (€20 million at December 31, 2010).

Additions to provisions mainly concern outsourcing and technology services projects and tax and labor disputes. Reversals for the period mainly reflect the favorable outcome of customer disputes.

NOTE 22 – OTHER NON-CURRENT LIABILITIES

At December 31 (<i>in millions of euros</i>)	Note	2009	2010	2011
Special employee profit-sharing reserve		66	68	61
Derivative instruments	19	3	2	15
Liabilities related to acquisitions of consolidated companies	2	6	189	219
Other		20	20	27
OTHER NON-CURRENT LIABILITIES		95	279	322

At December 31, 2011, Liabilities related to acquisitions of consolidated companies consist of earn-outs granted at the time of certain acquisitions and put options granted to minority shareholders in CPM Braxis in the amount of BRL 479 million (€198 million at December 31, 2011). The change in put options is due to the inclusion of price adjustments, the impact of the unwinding of the discount on the initial put option and the recognition of an additional put option in the amount of €34 million (see Note 2 – Changes in Group structure).

At December 31, 2011, the “Other” line includes €11 million in respect of a CPM Braxis social security liability. In 2011, a definitive agreement for the payment of this liability over 15 years was signed with the Brazilian tax authorities, as part of the “REFIS” voluntary program for the settlement and recovery of tax liabilities launched in April 2000.

NOTE 23 – ACCOUNTS AND NOTES PAYABLE

At December 31 (in millions of euros)	2009	2010	2011
Accounts payable	812	957	944
Accrued taxes other than on income	327	405	378
Personnel costs	853	924	1,002
Other	34	19	16
ACCOUNTS AND NOTES PAYABLE	2,026	2,305	2,340

NOTE 24 – OTHER CURRENT PAYABLES

At December 31 (in millions of euros)	Note	2009	2010	2011
Special employee profit-sharing reserve		10	21	18
Derivative instruments	19	4	10	51
Liabilities related to acquisitions of consolidated companies	2	5	6	14
Other		24	43	54
OTHER CURRENT PAYABLES		43	80	137

At December 31, 2011, the "Other" line includes €29 million in respect of employee-related disputes in the Brazilian subsidiary, CPM Braxis S.A. These disputes are covered for the part not

provided at the acquisition date by a warranty clause included in the acquisition contract.

NOTE 25 – OPERATING SEGMENTS

As indicated in Note 1-R – Accounting policies: Operating segments, segment information is provided for the geographic areas presented below (Section I – Segment reporting by geographic area) and complemented in Section II by information on revenues and operating margin for each of the Group's four businesses.

Segment reporting by geographic area

The Group has operations in the following eight geographic areas:

Geographic area	Country
North America	Canada, United States
France	France, Morocco
United Kingdom and Ireland	Ireland, United Kingdom
Benelux	Belgium, Luxembourg, Netherlands
Southern Europe and Latin America	Argentina, Brazil, Chile, Guatemala, Italy, Mexico, Portugal, Spain
Nordic countries	Denmark, Finland, Norway, Sweden
Germany and Central Europe	Austria, Czech Republic, Germany, Hungary, Poland, Romania, Slovakia, Switzerland
Asia-Pacific	Australia, China, India, Philippines, Singapore, United Arab Emirates, Vietnam

Analysis of the Income Statement by geographic area

Fiscal year 2011	North America	France	United Kingdom and Ireland	Benelux	Southern Europe and Latin America	Nordic countries	Germany and Central Europe	Asia-Pacific	Not allocated ⁽¹⁾	Eliminations	Total
in millions of euros											
REVENUES											
- external ⁽²⁾	1,805	2,138	1,945	1,266	1,000	635	626	278	-	-	9,693
- inter-geographic area	78	162	125	52	41	26	132	537	-	(1,153)	-
TOTAL REVENUES	1,883	2,300	2,070	1,318	1,041	661	758	815	-	(1,153)	9,693
Operating margin ⁽²⁾	159	187	139	94	30	46	43	83	(68)	-	713
% of revenues	8.8	8.7	7.1	7.4	3.0	7.2	6.9	n/a			7.4
OPERATING PROFIT	153	153	124	62	11	42	36	82	(68)		595

(1) Items that have not been allocated correspond to headquarter expenses.

(2) Non-Group revenues generated under sub-contracting arrangements are recorded in the ordering region. As operating margin is calculated based on these revenues, the margin for the Asia-Pacific area is not representative of its activities, which mostly consist of internal subcontracting carried out in India.

Fiscal year 2010	North America	France	United Kingdom and Ireland	Benelux	Southern Europe and Latin America	Nordic countries	Germany and Central Europe	Asia-Pacific	Not allocated ⁽¹⁾	Eliminations	Total
in millions of euros											
REVENUES											
- external ⁽²⁾	1,665	1,931	1,912	1,314	599	543	534	199	-	-	8,697
- inter-geographic area	58	117	83	43	42	21	117	456	-	(937)	-
TOTAL REVENUES	1,723	2,048	1,995	1,357	641	564	651	655	-	(937)	8,697
Operating margin ⁽²⁾	86	127	150	127	19	36	48	61	(67)	-	587
% of revenues	5.2	6.6	7.9	9.7	3.1	6.6	9.0	n/a	-	-	6.8
OPERATING PROFIT	76	106	132	106	6	30	40	60	(67)	-	489

(1) Items that have not been allocated correspond to headquarter expenses.

(2) Non-Group revenues generated under sub-contracting arrangements are recorded in the ordering region. As operating margin is calculated based on these revenues, the margin for the Asia-Pacific area is not representative of its activities, which mostly consist of internal subcontracting carried out in India.

Fiscal year 2009	North America	France	United Kingdom and Ireland	Benelux	Southern Europe and Latin America	Nordic countries	Germany and Central Europe	Asia-Pacific	Not allocated ⁽¹⁾	Eliminations	Total	
in millions of euros												
REVENUES												
- external ⁽²⁾	1,590	1,949	1,852	1,397	434	488	531	130	-	-	8,371	
- inter-geographic area	39	98	64	33	33	12	93	358	-	(730)	-	
TOTAL REVENUES	1,629	2,047	1,916	1,430	467	500	624	488	-	(730)	8,371	
Operating margin ⁽²⁾	77	121	165	122	10	35	51	69	(55)	-	595	
% of revenues	4.9	6.2	8.9	8.7	2.3	7.3	9.7	n/a	-	-	7.1	
OPERATING PROFIT	55	65	137	30	(9)	21	27	63	(56)	-	333	
											Net finance costs	(43)
											Other financial income	75
											Other financial expense	(125)
											Income tax expense	(61)
											Share of profit of associates	(1)
											PROFIT FOR THE YEAR	178
											PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY	178

(1) Items that have not been allocated correspond to headquarter expenses.

(2) Non-Group revenues generated under sub-contracting arrangements are recorded in the ordering region. As operating margin is calculated based on these revenues, the margin for the Asia-Pacific area is not representative of its activities, which mostly consist of internal subcontracting carried out in India.

Analysis of depreciation, amortization and other expenses with no cash impact included in the operating margin

Fiscal year 2011										
<i>in millions of euros</i>										
	North America	France	United Kingdom and Ireland	Benelux	Southern Europe and Latin America	Nordic countries	Germany and Central Europe	Asia-Pacific	Not allocated ⁽¹⁾	Total
Depreciation and amortization expense	(33)	(29)	(30)	(21)	(22)	(12)	(15)	(26)	-	(188)
Net charge to provisions ⁽¹⁾	3	7	(11)	2	(3)	-	(5)	5	-	(2)
TOTAL	(30)	(22)	(41)	(19)	(25)	(12)	(20)	(21)	-	(190)

(1) This item includes net movements in provisions for doubtful accounts and current and non-current provisions.

Fiscal year 2010										
<i>in millions of euros</i>										
	North America	France	United Kingdom and Ireland	Benelux	Southern Europe and Latin America	Nordic countries	Germany and Central Europe	Asia-Pacific	Not allocated ⁽¹⁾	Total
Depreciation and amortization expense	(35)	(27)	(28)	(29)	(11)	(11)	(13)	(20)	-	(174)
Net charge to provisions ⁽¹⁾	10	(7)	(11)	6	(1)	(1)	(5)	(3)	-	(12)
TOTAL	(25)	(34)	(39)	(23)	(12)	(12)	(18)	(23)	-	(186)

(1) This item includes net movements in provisions for doubtful accounts and current and non-current provisions.

Fiscal year 2009										
<i>in millions of euros</i>										
	North America	France	United Kingdom and Ireland	Benelux	Southern Europe and Latin America	Nordic countries	Germany and Central Europe	Asia-Pacific	Not allocated ⁽¹⁾	Total
Depreciation and amortization expense	(36)	(26)	(26)	(28)	(6)	(6)	(18)	(18)	-	(164)
Net charge to provisions ⁽¹⁾	(6)	-	(4)	(4)	(1)	1	(1)	3	-	(12)
TOTAL	(42)	(26)	(30)	(32)	(7)	(5)	(19)	(15)	-	(176)

(1) This item includes net movements in provisions for doubtful accounts and current and non-current provisions.

Analysis of assets and liabilities by geographic area

The location of assets corresponds to the location of the Group's clients, except for outsourcing centers such as in India.

At December 31, 2011											
in millions of euros											
	North America	France	United Kingdom and Ireland	Benelux	Southern Europe and Latin America	Nordic countries	Germany and Central Europe	Asia-Pacific	Not allocated	Eliminations	Total
Assets by geographic area:											
- external	1,154	2,081	1,184	1,146	857	380	464	314	51	-	7,631
- inter-geographic area	38	101	52	23	24	11	36	106	35	(426)	-
TOTAL ASSETS BY GEOGRAPHIC AREA	1,192	2,182	1,236	1,169	881	391	500	420	86	(426)	7,631
					Deferred tax assets						1,020
					Current income tax receivable						55
					Cash management assets						73
					Cash and cash equivalents						2,223
					Derivative instruments						12
					TOTAL ASSETS						11,014
Liabilities by geographic area:											
- external	607	1,053	1,388	336	554	207	218	186	7		4,556
- inter-geographic area	78	84	71	47	18	19	28	42	32	(419)	-
TOTAL EQUITY AND LIABILITIES BY GEOGRAPHIC AREA	685	1,137	1,459	383	572	226	246	228	39	(419)	4,556
					Total equity						4,283
					Deferred tax liabilities						183
					Current income tax payable						89
					Borrowings and bank overdrafts						1,837
					Derivative instruments						66
					TOTAL EQUITY AND LIABILITIES						11,014

At December 31, 2010												
in millions of euros	North America	France	United Kingdom and Ireland	Benelux	Southern Europe and Latin America	Nordic countries	Germany and Central Europe	Asia-Pacific	Not allocated	Eliminations	Total	
Assets by geographic area:												
- external	1,035	1,560	990	1,195	805	340	400	274	35	-	6,634	
- inter-geographic area	41	69	47	22	15	7	26	77	22	(326)	-	
TOTAL ASSETS BY GEOGRAPHIC AREA	1,076	1,629	1,037	1,217	820	347	426	351	57	(326)	6,634	
					Deferred tax assets							891
					Current income tax receivable							40
					Cash management assets							71
					Cash and cash equivalents							2,305
					Derivative instruments							27
					TOTAL ASSETS							9,968
Liabilities by geographic area:												
- external	497	968	1,198	340	526	179	205	174	11	-	4,098	
- inter-geographic area	81	72	43	45	17	21	20	21	6	(326)	-	
TOTAL EQUITY AND LIABILITIES BY GEOGRAPHIC AREA	578	1,040	1,241	385	543	200	225	195	17	(326)	4,098	
					Total equity							4,307
					Deferred tax liabilities							178
					Current income tax payable							61
					Borrowings and bank overdrafts							1,312
					Derivative instruments							12
					TOTAL EQUITY AND LIABILITIES							9,968

At December 31 (in millions of euros)	2009	2010	2011
North America	36	31	18
France	37	22	33
United Kingdom and Ireland	23	50	46
Benelux	26	13	13
Southern Europe and Latin America	8	14	29
Nordic countries	3	14	20
Germany and Central Europe	11	15	17
Asia-Pacific	17	37	42
ACQUISITIONS OF INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT	161	196	218

168 2011 REGISTRATION DOCUMENT **CAPGEMINI**

Segment reporting by business

The Group's services are organized into four businesses:

- "Consulting Services" helps to enhance the performance of organizations based on in-depth knowledge of client industries and processes;
- "Technology Services" plans, designs and develops IT systems and applications;
- "Local Professional Services" provides assistance and support to internal IT teams within client companies;
- "Outsourcing Services" manages all or part of a company's IT or business process needs.

Breakdown of revenues by business

<i>in millions of euros</i>	2009		2010		2011	
	Amount	%	Amount	%	Amount	%
Consulting Services	558	7	511	6	515	5
Technology Services	3,345	40	3,610	42	4,020	41
Local Professional Services	1,419	17	1,418	16	1,518	16
Outsourcing Services	3,049	36	3,158	36	3,640	38
REVENUES	8,371	100	8,697	100	9,693	100

Breakdown of operating margin by business

<i>in millions of euros</i>	2009		2010		2011	
	Amount	%	Amount	%	Amount	%
Consulting Services	64	11.4	56	10.9	62	12.0
Technology Services	230	6.9	242	6.7	273	6.8
Local Professional Services	138	9.7	131	9.2	166	10.9
Outsourcing Services	218	7.2	225	7.1	280	7.7
Not allocated	(55)	-	(67)	-	(68)	-
OPERATING MARGIN	595	7.1	587	6.8	713	7.4

NOTE 26 – NUMBER OF EMPLOYEES

Average number of employees by geographic area

	2009		2010		2011	
	Employees	%	Employees	%	Employees	%
North America	8,032	9	8,265	8	9,039	8
France	20,496	23	19,828	21	20,614	18
United Kingdom and Ireland	8,042	9	8,167	8	8,700	8
Benelux	11,795	13	10,877	11	10,508	9
Southern Europe and Latin America	7,939	9	9,863	10	15,505	14
Nordic countries	3,894	4	3,850	4	4,292	4
Germany and Central Europe	7,649	8	7,853	8	8,375	7
Asia-Pacific	22,230	25	28,696	30	37,150	32
Not allocated	161	-	172	-	171	-
AVERAGE NUMBER OF EMPLOYEES	90,238	100	97,571	100	114,354	100

Number of employees at December 31 by geographic area

	2009		2010		2011	
	Employees	%	Employees	%	Employees	%
At December 31						
North America	7,950	9	8,667	8	9,505	8
France	19,865	22	20,107	18	21,571	18
United Kingdom and Ireland	7,844	9	8,515	8	8,977	7
Benelux	11,163	12	10,782	10	10,391	9
Southern Europe and Latin America	8,114	9	14,853	14	16,499	14
Nordic countries	3,681	4	4,012	4	4,538	4
Germany and Central Europe	7,724	9	7,928	7	8,962	7
Asia-Pacific	24,008	26	33,655	31	39,097	33
Not allocated	167	-	179	-	167	-
NUMBER OF EMPLOYEES AT DECEMBER 31	90,516	100	108,698	100	119,707	100

NOTE 27 – OFF-BALANCE SHEET COMMITMENTS

Off-balance sheet commitments relating to Group operating activities

Commitments given on client contracts

The Group has provided performance and/or financial guarantees for a number of major contracts. These include the contracts signed with HM Revenue & Customs, Schneider Electric Industries, Euroclear, the Metropolitan Police, Ontario Power Generation Inc., Environment Agency, Renault S.A. and The Secretary of State for Work & Pensions.

In addition, certain clients enjoy:

- limited financial guarantees issued by the Group and totaling €856 million at December 31, 2011 (€631 million and €266 million at December 31, 2010 and 2009, respectively),
- bank guarantees borne by the Group and totaling €81 million at December 31, 2011 (€91 million and €57 million at December 31, 2010 and 2009, respectively).

Commitments given on non-cancellable leases

<i>in millions of euros</i>	Computer equipment	Offices	Vehicles and other non-cancellable leases	Total
Y+1	14	171	63	248
Y+2	5	135	45	185
Y+3	2	104	27	133
Y+4	1	76	10	87
Y+5	-	54	-	54
Y+6 and beyond	-	111	-	111
December 31, 2011	22	651	145	818
December 31, 2010	32	633	140	805
December 31, 2009	36	687	142	865

Lease payments recognized in the Income Statement in 2011 totaled €307 million (€267 million and €262 million at December 31, 2010 and 2009, respectively).

Other commitments given

Other commitments given total €121 million at December 31, 2011 (€50 million and €53 million in 2010 and 2009, respectively) and comprise:

- bank guarantees given to the tax authorities in connection with tax disputes in France, India and Spain,
- firm purchase commitments relating to goods or services in India and France.

Commitments received on client contracts

Pursuant to a contract signed in 2010, Capgemini Group received a limited financial guarantee of €67.5 million from the client.

Off-balance sheet commitments relating to Group financing

Bond issues

With regard to the OCEANE 2005 and 2009 bonds and the new 2011 bond issue detailed in Note 17 – Net cash and cash equivalents, Cap Gemini S.A. has committed to standard obligations and particularly to maintain *pari passu* status with all other negotiable bonds that may be issued by the Company.

Syndicated credit facility obtained by Cap Gemini S.A. and not drawn to date

Cap Gemini S.A. has agreed to comply with the following financial ratios (as defined in IFRS) in respect of the credit facility disclosed in Note 17 – Net cash and cash equivalents:

- the net debt to consolidated equity ratio must be less than 1 at all times,
- the interest coverage ratio (the extent to which net finance costs are covered by consolidated operating margin) must be equal to or greater than 3 at December 31 and June 30 of each year (based on the 12 months then ended).

At December 31, 2009, 2010 and 2011 the Group complied with these financial ratios.

The facility agreement includes covenants restricting the Company's ability to carry out certain operations. These covenants also apply to Group subsidiaries. They include restrictions primarily relating to pledging assets as collateral, asset sales, mergers and similar transactions. Cap Gemini S.A. also committed to standard obligations, including an agreement to maintain *pari passu* status.

Borrowings secured by assets

Some borrowings are secured by assets recorded in the Consolidated Statement of Financial Position. At December 31, 2011, these related to finance leases for an amount of €132 million.

Contingent liabilities

During 2011 and in previous fiscal years, some Group companies underwent tax audits leading in some cases to tax reassessments. A number of these reassessments have been challenged and some litigation proceedings were in progress at the period end. In general, no provisions have been set aside for these disputes in the consolidated financial statements.

NOTE 28 – RELATED-PARTY TRANSACTIONS

Associates

Associates are equity-accounted companies over which the Group exercises significant influence. At December 31, 2011, the Group does not equity account for any companies, following the buy-out of the residual 51.17% share capital of SSS Holdings Corporation Ltd. in 2010. Transactions with these companies in 2009 were carried out on an arm's length basis, and volumes were not material.

Other related-parties

In 2011, no material transactions were carried out with:

- shareholders holding significant voting rights in the share capital of Cap Gemini S.A.,
- members of management, including Directors and non-voting Directors,

- entities controlled or jointly controlled by a member of key management personnel, or over which he/she has significant influence or holds significant voting rights.

Moreover, since the acquisition of CPM Braxis on October 6, 2010, it is worth noting that Bradesco S.A., a minority shareholder, is also the main client of CPM Braxis accounting for 45% of its revenues.

Group management compensation

The table below provides a breakdown of compensation due in respect of 2011 to members of Group management - which includes the Group operating management structure present at each year-end (20 members in 2011 and 21 members in 2010) – and the Chairman of the Board of Directors, as well as attendance fees payable to non-salaried Directors and non-voting Directors.

<i>in millions of euros</i>	2009	2010	2011
Short-term benefits excluding employer payroll taxes ⁽¹⁾	21,422	18,306	16,253
<i>O/w: attendance fees to salaried Directors ⁽²⁾</i>	-	-	-
<i>O/w: attendance fees to non-salaried Directors and non-voting Directors ⁽³⁾</i>	534	699	722
Short-term benefits: employer payroll taxes	4,133	3,300	3,640
Post-employment benefits ⁽⁴⁾	909	674	623
Share-based payment ⁽⁵⁾	1,741	2,183	2,456

(1) Includes gross wages and salaries, bonuses, profit-sharing, directors' fees and benefits in kind.

(2) Note that salaried Directors (Serge Kampf and Paul Hermelin) waived receipt of their attendance fees in 2009, 2010 and 2011.

(3) 14 in 2009, 13 in 2010 and 13 in 2011.

(4) Including mainly statutory retirement termination payments.

(5) Representing the annual expense relating to the granting of stock options and performance shares.

NOTE 29 – SUBSEQUENT EVENTS

The remaining 9,460,810 OCEANE 2005 bonds were redeemed in full on January 2, 2012 for an amount of €400 million (including accrued interest not yet due at December 31, 2011).

At the Combined Shareholders' Meeting, the Board of Directors will recommend a dividend payout to Cap Gemini S.A. shareholders of €1 per share in respect of 2011, compared to a dividend of €1 per share in respect of 2010 and €0.80 per share in respect of 2009.

NOTE 30 – LIST OF THE MAIN CONSOLIDATED COMPANIES BY COUNTRY

FC= Full consolidation
EM = Equity Method
PC= Proportionate consolidation

Country	Consolidated Company at December 31, 2011	% interest	Consolidation method
GERMANY	Capgemini Deutschland GmbH	100.00%	FC
	Capgemini Deutschland Holding GmbH	100.00%	FC
	Capgemini Outsourcing Services GmbH	100.00%	FC
	Sogeti Deutschland GmbH	100.00%	FC
	Cap Gemini Telecom Media & Networks Deutschland GmbH	100.00%	FC
	Sogeti High Tech GmbH	100.00%	FC
	IBX Deutschland GmbH	100.00%	FC
	Portum AG	100.00%	FC
	I&S IT-Beratung & Service GmbH	100.00%	FC
	CS Consulting GmbH	100.00%	FC
ARGENTINA	Capgemini Argentina SA	100.00%	FC
AUSTRALIA	Capgemini Australia Pty Ltd.	100.00%	FC
	Capgemini Business Services Australia Pty Ltd.	100.00%	FC
	Capgemini Financial Services Australia Pty Ltd.	100.00%	FC
AUSTRIA	Capgemini Consulting Österreich AG	100.00%	FC
BELGIUM	Capgemini Belgium N.V./S.A.	100.00%	FC
	Sogeti Belgium S.A.	100.00%	FC
BRAZIL	Capgemini do Brasil, Serviços de Consultoria e Informática Ltda.	100.00%	FC
	Capgemini Business Services Brasil – Assessoria Empresarial Ltda.	100.00%	FC
	Consultoria de Gestao Gemini Ltda.	100.00%	FC
	CPM Braxis S.A.	61.10%	FC
	CPM Braxis ERP Tecnologia da Informação Ltda.	61.10%	FC
	CPM Braxis Outsourcing S.A.	61.10%	FC
CANADA	Capgemini Canada Inc.	100.00%	FC
	Inergi LP	100.00%	FC
	New Horizons System Solutions LP	100.00%	FC
	Capgemini Financial Services Canada Inc.	100.00%	FC
	Gestion Cap Gemini Quebec Inc.	100.00%	FC
	Société en Commandite Cap Gemini Quebec	100.00%	FC
CHILE	Capgemini Business Services Chile Ltda.	100.00%	FC
CHINA	Capgemini (China) Co. Ltd.	100.00%	FC
	Capgemini Hong Kong Ltd.	100.00%	FC
	Capgemini Business Services (China) Ltd.	100.00%	FC
	Capgemini Business Services (Asia) Ltd.	100.00%	FC
	Strategic Systems Solutions Hangzhou (China) Ltd.	100.00%	FC
	Praxis Technology Co.Ltd.	100.00%	FC
DENMARK	Capgemini Danmark AS	100.00%	FC
	Sogeti Danmark AS	100.00%	FC
	IBX Danmark AS	100.00%	FC
UNITED ARAB EMIRATES	Capgemini Middle East FZ LLC	100.00%	FC
	Thesys Technologies Middle East FZE	100.00%	FC
	Thesys Technologies LLC	49.00%	FC
SPAIN	Capgemini España, S.L.	100.00%	FC
	Sogeti España, S.L.	100.00%	FC
	Prosodie Ibérica	100.00%	FC

FC= Full consolidation
EM = Equity Method
PC= Proportionate consolidation

Country	Consolidated Company at December 31, 2011	% interest	Consolidation method
UNITED STATES	Capgemini America Inc.	100.00%	FC
	Capgemini US LLC	100.00%	FC
	Capgemini North America Inc.	100.00%	FC
	Capgemini Technologies LLC	100.00%	FC
	Capgemini Government Solutions LLC	100.00%	FC
	Sogeti USA LLC	100.00%	FC
	Capgemini Energy LP	100.00%	FC
	Capgemini Financial Services International Inc.	100.00%	FC
	Capgemini Financial Services USA Inc.	100.00%	FC
	Capgemini Financial Services Europe Inc.	100.00%	FC
	Capgemini Financial Services Japan Inc.	100.00%	FC
	IBX North America Inc.	100.00%	FC
	CPM Braxis USA Corp.	61.10%	FC
	Capgemini Business Services USA LLC	100.00%	FC
FINLAND	Capgemini Finland Oy	100.00%	FC
	Sogeti Finland Oy	100.00%	FC
	IBX Finland Oy	100.00%	FC
FRANCE	Cap Gemini S.A.	Parent Company	FC
	Capgemini France S.A.S.	100.00%	FC
	Capgemini Gouvieux S.A.S.	100.00%	FC
	Capgemini Service S.A.S.	100.00%	FC
	Capgemini Université S.A.S.	100.00%	FC
	Immobilière Les Fontaines S.A.R.L.	100.00%	FC
	SCI Paris Etoile	100.00%	FC
	Capgemini Consulting S.A.S.	100.00%	FC
	Capgemini Technology Services S.A.S.	100.00%	FC
	Capgemini Outsourcing Services S.A.S.	100.00%	FC
	Capgemini OS Electric S.A.S.	100.00%	FC
	Plaisir Informatique S.A.R.L.	100.00%	FC
	Cap Sogeti 2005 S.A.S.	100.00%	FC
	IBX France S.A.R.L.	100.00%	FC
	Sogeti S.A.S.	100.00%	FC
	Sogeti France S.A.S.	100.00%	FC
	Sogeti Corporate Services SAS	100.00%	FC
	Sogeti High Tech S.A.S.	100.00%	FC
	Artésys SA	100.00%	FC
	Prosodie France S.A.	100.00%	FC
	Internet FR	100.00%	FC
GUATEMALA	Capgemini Business Services Guatemala S.A.	100.00%	FC
HUNGARY	Capgemini Magyarország Kft	100.00%	FC
INDIA	Capgemini Business Services (India) Ltd.	100.00%	FC
	Capgemini India Private Ltd.	100.00%	FC
IRELAND	Sogeti Ireland Ltd.	100.00%	FC
ITALY	Capgemini Italia S.p.A.	100.00%	FC
	AIVE SPA	100.00%	FC
	AIVEBS SPA	100.00%	FC
	AIVE BST SPA	100.00%	FC
	ENTERPRIME CONSULTING SPA	81.00%	FC
	ENTERPRIME FINANCE SRL	51.00%	FC
	REALTA' INFORMATICA SRL	51.00%	FC

FC= Full consolidation
EM = Equity Method
PC= Proportionate consolidation

Country	Consolidated Company at December 31, 2011	% interest	Consolidation method
LUXEMBOURG	Sogeti Luxembourg S.A.	100.00%	FC
	Sogeti PSF S.A.	100.00%	FC
	Capgemini Reinsurance International	100.00%	FC
	Capgemini Reinsurance Company S.A.	100.00%	FC
MALAYSIA	Capgemini Services Malaysia Sdn Bhd	100.00%	FC
MOROCCO	Capgemini Technology Services Maroc S.A.	100.00%	FC
MEXICO	Capgemini Mexico S. de R.L. de C.V.	100.00%	FC
NORWAY	Capgemini Norge AS	100.00%	FC
	Sogeti Norge AS	100.00%	FC
	IBX Norge AS	100.00%	FC
NETHERLANDS	Capgemini Interim Management B.V.	100.00%	FC
	Capgemini Nederland B.V.	100.00%	FC
	Capgemini Educational Services B.V.	100.00%	FC
	Capgemini N.V.	100.00%	FC
	Sogeti Nederland B.V.	100.00%	FC
	Capgemini Retail Solutions B.V.	100.00%	FC
	Independent Interim v.o.f	50.00%	PC
PHILIPPINES	Capgemini Phillipines SBOS	100.00%	FC
POLAND	Capgemini Polska Sp z o.o.	100.00%	FC
PORTUGAL	Capgemini Portugal, Serviços de Consultoria e Informatica S.A.	100.00%	FC
CZECH REPUBLIC	Capgemini Czech Republic S.r.o.	100.00%	FC
ROMANIA	Capgemini Services Romania s.r.l.	100.00%	FC
	IBX Software Development s.r.l.	100.00%	FC
UNITED KINGDOM	Capgemini UK Plc.	100.00%	FC
	Capgemini Financial Services UK Ltd.	100.00%	FC
	Strategic Systems Solutions Ltd.	100.00%	FC
	Sogeti UK Ltd.	100.00%	FC
	IBX UK Ltd.	100.00%	FC
SINGAPORE	Capgemini Singapore Pte Ltd.	100.00%	FC
SLOVAKIA	Capgemini Slovensko, S.r.o.	100.00%	FC
SWEDEN	Capgemini AB	100.00%	FC
	Capgemini Sverige AB	100.00%	FC
	Sogeti Sverige AB	100.00%	FC
	IBX Group AB	100.00%	FC
	Skvader Systems AB	100.00%	FC
	Sogeti Sverige Mitt AB	100.00%	FC
SWITZERLAND	Capgemini Suisse S.A.	100.00%	FC
	Capgemini SD&M Schweiz AG	100.00%	FC
	Sogeti Suisse S.A.	100.00%	FC
VIETNAM	IACP Asia	100.00%	FC

7.

CAP GEMINI S.A. FINANCIAL STATEMENTS

7. CAP GEMINI S.A. FINANCIAL STATEMENTS

	177
7.1 Balance sheet	178
7.2 Income statement	180
7.3 Notes to the financial statements	181
7.4 Subsidiaries and investments	196
7.5 Five-year financial summary	197
7.6 Statutory auditors' reports	198

7.1 Balance sheet at December 31, 2010 and 2011

ASSETS

	Dec. 31, 2010	Dec. 31, 2011		
	Net	Gross	Depreciation, amortization and provisions	Net
<i>in thousands of euros</i>				
Intangible assets				
Trademarks, patents and similar rights	2,069	35,568	(33,499)	2,069
Property, plant and equipment	224	224	-	224
Financial fixed assets				
Equity interests	8,183,052	14,175,052	(5,958,679)	8,216,373
Receivable from controlled entities ⁽¹⁾	333,904	465,091	-	465,091
Securities held for portfolio management purposes	2	2	-	2
Other financial fixed assets ⁽¹⁾	6,047	10,420	(126)	10,294
Non-current assets	8,525,298	14,686,357	(5,992,304)	8,694,053
Advances and downpayments	-	-	-	-
Accounts and notes receivable ⁽¹⁾	382	71	(71)	-
Other receivables ⁽¹⁾	13,757	57,841	-	57,841
Receivable from related and associated companies ⁽¹⁾	194,566	559,496	-	559,496
Miscellaneous receivables ⁽¹⁾	13	216	-	216
Marketable securities	891,202	1,290,086	(16,198)	1,273,888
Cash and cash equivalents	75,875	338,829	-	338,829
Current assets	1,175,795	2,246,539	(16,269)	2,230,270
Prepaid expenses ⁽¹⁾	31	1,708	-	1,708
Deferred charges	8,344	10,319	-	10,319
Bond redemption premium	8,875	-	-	-
Unrealized foreign exchange losses	4	6	-	6
Other assets	17,254	12,033	-	12,033
TOTAL ASSETS	9,718,347	16,944,929	(6,008,573)	10,936,355
⁽¹⁾ of which due within one year	242,972	746,318	-	746,318

SHAREHOLDERS' EQUITY AND LIABILITIES

in thousands of euros

	Dec. 31, 2010	Dec. 31, 2011
Share capital (fully paid-up)	1,246,163	1,246,163
Additional paid-in capital	5,717,403	5,717,403
Legal reserve	123,342	124,616
Other reserves	561,853	561,853
Retained earnings	405,692	387,513
Profit for the year	136,889	171,563
Tax-driven provisions	6,067	9,199
Shareholders' equity	8,197,409	8,218,310
Provisions for contingencies and losses	4	6
Convertible bonds ⁽²⁾	1,069,873	971,408
Eurobond issue	-	500,000
Bank loans and borrowings ⁽²⁾	100,422	454,140
Payable to controlled entities ⁽²⁾	247,500	376,692
Borrowings ⁽²⁾	1,417,795	2,302,240
Accounts and notes payable ⁽²⁾	4,233	4,003
Tax and social security liabilities ⁽²⁾	2,885	2,764
Payable to related and associated companies ⁽²⁾	95,572	408,362
Other payables ⁽²⁾	301	425
Prepaid income ⁽²⁾	-	-
Unrealized foreign exchange gains	148	245
Other liabilities	103,139	415,799
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	9,718,347	10,936,355
⁽²⁾ Of which due within one year	450,913	1,642,794

7.2 Income statement

for the years ended December 31, 2010 and 2011

in thousands of euros

	2010	2011
Royalties	200,518	227,181
Reversals of depreciation, amortization and provisions, expense transfers	-	6,353
Other income	1,049	7,560
Total operating income	201,567	241,094
Other purchases and external charges	30,116	34,858
Taxes, duties and other levies	2,399	4,118
Depreciation and amortization	2,311	2,367
Charges to provisions	1,437	1,820
Other expenses	534	7,779
Total operating expenses	36,797	50,942
OPERATING PROFIT	164,770	190,152
Investment income ⁽¹⁾	53,358	48,749
Income from other marketable securities and amounts receivable on non-current assets ⁽¹⁾	4,493	7,662
Other interest income ⁽¹⁾	7,988	13,125
Reversals of provisions	6,190	19,587
Foreign exchange gains	2,413	5,112
Net proceeds on disposals of marketable securities	2,812	4,230
Total financial income	77,254	98,465
Depreciation, amortization and provisions relating to financial items	88,022	63,106
Interest and similar expenses ⁽²⁾	26,750	31,609
Foreign exchange losses	3,665	5,354
Total financial expenses	118,437	100,069
NET FINANCE INCOME (EXPENSE)	(41,183)	(1,604)
RECURRING PROFIT BEFORE TAX	123,587	188,548
Non-recurring income from operations	368	93
Non-recurring income from capital transactions	2,286	1,603
Reversals of provisions and expense transfers	-	-
Total non-recurring income	2,654	1,696
Non-recurring expenses on operations	1,897	8,117
Non-recurring expenses on capital transactions	1,326	4,470
Exceptional depreciation, amortization and charges	1,869	3,132
Total non-recurring expenses	5,092	15,719
NET NON-RECURRING INCOME (EXPENSE)	(2,438)	(14,023)
INCOME TAX EXPENSE	15,740	(2,962)
PROFIT FOR THE YEAR	136,889	171,563
⁽¹⁾ of which income concerning related companies	59,574	63,014
⁽²⁾ of which interest concerning related companies	2,006	3,952

7.3 Notes to the financial statements

I – ACCOUNTING POLICIES

The annual financial statements for the year ended December 31, 2011 are prepared and presented in accordance with French accounting rules and principles (as set out in the 1999 French chart of accounts), including the new accounting rules on assets introduced by the French Accounting Regulatory Committee (*Comité de Réglementation Comptable*) and applicable since January 1, 2005. The annual financial statements are also prepared in accordance with the principles of prudence and accruals, and assuming that the Company is able to continue as a going concern.

Items in the financial statements are generally measured using the historical cost method.

The Company's main accounting policies are described below:

Intangible assets

Computer software and user rights acquired on an unrestricted ownership basis, as well as software developed for internal use which has a positive, lasting and quantifiable effect on future results, are capitalized and amortized over a maximum period of three years. At year-end, the value of computer software and user rights is compared to their value in use for the Company.

Financial fixed assets

The gross value of equity interests and other long-term investments carried in the balance sheet comprises their acquisition cost, including any transaction fees. A provision for impairment is set aside when the value in use falls below the acquisition cost. The value in use is calculated based on either the present value of discounted future cash flows adjusted for net debt, or in certain cases on the Company's share in net assets.

Treasury shares

Treasury shares held by Cap Gemini S.A. as part of the liquidity agreement are recorded on the balance sheet within long-term investments at the lower of cost and net realizable value. Realizable value is the average market price for Cap Gemini S.A. shares in December. Other treasury shares held for other objectives of the share buyback program are recorded in listed shares.

Marketable securities

Marketable securities are shown on the balance sheet at the lower of cost and net realizable value. The realizable value of listed securities is based on the average share price in December. The realizable value of unlisted securities is based on their net asset value. At year-end, accrued interest receivable or interest received in advance on certificates of deposit and

commercial paper is recognized in accrued income or prepaid income, respectively.

Capitalization contracts subscribed by the Company are also included in marketable securities.

Foreign currency transactions

Receivables, payables and cash and cash equivalents denominated in foreign currencies are translated into euros at the year-end exchange rate or at the hedging rate. Any differences resulting from the translation of foreign currency receivables and payables at these rates are included in the balance sheet under "Unrealized foreign exchange gains/ losses". A provision for foreign exchange losses is set aside to cover any unrealized losses.

Receivables and payables

Receivables are measured at their nominal amount, and a provision for impairment set aside when their net realizable value falls below their net carrying amount. Unbilled payables are recognized excluding VAT.

Bond redemption premium

The bond redemption premium is amortized on a straight-line basis over the term of the debt.

Tax consolidation

The Company and French subsidiaries at least 95% owned by the Group have elected to file consolidated tax returns pursuant to Article 223 A of the French General Tax Code. Any tax savings realized by the Group primarily on account of losses incurred by consolidated entities are treated as a gain for the Company in the period in which they arise.

Financial instruments

Currency and interest rate positions are taken using financial instruments presenting minimum counterparty risk listed on organized markets or over-the-counter. Gains and losses on financial instruments used in hedging transactions are recognized to match the gains and losses arising on the hedged items. The fair value of financial instruments, which is not recognized in the accounts of the Company, in accordance with French accounting principles, is estimated based on market prices or pricing data provided by banks.

II – NOTES TO THE CAP GEMINI S.A. BALANCE SHEET AND INCOME STATEMENT

1. Non-current assets

<i>in thousands of euros</i>	Gross value (January 1)	Increases	Decreases	Gross value (December 31)
Intangible assets				
Trademarks, patents and similar rights	35,568	-	-	35,568
Sub-total	35,568	-	-	35,568
Property, plant and equipment	224	-	-	224
Sub-total	224	-	-	224
Financial fixed assets				
Equity interests	14,147,695	51,720	(24,363)	14,175,052
Receivable from controlled entities	333,904	212,351	(81,164)	465,091
Securities held for portfolio management purposes	2	-	-	2
Other long-term investments	6,130	153,671	(149,381)	10,420
Sub-total	14,487,731	417,742	(254,908)	14,650,565
TOTAL NON-CURRENT ASSETS	14,523,523	417,742	(254,908)	14,686,357

Equity interests

Equity interests comprise shares in the Company's subsidiaries. The main changes during the period were due to:

- capital increases in Italy in the amount of €30,000 thousand, in Austria in the amount of €10,000 thousand, in Switzerland in the amount of €6,551 thousand and in Luxembourg in the amount of €5,000 thousand pursuant to the creation of a subsidiary.
- the contribution in kind of shares in Capgemini Telecom Media Défense to Capgemini France at a gross carrying amount of €170,630 thousand, provided in the amount of €24,363 thousand, representing a net carrying amount of €146,266 thousand.

Receivable from controlled entities

Amounts receivable from controlled entities consist of loans granted by the Company to subsidiaries primarily in the United States (€148,624 thousand), France (€130,210 thousand) and the Netherlands (€114,500 thousand).

The main changes in this heading reflect:

- advances on capitalization of €103,742 thousand granted to a French subsidiary pursuant to the CPM Braxis share capital increase and of €12,212 thousand granted to a Singapore subsidiary.
- a loan of €40,271 thousand granted to an Italian subsidiary and its repayment during the year in the amount of €30,000 thousand.
- a loan of €30,957 thousand granted to a French subsidiary, repaid in the amount of €4,489 thousand during the fiscal year.

- partial repayment of the loan granted to a Dutch subsidiary to help fund the acquisition of Getronics Pinkroccade Business Application Services BV (BAS BV) in the amount of €28,500 thousand.

Other long-term investments

This account comprises the treasury shares held under the liquidity agreement. This agreement relates to the share buyback program approved by the Combined Shareholders' Meeting on May 26, 2011. Accordingly, a total of 4,522,181 shares were acquired and 4,293,681 shares were sold between January 1, 2011 and December 31, 2011. Cap Gemini S.A. held 403,500 treasury shares at December 31, 2011 (175,000 at December 31, 2010), valued at €10,420 thousand.

2. Depreciation, amortization and provisions for non-current assets

<i>in thousands of euros</i>	Depreciation, amortization and provisions (January 1)	Additions	Reversals	Changes in scope	Depreciation, amortization and provisions (December 31)
Intangible assets					
Amortization of trademarks, patents and similar rights	33,499			-	33,499
Financial fixed assets					
Provisions for equity interests	5,964,643	37,900	(19,500)	(24,363)	5,958,679
TOTAL DEPRECIATION, AMORTIZATION AND PROVISIONS	5,998,142	37,900	(19,500)	(24,363)	5,992,178

In 2011, the charge to provisions for equity interests concerns an Austrian subsidiary in the amount of €19,909 thousand, a French subsidiary in the amount of €9,148 thousand and a Swiss subsidiary in the amount of €8,843 thousand.

The provision reversal of €19,500 thousand concerns an American subsidiary in the amount of €11,000 thousand and a Polish subsidiary in the amount of €8,500 thousand.

Changes in scope of €24,363 thousand concern the contribution in kind of shares in Capgemini Telecom Media Défense to Capgemini France at a gross carrying amount of €170,630 thousand, provided in the amount of €24,363 thousand, representing a net carrying amount of €146,266 thousand.

3. Marketable securities

Marketable securities can be analyzed as follows at December 31, 2011:

<i>in thousands of euros</i>	Net asset value	Nominal value	Carrying amount
Listed securities			
Money market funds (SICAV)	470,654	470,654	470,654
Investment funds (FCP)	408,974	408,974	408,974
Treasury shares	45,915	62,114	45,915
Unlisted securities			
Certificates of deposit	60,000	60,000	60,000
Term deposits	215,000	215,000	215,000
Other marketable securities			
Capitalization contracts	73,345	73,345	73,345
TOTAL	1,273,888	1,290,087	1,273,888

Other marketable securities: two capitalization fund contracts were subscribed in July and August 2010 with leading insurance companies in Europe for €20,000 thousand and €50,000 thousand, respectively. Capitalized interest at December 31, 2011 on these two contracts totaled €3,345 thousand.

4. Maturity of receivables at year-end

in thousands of euros

	Gross amount	One year or less	More than one year
Non-current assets			
Receivable from controlled entities	465,091	117,877	347,214
Other financial fixed assets	10,420	10,420	-
Current assets			
Accounts and notes receivable	71	71	-
Income tax receivable	56,472	56,472	-
Vat receivable	1,369	1,369	-
Receivable from related companies	559,496	559,496	-
Miscellaneous receivables	216	216	-
Prepaid expenses	1,708	397	1,311
TOTAL	1,094,843	746,318	348,525

5. Deferred charges

in thousands of euros

	Amount at January 1	Increase	Amortization	Amount at December 31
Issuance fees on syndicated credit facility, OCEANE bonds and 2011 Bond issue ⁽¹⁾	8,344	6,353	(4,378)	10,319
TOTAL	8,344	6,353	(4,378)	10,319

(1) Issuance fees on the syndicated credit facility, OCEANE bonds and 2011 Bond are amortized on a straight-line basis over the term of the debt.

On January 13, 2011, Cap Gemini S.A. refinanced its multi-currency credit facility with a syndicate of 18 banks for the same amount as previously financed (€500 million), maturing on January 13, 2016. Negotiation fees in respect of this new syndicated credit facility totaled €3,104 thousand.

On November 18, 2011, Cap Gemini S.A. performed a euro bond issue maturing on November 29, 2016. Bondholders enjoy all rights from November 29, 2011 (2011 Bond issue). The total amount of the issue was €500 million, comprising 5,000 bonds with a nominal value of €100,000 each. The bond issue is redeemable in full on November 29, 2016. Issuance fees totaled €3,249 thousand.

6. Share capital and additional paid-in capital

in thousands of euros

	Number of shares	Share capital	Additional paid-in capital
At December 31, 2010 (par value of €8)	155,770,362	1,246,163	5,717,403
+ Cash capital increase via the exercise of stock options	-	-	-
At December 31, 2011 (par value of €8)	155,770,362	1,246,163	5,717,403

7. Stock option plans

At the May 12, 2005 Combined Shareholders' Meetings, the Board of Directors or Executive Board was given a 38-month authorization to grant stock options to certain Group employees on one or several occasions.

The main features of this plan in force at December 31, 2011 are set out in the table below:

Summary	2005 Plan (plan no 6)
Date of Combined Shareholders' Meeting	May 12, 2005
Maximum number of shares to be issued on exercise of options	6,000,000
Date options first granted under the plan	October 1, 2005
Deadline for exercising stock options after their grant date (based on progressive tranches): 10% after 1 year; +20% after 2 years; +30% after 3 years; +40% after 4 years, up to 100%)	5 years
Strike price as a % of the average share price over the 20 stock market trading days preceding the grant date	100%
Strike price (per share and in euros) of the various stock option grants:	
- low	40.50
- high	55.00
Maximum number of shares to be issued on exercise of outstanding options at December 31, 2010	3,482,500
Number of new stock options granted during the year	Plan expired ⁽¹⁾
Number of options forfeited or cancelled in 2011	1,767,000
Number of options exercised in 2011	- ⁽²⁾
Maximum number of shares to be issued on exercise of outstanding options at December 31, 2011	1,715,500 ⁽³⁾
Residual weighted average life (in years)	0.77

(1) Last stock options granted on June 1, 2008 at a price of €40.50.

(2) No options were granted in fiscal year 2011

(3) Representing 144,000 shares at a price of €55, 1,413,000 shares at €44 and 158,500 shares at €40.50.

The Group has no contractual or constructive obligations to purchase or settle the options in cash. In the event of a notice of authorization of a takeover bid for some or all of the Company's

shares published by Euronext, option holders would be entitled, if they so wish, to exercise all of their remaining unexercised options immediately.

8. Performance share plan

The Combined Shareholders' Meetings of April 17, 2008 and April 30, 2009 authorized the Board of Directors to grant shares to a certain number of Group employees, on one or several occasions and within a maximum period of 12 months and 18 months, respectively, subject to certain performance and

presence conditions within the Group. On March 5, 2009 and then on September 15, 2010, the Board of Directors approved the terms and conditions and the list of beneficiaries of the first and second plans, respectively. The main terms and conditions of these plans are summarized in the table below:

Summary	2009 Plan	Of which corporate officers	2010 Plan	Of which corporate officers
Date of Combined Shareholders' Meeting	April 17, 2008		April 30, 2009	
Total number of shares to be granted	1% of the share capital on the date of the Board of Directors' decision, i.e. a maximum of 1,458,860 shares		1% of the share capital on the date of the Board of Directors' decision, i.e. a maximum of 1,557,703 shares	
Total number of shares granted	1,148,250 ⁽¹⁾		1,555,000 ⁽³⁾	
Date of the Board of Directors' decision	March 5, 2009		October 1, 2010	
Performance assessment dates	At the end of the first and second years following the grant date		At the end of the first and second years following the grant date	
Vesting period	Two years as from the grant date (France) or four years as from the grant date (other countries)		Two years as from the grant date (France) or four years as from the grant date (other countries)	
Mandatory lock-in period effective as from the vesting date (France only)	Two years, or five years in the event of departure from the Group during the two years following the vesting date		Two years, or five years in the event of departure from the Group during the two years following the vesting date	
Number of shares subject to performance and presence conditions granted during the year	-	-	-	- ⁽⁵⁾
Number of options forfeited or canceled during the year	534,125	25,000	94,000	
Number of shares definitively allocated at December 31, 2011	200,250	25,000		
Number of shares at December 31, 2011 that may be definitively allocated under this plan in respect of shares previously granted, subject to performance and presence conditions	311,625 ⁽²⁾	-	1,458,000 ⁽⁴⁾	
Share price at the grant date (in euros)	23.30		37.16	
Main market conditions at the grant date:				
Volatility	42.7%		42.8%	
Risk-free interest rate	1.40%		1.67%	
Expected dividend rate	3%		3%	
Other conditions:				
Performance conditions	Yes (see below)		Yes (see below)	
Employee presence within the Group at the vesting date	Yes		Yes	
Pricing model used to calculate the fair value of shares	Monte Carlo for performance shares and Black & Scholes for bonus shares		"Monte Carlo for performance shares with external conditions and Black & Scholes for bonus shares or shares granted with internal performance conditions"	
Range of fair values in euros:				
Bonus shares (per share and in euros)	€20.70 - €21.90	€17.53	€32.32 - €32.96	
Performance shares (per share and in euros)	€16.51 - €17.53		€21.54 - €21.97	n/a

(1) Of which 64,750 shares granted without performance conditions (5.6% of the total) pursuant to the relevant resolution (authorization capped at 15% of the total).

(2) Balance on the "foreign" plan that may be allocated on March 5, 2013, subject to conditions of presence.

(3) Of which 124,000 shares granted without performance conditions (8% of the total) pursuant to the relevant resolution (authorization capped at 15% of the total).

(4) Of which 118,500 shares granted without performance conditions.

(5) No performance shares were granted in 2011.

Performance conditions and measurement of the 2009 Plan

The exact number of shares granted to beneficiaries at the end of the vesting period will be equal to the maximum number of shares initially granted, multiplied by a percentage (from 0% to 100%) corresponding to the chosen performance measurement criteria. The performance of the Cap Gemini share, measured over the first two years, compared to the average performance of a basket of ten securities of listed companies, measured over the same period and representative of the Group's business sector in at least five countries in which the Group is firmly established, will ultimately condition the vesting of the shares.

The definitive allocation depends on the relative performance of the Cap Gemini share in relation to the basket of comparable securities: In each period, the number of shares that ultimately vested:

- was equal to 60% of the number of shares initially allocated if the performance of the Cap Gemini S.A. share was equal to 90% of the basket;
- varied on a straight-line basis between 60% and 100% of the initial allocation, based on a predefined schedule, where the performance of the Cap Gemini share was between 90% and 110% of the basket;
- was equal to 100% of the number of shares initially allocated if the performance of the Cap Gemini share was higher than or equal to 110% of the basket.

The definitive calculation led to the grant of only 50% of performance shares initially allocated, which after adding shares granted subject to conditions of presence, represents a maximum of 534,750 shares granted. This includes 200,250 shares for grant to members of the French plan which are definitively vested and delivered subject to a 2-year lock-in period and 334,500 shares for grant to members of the foreign plan, of which only 311,625 shares remain, which will be delivered on March 5, 2013 subject to compliance with conditions of presence at this date.

Performance conditions and measurement of the 2010 Plan

In accordance with the AMF recommendation of December 8, 2009 regarding the inclusion of internal and external performance conditions when granting performance shares, the Board of Directors decided to add an internal condition to the external condition initially planned.

External performance condition

The external performance condition is calculated in the same way as under the first plan, except for the grant thresholds which have been tightened compared to the first plan. As such:

- no shares will be granted if the performance of the Cap Gemini S.A. share during the period in question is less than 90% of the average performance of the basket of securities over the same period;

- the number of shares that will ultimately vest:
 - will be equal to 40% of the number of shares initially allocated if the performance of the Cap Gemini S.A. share is at least equal to 90% of the basket;
 - will be equal to 60% of the number of shares initially allocated if the performance of the Cap Gemini S.A. share is equal to 100% of the basket;
 - will vary on a straight-line basis between 40% and 60% and between 60% and 100% of the initial allocation, based on a predefined schedule, where the performance of the Cap Gemini S.A. share is between 90% and 100% of the basket in the first case and 100% and 110% of the basket in the second case;
 - will be equal to 100% of the number of shares initially allocated if the relative performance of the Cap Gemini S.A. share is higher than or equal to 110% of the basket.

Under these conditions, if the performance of the Cap Gemini S.A. share is in line with that of the basket of comparable shares, only 60% of the initial allocation will be granted compared to 80% under the first plan.

The external performance condition accounts for 70% of the grant calculation.

Internal performance condition:

The internal performance condition is based on the progression in the 2011 audited and published operating margin of Capgemini Group compared with the 2010 operating margin at constant Group structure and exchange rates.

The performance calculation will be performed once the 2011 accounts have been approved, by comparing the percentage increase in the 2011 audited and published operating margin of Capgemini Group compared with the 2010 audited and published operating margin at constant Group structure and exchange rates. Based on the percentage increase calculated in this way:

- no shares will be granted in respect of the internal performance condition if the increase in the operating margin thus calculated is less than 12%;
- the number of shares that will ultimately vest:
 - will be equal to 40% of the number of shares initially allocated if the increase is between 12% and 13.5%;
 - will be equal to 60% of the number of shares initially allocated if the increase is between 13.5% and 15%;
 - will be equal to 100% of the number of shares initially allocated if the increase is greater than or equal to 15%.

The internal performance condition accounts for 30% of the grant calculation.

9. Change in shareholders' equity at December 31, 2010 and 2011

<i>in thousands of euros</i>	At December 31, 2010	Appropriation of profit for 2010	Other movements	At December 31, 2011
Share capital	1,246,163	-		1,246,163
Additional paid-in capital	5,717,403	-		5,717,403
Legal reserve	123,342	1,274	-	124,616
Tax-driven reserves	-	-	-	-
Other reserves	561,853	-	-	561,853
Retained earnings	405,692	(18,179)	-	387,513
Dividends paid	-	153,794	(153,794)	-
Profit for the year	136,889	(136,889)	171,563	171,563
Tax-driven provisions	6,067	-	3,132	9,199
TOTAL	8,197,409	-	20,901	8,218,310

The appropriation of the net profit for 2010 led to the distribution on June 9, 2011 of a €1 dividend on each of the 155,770,362 shares making-up the share capital at December 31, 2010, for a total of €153,794 thousand. The amount not paid out on the 1,976,222 shares held by the Company on June 9, 2011 (€1,976 thousand) was appropriated to retained earnings.

Other movements concern tax-driven provisions in the amount of €3,132 thousand, corresponding to the accelerated tax depreciation of equity interests.

10. Provisions for contingencies and losses

<i>in thousands of euros</i>	At January 1	Additions	Reversals (utilized provision)	Reversals (surplus provision)	Change in accounting policy	Other	At December 31
Provisions for contingencies and losses							
- relating to foreign exchange losses	4	6	4	-	-	-	6
- relating to other risks	-	-	-	-	-	-	-
TOTAL	4	6	4	-	-	-	6

Additions during the period correspond to a provision for currency risks set aside in respect of unrealized foreign exchange losses on foreign currency receivables and payables of €6 thousand. Reversals during the period concern a provision for currency risks recognized in 2010 in the amount of €4 thousand.

11. Bond issues and Convertible bonds

in thousands of euros

	December 31, 2010	December 31, 2011
OCEANE 2005		
- Principal	437,000	350,050
- Redemption premium	57,873	46,358
OCEANE 2009	575,000	575,000
2011 BOND ISSUE	0	500,000
TOTAL	1,069,873	1,471,408

A) "OCEANE 2005" convertible/exchangeable bonds issued on June 16, 2005

On June 16, 2005, Cap Gemini S.A. issued bonds convertible/exchangeable into new or existing Cap Gemini shares, maturing on January 1, 2012 ("OCEANE 2005"). Bondholders enjoy all rights from June 24, 2005.

The total amount of the issue was €437 million, represented by 11,810,810 bonds with a nominal value of €37 each. The bonds bear interest at 1% per year.

The terms and conditions of this issue were set out in the prospectus approved by the AMF on June 16, 2005 under reference number 05-564.

In November 2011, Cap Gemini S.A. redeemed a total of 2,350,000 bonds in a number of transactions for an amount of €99,118 thousand, including accrued interest. Redeemed bonds were cancelled pursuant to the provisions set-out in the prospectus. At December 31, 2011, 9,460,810 OCEANE 2005 bonds remained outstanding, representing 80.1% of the number of bonds initially issued. The remaining bonds were redeemed in full on January 2, 2012.

B) "OCEANE 2009" convertible/exchangeable bonds issued on June 20, 2009

On April 8, 2009, Cap Gemini S.A. issued bonds convertible/exchangeable into new or existing Cap Gemini shares, maturing on January 1, 2014 ("OCEANE 2009"). Bondholders enjoy all rights from April 20, 2009.

The total amount of the issue was €575 million, represented by 16,911,765 bonds with a nominal value of €34 each, resulting in an issue premium of 35% compared to the Company benchmark share price (weighted average share price between April 8 and the date on which the bond terms and conditions were finalized). The bonds bear interest at 3.5% per year.

The terms and conditions of this issue were set out in the prospectus approved by the AMF on April 8, 2009 under reference number 09-084.

Summary of the main terms and conditions of the "ocean 2009" bond issue

Conversion and/or exchange of the bonds for shares

At any time between April 20, 2009 and the seventh business day preceding January 1, 2014.

Redemption at maturity

January 1, 2014 at par.

Early redemption at the Company's option

- at any time, without limitation on price or quantity, by buying back all or some of the bonds either on or off market or by means of a public buyback or exchange offer,
- between April 20, 2012 and the seventh business day preceding January 1, 2014, all outstanding bonds may be redeemed at an early redemption price equal to par, plus the interest accrued since the most recent interest payment date, if (i) the then current conversion/exchange ratio multiplied by (ii) the arithmetic average of the opening prices quoted for the Company's ordinary shares on the Eurolist market of Euronext Paris S.A. over a period of 20 consecutive trading days, exceeds 130% of such early redemption price. Upon early redemption, the bonds may be redeemed either in cash or converted into Cap Gemini S.A. shares, at the option of the bondholders,
- at any time, for all outstanding bonds, if less than 10% of the bonds are still outstanding.

Early redemption at the option of bondholders

Bondholders may request the early redemption of all or part of their bonds in the event of a change in control of the Company.

Early repayment

At the initiative of a majority of bondholders, particularly in the event of a failure to pay sums due or to comply with other obligations set out in the documentation (beyond any "grace" periods, if applicable), cross default (in excess of a minimum threshold), liquidation, dissolution or sale of all of the Company's assets, or delisting of the Company's shares from the Eurolist market of Euronext Paris S.A..

An upgrade or downgrade in Cap Gemini S.A.'s credit rating would not constitute an early redemption event and would have no impact on the applicable interest rate.

Pari passu status

Cap Gemini S.A. has undertaken that the bonds will rank *pari passu* with all other bonds issued by the Company.

C) Bond issued on November 29, 2011

On November 18, 2011, Cap Gemini S.A. performed a euro bond issue maturing on November 29, 2016. Bondholders enjoy all rights from November 29, 2011 (2011 Bond issue).

The total amount of the issue was €500 million, comprising 5,000 bonds with a nominal value of €100,000 each. The bonds bear interest at 5.25% per year, potentially increasing to 6.50% in the event of a down-grading of Cap Gemini S.A.'s credit rating.

The terms and conditions of this issue were set out in the prospectus approved by the AMF on November 25, 2011 under reference number 11-546.

The Bond issue is redeemable in full on November 29, 2016.

Summary of the main terms and conditions of the 2011 bond issue

Redemption at maturity

The bonds are redeemable in full on November 29, 2016.

Early redemption at the Company's option

The bonds are redeemable at the Company's option under certain conditions set out in the issue prospectus and particularly concerning the minimum redemption price.

Early redemption at the option of bondholders

Bondholders may request the early redemption of all or part of their bonds in the event of a change in control of the Company, provided this change in control is accompanied by a downgrading of the Company's financial rating.

Early repayment

At the initiative of a majority of bondholders, particularly in the event of a failure to pay sums due or to comply with other obligations set out in the documentation (beyond any "grace" periods, if applicable), cross default (in excess of a minimum threshold), liquidation, dissolution or sale of all of the Company's assets.

An upgrade or downgrade in Cap Gemini S.A.'s credit rating would not constitute an early redemption event.

Pari passu status

Cap Gemini S.A. has undertaken that the bonds will rank *pari passu* with all other bonds issued by the Company.

12. Bank loans and borrowings

Bank loans and borrowings total €454,140 thousand and comprise (i) the balances on certain euro and foreign bank accounts used in connection with the Group's worldwide cash pooling arrangements in the amount of €337,679 thousand, fully offset by opposite balances of the same amount presented in cash and cash equivalents of the company, (ii) commercial paper issued in the amount of €90,000 thousand, (iii) bank overdrafts in the amount of €137 thousand and (iv) accrued interest of €26,324 thousand.

Syndicated credit facility obtained by Cap Gemini S.A.

On November 14, 2005, Cap Gemini S.A. signed a €500 million multi-currency credit facility with a bank syndicate maturing on November 14, 2011 at the latest.

On January 13, 2011, Cap Gemini S.A. refinanced its multi-currency credit facility with a syndicate of 18 banks for the same amount as previously financed (€500 million), maturing on January 13, 2016. The initial margin on this new credit facility is 0.90%, compared to 0.40% previously. This margin may be adjusted according to the credit rating of Cap Gemini S.A. This facility is also subject to a fee on undrawn amounts equal to 35% of the margin (i.e. 0.315%), compared to 30% of the margin previously (i.e. 0.12%), that may be increased to 40% (35% previously) if Cap Gemini S.A.'s rating falls.

An upgrade or downgrade in Cap Gemini S.A.'s credit rating would have no impact on the availability of this credit facility. The other main terms and conditions of the credit facility, in particular with respect to certain financial ratios, remain unchanged.

Cap Gemini S.A. has agreed to comply with the following financial ratios (as defined in IFRS) in respect of this credit facility:

- the net debt to consolidated equity ratio must be less than 1 at all times,
- interest coverage must be equal to or greater than 3 at December 31 and June 30 of each year (based on the 12 months then ended).

At December 31, 2011, the Group complied with these financial ratios.

The facility agreement includes covenants restricting the Company's ability to carry out certain operations. These covenants also apply to Group subsidiaries. They include restrictions primarily relating to:

- pledging assets as collateral,
- asset sales, mergers or similar transactions.

Cap Gemini S.A. also committed to standard obligations, including an agreement to maintain *pari passu* status.

The agreement contains the usual provisions relating to early repayment, including for failure to pay sums due, misrepresentation or failure to comply with other obligations included in the agreement (subject to any applicable "grace" periods), cross defaults (in excess of a minimum threshold), insolvency and bankruptcy proceedings, change of control, or changes which would have a significant negative impact on the Group's financial position.

At December 31, 2011, this credit facility had not yet been drawn.

13. Maturity of payables at year-end

<i>in thousands of euros</i>	Gross amount	One year or less	More than one year
Convertible bonds	971,408	396,408	575,000
Eurobond issue	500,000	-	500,000
Bank loans and borrowings			
Bank overdrafts	137	137	-
Bank overdrafts (Group cash pooling arrangement)	337,679	337,679	-
Commercial paper	90,000	90,000	-
Accrued interest	26,324	26,324	-
Sub-total	454,140	454,140	-
Group loans and borrowings			
Payable to the Group	376,692	376,692	-
Payable to related companies	408,362	408,362	-
Sub-total	785,054	785,054	-
Accounts and notes payable	4,003	4,003	-
Tax and social security liabilities	2,764	2,764	-
Other payables	425	425	-
TOTAL	2,717,794	1,642,794	1,075,000

Group loans of €376,692 thousand comprise:

- a three-month revolving loan from Capgemini U.K. Plc. of €229,410 thousand. It was renewed on October 21, 2011 for an amount of £200 million, maturing January 23, 2012 and pays annual interest of 0.96975%.
- two one-month revolving loans from Inergi LP and New Horizon System Solution LP in Canada for a total amount of €125,282 thousand. They were renewed at the same date on December 28, 2011 for an amount of CAD 111 million and CAD 56 million respectively, maturing January 30, 2012 and pay annual interest of 1.682%.

- two three-month revolving loans from Capgemini Deutschland GmbH and Capgemini Deutschland Holding GmbH for a total amount of €22,000 thousand; They were renewed on October 26, 2011, maturing January 26, 2012 and pay annual interest of 1.588%.

The three foreign currency loans are hedged by currency swaps (euro/pound sterling and euro/Canadian dollar).

14. Accrued charges

Accrued charges reported in the balance sheet can be analyzed as follows:

in thousands of euros

	Amount
Borrowings	
Accrued interest	26,324
Other liabilities	
Accounts and notes payable	4,003
Tax and social security liabilities	2,764
Other payables	425
TOTAL	33,516

15. Unrealized foreign exchange gains and losses on foreign currency receivables and payables

in thousands of euros

	Reported in assets	Reported in liabilities	Provision for currency risks
On other receivables/payables	6	245	6
TOTAL	6	245	6

16. Net finance income (expense)

in thousands of euros

	Amount
Provisions relating to financial items	
Additions	(63,106)
Reversals	19,587
Sub-total	(43,519)
Dividends	48,749
Sub-total	48,749
Other financial income and expense	
Net proceeds from disposals of marketable securities	7,982
Loan income (capitalization contracts)	2,406
Revenue from current account loans granted and Group cash pooling arrangements	14,626
Interest on current account loans received and Group cash pooling arrangements	(4,221)
Interest on "OCEANE" bonds	(24,371)
Interest on the Eurobond	(2,330)
Interest on issued commercial paper	(675)
Net foreign exchange losses (net)	(243)
Other	(10)
Sub-total	(6,836)
NET FINANCE INCOME (EXPENSE)	(1,604)

The dividends of €48,749 thousand correspond to dividends paid to the Company during the period by French, Italian, Portuguese, and Polish subsidiaries.

Net income from short-term investments (€7,982 thousand) is the result of investments during 2011 in money market funds

(SICAV) for €2,483 thousand, investment funds (FCP) for €1,747 thousand and certificates of deposit for €3,752 thousand.

Additions to provisions for financial items of €63,106 thousand primarily concern provisions for impairment of equity interests in the amount of €37,900 thousand, relating to an Austrian

subsidiary for €19,909 thousand, a French subsidiary for €9,148 thousand and a Swiss subsidiary for €8,843 thousand, as well as additions to provisions for treasury shares of €16,324 thousand and the amortization of the redemption premium on "OCEANE 2005" bonds of €8,876 thousand.

Provision reversals of €19,587 thousand primarily concern reversals of provisions for impairment of equity interests relating to an American subsidiary in the amount of €11,000 thousand and a Polish subsidiary in the amount of €8,500 thousand.

17. Net non-recurring income

in thousands of euros

	Amount
Non-recurring income from operations	93
Sub-total	93
Exceptional provisions	(3,132)
Net expense on disposals of treasury shares under the liquidity agreement	(2,677)
Other	(8,307)
Sub-total	(14,116)
NET NON-RECURRING INCOME	(14,023)

18. Income tax expense

In France, Cap Gemini S.A. is the parent company of a French tax consolidation group comprising 19 companies. In 2011, the impact of tax consolidation on the earnings of Cap Gemini S.A. is an expense of €2,437 thousand, plus an additional expense of

€524 thousand in respect of fiscal year 2010. Tax losses carried forward by Cap Gemini S.A. amounted to €1,105,067 thousand at December 31, 2011.

III – OTHER INFORMATION

19. Off-balance sheet commitments

a) Commitments given to subsidiaries

Guarantees, deposits and comfort letters granted by Cap Gemini S.A. to its subsidiaries at December 31, 2011 can be analyzed as follows:

in thousands of euros

	Amount
Financial items	344,168
Operating items	837,370
Tax items	15,000
TOTAL	1,196,538

Guarantees, deposits and comfort letters granted to subsidiaries in respect of financial items provide them with access to local cash facilities in the form of credit lines. Total draw-downs on these credit lines at December 31, 2011 amounted to €93,560 thousand.

b) Other commitments

The Group has provided performance and/or financial guarantees for a number of major contracts. These include

the contracts signed with HM Revenue & Customs, Schneider Electric Industries, Euroclear, the Metropolitan Police Force, Ontario Power Generation Inc., Environment Agency, Renault S.A. and The Secretary of State for Work and Pensions.

Cap Gemini S.A., together with all of its subsidiaries and any entities which it directly or indirectly owns more than 50%, are insured for the financial implications of any civil or professional liability claims that may be filed against them as a result of

their activities. The insurance is part of a worldwide program comprising a number of policies taken out with leading insurance companies. The terms and conditions of this insurance program (including maximum coverage) are regularly reviewed and adjusted to reflect changes in revenues, business activities and risk profiles. The program's largest policy, amounting to €30 million, has been in place for several years and is reinsured with a consolidated captive reinsurance subsidiary.

Cap Gemini S.A. granted a financial guarantee in connection with the agreement signed on May 25, 2004 with France Telecom to transfer the management of part of the latter's telecommunications network for a term of eight years.

c) Financial instruments

Currency hedges / Derivative instruments

At December 31, 2011, the values of currency derivative instruments negotiated in respect of foreign currency denominated internal financing arrangements, break down as follows:

- a euro/US dollar swap with a negative value of €13,964 thousand for a nominal amount of USD 220 million (€156 million),

- a euro/pound sterling swap with a positive value of €10,102 thousand for a nominal amount of GBP 200 million (€229 million),
- a euro/Swedish krona swap with a negative value of €567 thousand for a nominal amount of SEK 200 million (€22 million),
- a euro/Canadian dollar swap with a positive value of €1,135 thousand for a nominal amount of CAD 167 million (€125 million),
- a euro/Australian dollar swap with a negative value of €619 thousand for a nominal amount of AUD 13 million (€9.7 million).

At December 31, 2011 external currency derivatives instruments entered into pursuant to the pooling of currency risk at Group level, had a net negative value of €966 thousand.

At December 31, 2011, off-balance sheet commitments received from subsidiaries on internal currency derivative instruments entered into pursuant to the pooling of currency risk at Group level, had a positive value of €179 thousand.

20. Related companies

in thousands of euros

	Amount
Balance sheet items	
Equity interests	14,175,052
Receivable from controlled entities	465,091
Payable to controlled entities	376,692
Related companies	
- receivable	559,496
- payable	408,362
Income Statement items	
Investment income	48,749
Income on Group loans	7,662
Other interest income	6,603
Interest expense	3,952

21. Dilution tied to the Redeemable share subscription or purchase warrants (BSAAR)

At December 31, 2011, the 2,999,000 redeemable share subscription or purchase warrants (BSAAR) are not dilutive as the aggregate of the €34 strike price and €3.22 issue premium is higher than the average market price of the Cap Gemini share in 2011.

If all these redeemable share subscription or purchase warrants (BSAAR) were exercised, the dilutive impact at December 31, 2011 would be 1.89% after exercise.

22. Consolidating company

Cap Gemini S.A. is the consolidating company for the Capgemini Group.

23. Subsequent events

On January 2, 2012 the remaining "OCEANE 2005" bonds were redeemed for an amount of €400 million, including accrued interest.

At the Combined Shareholders' Meeting, the Board of Directors will recommend a dividend payment of €1 per share in respect of 2011.

24. Remuneration of members of the Board of Directors

The total amount of attendance fees paid to Directors and non-voting directors in 2011 is €667,000 (or €602,500 after deduction of withholding tax for non-resident beneficiaries).

25. Fees paid to the statutory auditors and members of their network

in thousands of euros

	Amount
Statutory audit of the consolidated and separate financial statements	789
Other services directly related to the statutory audit engagement (*)	293
Sub-total	1,082
Other services	
Legal, tax and employee-related advisory services	-
Other	-
Sub-total	-
TOTAL	1,082

(*) Other services directly related to the statutory audit engagement consist of buyer due diligence procedures.

7.4. Subsidiaries and investments

in millions of euros

	Capital	Other shareholders' equity (including net income for the year)	% interest	Number of shares owned	Book value of shares		Loans & advances granted	Guarantees given ⁽¹⁾	2011 Revenue	Dividends received
					Gross	Net				
SUBSIDIARIES										
Capgemini North America Inc	1	3,059	100.00%	982,000	6,618	2,361	147	128	-	-
CGS HOLDINGS Ltd	636	1	100.00%	558,777,061	721	721	-	-	-	-
Gemini Consulting Holding Ltd	0	9	100.00%	1,083	23	23	-	-	-	-
Capgemini Oldco Ltd	12	26	100.00%	1,033,938,858	801	264	-	-	-	-
Capgemini AB (Sweden)	3	328	100.00%	25,861	387	387	22	9	-	-
Capgemini NV (Benelux)	2	309	100.00%	21,582,376	1,467	1,239	115	-	-	-
Capgemini Business services BV	0	2	100.00%	485	19	19	-	-	-	-
Capgemini Shared Services BV	0	0	100.00%	1,053	3	3	-	-	-	-
Capgemini Deutschland Holding GmbH	129	1	95.59%	3	629	629	-	12	-	-
Capgemini Consulting Österreich AG	0	8	100.00%	36,791	54	22	-	-	21	-
Capgemini Suisse AG	0	5	100.00%	500	45	30	-	69	50	-
Capgemini Polska Sp Z.o.o (Poland)	4	29	100.00%	129,160	25	25	-	55	145	5
Capgemini Magyarorszag Kft	0	1	100.00%	1	2	2	-	-	4	-
Capgemini Czech Republic s r o	1	3	98.77%	21,255	8	8	-	-	9	-
Capgemini France S.A.S.	70	321	100.00%	4,491,932	989	989	-	-	11	39
Capgemini Technology Services Maroc	3	1	99.99%	329,996	3	3	-	-	12	-
SOGETI N.V./S.A.	0	1	99.84%	619	0	0	-	-	-	-
SOGETI S.A.S.	261	312	100.00%	52,106,876	754	754	-	-	32	2
Capgemini Italia S.p.A.	18	17	100.00%	3,575,000	543	50	10	17	143	-
Capgemini España S.L. (Sociedad Unipersonal)	25	-20	76.02%	191,720	234	234	-	-	256	-
Capgemini Portugal, Serviços de Consultoria e Informatica, SA	8	4	100.00%	1,698,842	44	44	-	-	25	-
Capgemini Business Services Guatemala S.A.	1	0	99.80%	12,952,886	1	1	-	-	10	-
Capgemini Argentina S.A.	2	4	2.00%	126,369	0	0	-	-	27	-
Capgemini Asia Pacific Pte. Ltd. (Singapore)	24	-1	100.00%	17,421,229	148	11	-	-	1	-
Capgemini Australia Pty Ltd (Australia)	149	-146	100.00%	1,502,342	172	60	10	34	109	-
Capgemini Business Services (India)	0	22	99.90%	4,995	25	25	-	2	63	-
Capgemini Service S.A.S	8	-2	100.00%	8,000,000	134	6	-	15	216	-
S.C.I. Paris Etoile	0	5	99.99%	9,999	48	31	-	-	3	-
Immobilière les Fontaines S.A.R.L	2	-13	99.84%	619,000	32	32	-	39	7	2
Capgemini Université S.A.S.	0	0	100.00%	2,500	0	0	-	-	13	-
Capgemini Gouvieux S.A.S.	0	-	100.00%	10,000	0	0	-	-	21	-
Capgemini Consulting Cyprus Ltd	0	0	100.00%	101	0	0	-	-	-	-
CAP SOGETI 2005	229	-	100.00%	22,864,750	237	237	-	-	-	-
Capgemini Reinsurance International	20	-	100.00%	10,000	5	5	-	-	-	-
Other French companies	nm	nm	nm	nm	0	0	-	nm	nm	-
Other foreign companies	nm	nm	nm	nm	0	0	-	-	nm	-

INVESTMENTS

As of December 31, 2011, investments held by Cap Gemini SA are not material

7.5 Five-year financial summary

in thousands of euros

	2007	2008	2009	2010	2011
I - SHARE CAPITAL AT YEAR-END					
Share capital	1,163,404	1,166,760	1,233,419	1,246,163	1,246,163
Number of common shares outstanding	145,425,510	145,844,938	154,177,396	155,770,362	155,770,362
Maximum number of future shares to be created:					
- through exercise of equity warrants	10,291,173	8,696,637	9,655,432	9,079,500	6,484,125
- through conversion to convertible bonds	20,830,416	20,830,416	32,583,691	28,722,575	26,372,575
II - OPERATIONS AND RESULTS OF THE CURRENT YEAR					
Operating revenue	203,711	202,017	198,567	201,567	241,094
Operating revenue and financial revenue	639,994	382,207	297,617	278,822	339,560
Income before taxes, amortization and provisions	235,834	240,322	213,622	208,598	225,363
Income tax	(32,227)	(29,419)	(27,418)	(15,740)	2,962
Net income / (losses)	496,620	259,605	224,022	136,889	171,563
Distributed income	145,426	145,845	123,342	155,770	155,770 ⁽¹⁾
III - EARNINGS PER SHARE (in euros)					
Earnings after taxes, but before amortization and provisions	1.84	1.85	1.56	1.44	1.43
Net earnings	3.41	1.78	1.45	0.88	1.10
Dividend per share	1.00	1.00	0.80	1.00	1.00 ⁽¹⁾
IV - EMPLOYEE DATA					
Average number of employee during the year	Cap Gemini S.A. does not have any employees				
Total payroll					
Total benefits					

(1) Subject to approval by the Combined shareholders' Meeting of May 24, 2012.

7.6 Statutory auditors' report

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS (Year ended December 31, 2011)

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether qualified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2011, on:

- the audit of the accompanying financial statements of Cap Gemini S.A.,
- the justification of our assessments,
- the specific verifications and information required by law.

The financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

Equity interests as reported in the balance sheet amounted to €8,216 million at December 31, 2011. The accounting principles used to determine the value in use of these investments are described in Note I to the financial statements. As part of our assessments, we verified whether the approach applied was correct and that the assumptions used and resulting valuations were consistent overall.

These assessments were made in the context of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

I - Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes verifying, on a test basis or by other selection methods, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the financial statements give a true and fair view of the Company's financial position and its assets and liabilities as of December 31, 2011, and of the results of its operations for the year then ended in accordance with the accounting rules and principles applicable in France.

II - Justification of our assessments

In accordance with the requirements of Article L.823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matter:

III- Specific verifications and information

In accordance with professional standards applicable in France, we have also performed the specific verifications required by law.

We have no matters to report to you as to the fair presentation and consistency with the financial statements of the information given in the management report of the Board of Directors and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information disclosed pursuant to Article L.225-102-1 of the French Commercial Code on the remuneration and benefits paid to corporate officers and any other commitments made in their favor, we have verified its consistency with the financial statements or the information used as a basis for preparing the financial statements and, where appropriate, with the elements gathered by your Company from companies controlling your Company or controlled by it. Based on these procedures, we attest to the accuracy and fairness of such information.

In accordance with the law, we have verified that the management report contains the appropriate disclosures concerning the acquisition of investments and controlling interests and the identity of shareholders and holders of voting rights.

The Statutory Auditors

Neuilly-sur-Seine, April 10, 2012

PricewaterhouseCoopers Audit

Serge Villepelet
Partner

Edouard Sattler
Partner

Paris La Défense, April 10, 2012

KPMG Audit
Division of KPMG S.A.

Jean-Luc Decornoy
Partner

Jacques Pierre
Partner

STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

(Shareholders' Meeting held to approve the financial statements for the year ended December 31, 2011)

This is a free translation into English of the Statutory Auditors' special report on regulated agreements and commitments that is issued in the French language and is provided solely for the convenience of English speaking readers. This report on regulated agreements and commitments should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by French corporate law (Code de Commerce) and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report to you on regulated agreements and commitments.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements and commitments brought to our attention or which we may have discovered during the course of our audit, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements and commitments, if any. It is your responsibility, pursuant to Article R.225-31 of the French Commercial Code (*Code de commerce*), to assess the interest involved in respect of the conclusion of these agreements and commitments for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article R.225-31 of the French Commercial Code relating to the implementation during the past year of agreements and commitments previously approved by the Shareholders' Meeting, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

Agreements and commitments submitted to the approval of the Shareholders' Meeting

We hereby inform you that we have not been advised of any agreement or commitment authorized during the year to be submitted to the approval of the Shareholders' Meeting pursuant to Article L.225-38 of the French Commercial Code.

Agreements and commitments previously approved by Shareholders' Meeting

Pursuant to Article R.225-30 of the French Commercial Code, we have been informed that the following agreements and commitments, previously approved by Shareholders' Meetings of prior years, have remained in force during the year.

Type:

Supplementary collective defined benefit pension scheme set up by the Company in favor of certain senior executives regarded as having made a significant and lasting contribution to the Group's development.

Purpose and terms:

On December 13, 2006, the Board of Directors authorized the creation of a collective defined benefit pension scheme in favor of certain senior executives of the Group, enabling them to obtain, upon their retirement, a supplementary pension that may not exceed 40% of their reference earnings. The beneficiary's total cumulative pension benefits may not exceed 50% of the reference earnings which are capped at 60 times the annual ceiling for social security.

Messrs. Serge Kampf, Chairman of the Board of Directors and Paul Hermelin, Chief Executive Officer of the Company, have been registered as beneficiaries of this plan. During 2011, these corporate officers did not receive any compensation pursuant to this agreement.

The Statutory Auditors

Neuilly-sur-Seine, April 10, 2012

PricewaterhouseCoopers Audit

Serge Villepelet
Partner

Edouard Sattler
Partner

Paris La Défense, April 10, 2012

KPMG Audit
Division of KPMG S.A.

Jean-Luc Decornoy
Partner

Jacques Pierre
Partner

STATUTORY AUDITORS' REPORT ON THE CANCELLATION OF SHARES BOUGHT BACK BY THE COMPANY (Combined Shareholders' Meeting of May 24, 2012 – 10th resolution)

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in accordance with Article L. 225-209 of the French Commercial Code (*Code de commerce*) relating to the cancellation of shares bought back by the Company, we hereby present our report with our comments on the reasons for and terms of the proposed capital decrease.

Shareholders are asked to grant the Board of Directors for a 24-month period commencing the date of this Shareholders' Meeting, full powers to cancel the shares acquired under the Company's share buyback program pursuant to the provisions of the aforementioned article, provided that the aggregate number of shares cancelled in any given 24-month period does not exceed 10% of the Company's share capital.

We performed the procedures we considered necessary with regard to the professional standards of the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to such transactions. These procedures consisted in verifying that the reasons for and terms of the proposed capital decrease, which does not undermine shareholder equality, comply with applicable legal provisions.

We have no comments to make on the reasons for and terms and conditions of the proposed capital reduction.

The Statutory Auditors

Neuilly-sur-Seine, April 17, 2012

PricewaterhouseCoopers Audit

Serge Villepelet
Partner

Edouard Sattler
Partner

Paris La Défense, April 17, 2012

KPMG Audit
Division of KPMG S.A.

Jean-Luc Decornoy
Partner

Jacques Pierre
Partner

STATUTORY AUDITORS' REPORT ON THE ISSUE OF SHARES AND/OR SECURITIES WITH OR WITHOUT PRE-EMPTIVE SUBSCRIPTION RIGHTS (Combined Shareholders' Meeting of May 24, 2012 – 13th to 18th resolutions)

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in accordance with Articles L.228-92 and L.225-135 et seq. of the French Commercial Code (Code de commerce), we hereby present our report on the proposed delegations of authority to the Board of Directors to carry out various issues of ordinary shares and/or securities, as submitted to you for approval.

Based on its report, the Board of Directors is asking for authorization:

- for a period of 26 months, to decide on the following transactions and set the final terms and conditions of these issues and asks shareholders to waive their pre-emptive subscription rights, if necessary:

- issues of ordinary shares and and/or securities granting access to the Company's share capital or granting a right to allocation of debt instruments, with pre-emptive subscription rights (13th resolution),

- issues, in the form of a public offering, of ordinary shares and/or securities granting access to the Company's share capital or granting a right to allocation of debt instruments without pre-emptive subscription rights (14th resolution),

- issues, in the form of an offering as set out in paragraph II of Article L.411-2 of the French Monetary and Financial Code (*Code monétaire et financier*), of ordinary shares and/or securities granting access to the Company's share capital or granting a right to allocation of debt instruments without pre-emptive subscription rights (15th resolution),

- issues of ordinary shares and/or securities granting access to the Company's share capital or granting a right to allocation of debt instruments in the event of a public exchange offer made by the Company (18th resolution),

- for a period of 26 months, to set the terms and conditions of issues of ordinary shares and/or securities granting access to the Company's share capital, as payment for contributions in kind made to the Company comprised of shares or securities granting access to share capital (17th resolution) for up to 10% of the Company's current share capital.

Pursuant to the 12th resolution, the total par value amount of capital increases that may thus be carried out by issuing ordinary

shares and/or securities granting access to the Company's share capital, immediately or in the future, may not exceed €500 million pursuant to the 13th, 14th, 15th, 16th, 17th and 18th resolutions, it being specified that in connection with issues without pre-emptive subscription rights, this amount may not exceed €185 million. Pursuant to these same resolutions, the total par value amount of issues of securities granting access to the Company's share capital, or granting a right to the allocation of debt instruments may not exceed €3.5 billion, reduced to €1.25 billion in connection with issues without pre-emptive subscription rights.

These ceilings include the additional securities to be issued on the implementation of the delegations of authority referred to in the 13th, 14th and 15th resolutions, under the conditions set forth in Article L.225-135-1 of the French Commercial Code, should you adopt the 16th resolution.

The Board of Directors is responsible for preparing a report in accordance with Articles R. 225-113 et seq. of the French Commercial Code. It is our responsibility to express an opinion on (i) the fairness of the financial information taken from the financial statements, (ii) the proposed cancellation of pre-emptive subscription rights and (iii) other information concerning the transactions, presented in this report.

We performed the procedures we considered necessary with regard to the professional guidelines of the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to such transactions. These procedures consisted in reviewing the content of the Board of Directors' report relating to these transactions and the methods used to determine the share issue price.

Subject to a subsequent examination of the terms and conditions of the proposed issues, we have no comments as regards the methods used to set the share issue price as presented in the Board of Directors' report pursuant to the 14th and 15th resolutions.

In addition, since the Board of Directors' report does not specify the methods for determining the issue price of shares to be issued in connection with the implementation of the 13th, 17th and 18th resolutions, we do not express an opinion on the elements used to calculate the share issue price.

As the share issue price has not yet been set, we do not express an opinion on the final terms and conditions relating to the determination of the share issue price, and consequently, on the proposed waiver of pre-emptive subscription rights pursuant to the 14th and 15th resolutions.

In accordance with Article R. 225-116 of the French Commercial Code, we will issue a supplementary report, if necessary, when the Board of Directors uses these authorizations in the event of issues of securities granting access to the Company's share capital and/or granting a right to the allocation of debt instruments or issues of ordinary shares without pre-emptive subscription rights.

The Statutory Auditors

Neuilly-sur-Seine, April 17, 2012

PricewaterhouseCoopers Audit

Serge Villepelet
Partner

Edouard Sattler
Partner

Paris La Défense, April 17, 2012

KPMG Audit
Division of KPMG S.A.

Jean-Luc Decornoy
Partner

Jacques Pierre
Partner

STATUTORY AUDITORS' REPORT ON THE AUTHORIZATION TO GRANT FREE SHARES (EXISTING OR TO BE ISSUED) TO EMPLOYEES AND CORPORATE OFFICERS (Combined Shareholders' Meeting of May 24, 2012 – 19th resolution)

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in accordance with Article L.225-197-1 of the French Commercial Code (*Code de commerce*), we hereby present our report on the authorization to grant free shares (existing or to be issued) to employees and corporate officers of the Company and its French and non-French subsidiaries, as submitted to you for approval.

Based on its report, the Board of Directors is asking for authorization, for an 18-month period, to perform free grants of existing shares or shares to be issued.

The Board of Directors is responsible for preparing a report on this transaction which it wishes to perform. Our role is to express our comments, if any, on the information presented on the proposed transaction.

The Board of Directors' report states that the grant of existing shares or shares to be issued to employees of Cap Gemini S.A.

and its French and foreign subsidiaries, will be subject to the achievement of performance targets and a maximum number of shares with a par value of €8 not exceeding 1.5% of the share capital. It also states that the grant of shares to corporate officers of Cap Gemini S.A. will be limited to 10% of the aforementioned amount.

We performed the procedures we considered necessary with regard to the professional standards of the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to such transactions. These procedures primarily consisted in verifying that the proposed terms and conditions presented in the Board of Directors' report comply with applicable legal provisions.

We have no comments to make on the information presented in the Board of Directors' report on the proposed authorization to grant free shares.

The Statutory Auditors

Neuilly-sur-Seine, April 17, 2012

Paris La Défense, April 17, 2012

PricewaterhouseCoopers Audit

KPMG Audit
Division of KPMG S.A.

Serge Villepelet
Partner

Edouard Sattler
Partner

Jean-Luc Decornoy
Partner

Jacques Pierre
Partner

8.

TEXT OF THE DRAFT RESOLUTIONS

PRESENTED BY THE BOARD OF DIRECTORS TO
THE COMBINED SHAREHOLDERS' MEETING OF MAY 24, 2012

8. TEXT OF THE DRAFT RESOLUTIONS

PRESENTED BY THE BOARD OF DIRECTORS TO THE COMBINED SHAREHOLDERS' MEETING OF MAY 24, 2012	205
8.1 Resolutions presented at the Ordinary Shareholders' meeting	206
8.2 Resolutions presented at the Extraordinary Shareholders' meeting	208

8.1 Resolutions presented at the Ordinary Shareholders' Meeting

FIRST RESOLUTION

Approval of the 2011 Company financial statements

The Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings and after having read the following:

- the management report of the Board of Directors,
- the special report presented by the Chairman, and,
- the Statutory Auditors' report on their audit of the Company financial statements,

approves the Company financial statements for the year ended December 31, 2011, that show profit for the year of €171,563,263.44, and gives discharge to the Board of Directors for its management of the Company's business during the year.

SECOND RESOLUTION

Approval of the 2011 consolidated financial statements

The Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings and after having read the following:

- the Group management report of the Board of Directors for 2011,
- the Statutory Auditors' report on the consolidated financial statements,

approves the consolidated financial statements for the year ended December 31, 2011, that show net profit for the year of €404 million.

THIRD RESOLUTION

Regulated agreements

The Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings and after having read the Statutory Auditors' special report on regulated agreements governed by Article L.225-38 of the French Commercial Code (Code de commerce), records that no such agreement has been entered into during the past year.

FOURTH RESOLUTION

Net income appropriation and dividend

The Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings, approves the recommendations of the Board of Directors to appropriate the profit for the year ended December 31, 2011 as follows:

• Net profit for the year	€171,563,263.44
• No allocation to the legal reserve as it is fully funded	-
i.e. a balance of:	€171,563,263.44
• Retained earnings from previous years	€387,512,560.04
i.e. distributable earnings of:	€559,075,823.48

- allocated to:

- payment of a dividend of €1 per share:	€155,770,362.00
- retained earnings for the balance:	€403,305,461.48
giving a total of:	€559,075,823.48

It should be noted that the dividend, set at €1 for each of the 155,770,362 shares bearing dividend rights on January 1, 2011, will be fully eligible for the 40% tax rebate referred to in Article 158.3.2 of the French Tax Code (*Code Général des Impôts*).

The ex-dividend date will be June 4, 2012 and the dividend will be payable from June 7, 2012. If, at the time of payment of the dividend, the Company holds some of its own shares, the dividend for these shares will be added to retained earnings.

Pursuant to Article 243 bis of the French Tax Code, dividends paid over the past three fiscal years were as follows: €155,770,362 for 2010 (€1 per share); €123,341,916.80 for 2009 (€0.80 per share); €145,844,938 for 2008 (€1 per share). All of these dividends were fully eligible for the 40% tax rebate set out in Article 158.3.2 of the French Tax Code.

FIFTH RESOLUTION (*)

Appointment of a Director representing employee shareholders in accordance with Article 11-5 of the bylaws

The Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings, appoints Mrs. Lucia Sinapi-Thomas as director representing employee shareholders for a four-year period. This term of office shall therefore expire at the close of the Ordinary Shareholders' Meeting held to approve the financial statements for the year ending December 31, 2015.

SIXTH RESOLUTION (*)

Appointment of a Director representing employee shareholders in accordance with Article 11-5 of the bylaws (resolution not supported by the Board of Directors)

The Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings, appoints Mrs. Carla Heimbigner as director representing employee shareholders for a four-year period. This term of office shall therefore expire at the close of the Ordinary Shareholders' Meeting held to approve the financial statements for the year ending December 31, 2015.

* Resolutions 5 and 6: pursuant to Article 11-5 of the bylaws, only a single seat of director representing employee shareholders is available. The candidate receiving the greatest number of votes shall therefore be elected.

SEVENTH RESOLUTION

Renewal of the term of office as non-voting director of Mr. Pierre Hessler

At the recommendation of the Board of Directors, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings, renews for a two-year period the term of office as non-voting director of Mr. Pierre Hessler, which expires at the close of this meeting. This new term of office shall therefore expire at the close of the Ordinary Shareholders' Meeting held to approve the financial statements for the year ending December 31, 2013.

EIGHTH RESOLUTION

Renewal of the term of office as non-voting director of Mr. Geoff Unwin

At the recommendation of the Board of Directors, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings, renews for a two-year period the term of office as non-voting director of Mr. Geoff Unwin, which expires at the close of this meeting. This new term of office shall therefore expire at the close of the Ordinary Shareholders' Meeting held to approve the financial statements for the year ending December 31, 2013.

NINTH RESOLUTION

Authorization to the Board of Directors to enable the Company to buy back its own shares within the limit of a number of shares equal to a maximum of 10% of its share capital

In accordance with Articles L. 225-209 *et seq.* of the French Commercial Code and with European Commission Regulation No. 2273/2003 of December 22, 2003, the Combined Shareholders' Meeting voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings and after having read the Board of Directors' report authorizes the Company - for the reasons and subject to the terms and conditions detailed below - to buy back its own shares.

This authorization is given to allow the Company, if required:

- to manage the secondary market and share liquidity through an investment services provider within the scope of a liquidity agreement in accordance with the ethics charter recognized by the AMF,
- to award shares to employees and/or corporate officers (on the terms and by the methods provided by law), in particular in connection with a plan involving the allocation of shares without consideration, a company savings plan or an international employee share ownership plan,
- to remit the shares thus purchased to holders of securities granting access to the Company's share capital upon exercise of the rights attached thereto, in accordance with applicable regulations,
- to purchase shares to be retained with a view to remitting them in the future in exchange or payment for potential external growth transactions,

- to cancel the shares thus purchased subject to adoption of the tenth resolution included in the agenda of this Combined Shareholders' Meeting.

The acquisition, disposal and transfer transactions described above may be carried out by any method in accordance with applicable laws and regulations –including through the use of derivative instruments or by means of a block purchase or transfer of shares– and be carried out at any time, except during public offers for Company shares.

The Combined Shareholders' Meeting:

- resolves that the maximum purchase price for shares under the buyback program may not exceed €55 per share with a par value of €8. In the event of a share capital increase paid up by capitalizing additional paid-in capital, reserves, profit or other amounts and allocating shares without consideration during the period of validity of this authorization (as well as in the event of a stock-split or reverse stock-split), the maximum price per share will be adjusted based on the ratio of the number of shares issued and outstanding before the transaction to this number after the transaction, and the above maximum number of shares will be adjusted based on the ratio of the total number of shares representing the share capital after the transaction to this number before the transaction;
 - resolves that the maximum number of shares that may be acquired under this resolution may not exceed 10% of the Company's share capital. It is specified, however, that:
 - within the context of this authorization, the number of treasury shares should be taken into account to ensure that the Company does not own, at any time, over 10% of its own share capital, and
 - the number of treasury shares to be tendered in payment or exchange in the context of a merger, de-merger or contribution may not represent more than 5% of the share capital.
- Based on the number of shares making up the Company's share capital at December 31, 2011, the theoretical maximum amount that the Company could invest in share buybacks is €856,736,980, that is, 15,577,036 shares with a par value of €8 acquired at a maximum price per share of €55.

The Combined Shareholders' Meeting gives full powers to the Board of Directors (including the power of delegation subject to applicable law) to:

- implement this authorization,
- place any and all buy and sell orders and enter into any and all agreements, in particular for the keeping of registers of share purchases and sales, in accordance with applicable regulations,
- carry out any and all filings and other formalities and generally do whatever is necessary.

The Board of Directors will detail in its annual report to the Combined Shareholders' Meeting all transactions carried out under this authorization, which is given for a period of 18 months as from the date of this Shareholders' Meeting and supersedes the authorization given in the sixth resolution adopted by the Combined Shareholders' Meeting of May 26, 2011.

8.2 Resolutions presented at the Extraordinary Shareholders' Meeting

TENTH RESOLUTION

Authorization to the Board of Directors to cancel shares acquired by the Company under the share buyback programs

In accordance with the provisions of Article L. 225-209 of the French Commercial Code, the Combined Shareholders' Meeting - voting in accordance with quorum and majority rules for Extraordinary Shareholders' Meetings, and after having read the Board of Directors' report and the Statutory Auditors' special report – authorizes the Board of Directors to cancel, on one or several occasions at its sole discretion, all or some of the Cap Gemini S.A. shares held by the Company pursuant to Article 225-209, provided that the aggregate number of shares cancelled in any given period of 24 months does not exceed 10% of the Company's share capital and to reduce the share capital accordingly.

The Combined Shareholders' Meeting gives full powers to the Board of Directors to use the authorization given in this resolution, deduct from additional paid-in capital or any distributable reserves the difference between the purchase price of the cancelled shares and their par value, to amend the bylaws and to carry out all necessary formalities.

This authorization is granted for a period of 24 months as from the date of this Shareholders' Meeting and supersedes the authorization given in the seventh resolution adopted by the Combined Shareholders' Meeting of May 26, 2011.

ELEVENTH RESOLUTION

Delegation of authority to the Board of Directors to carry out a capital increase by capitalizing reserves

In accordance with Articles L. 225-129, L. 225-19-2 and L. 225-130 of the French Commercial Code, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings and after having read the Board of Directors' report:

- authorizes the Board of Directors to decide to increase the share capital on one or several occasions by capitalizing additional paid-in capital, reserves, profit or other amounts in the form of an allocation of shares without consideration or by raising the par value of existing shares,
- but decides that, within the scope of this authorization, the par value amount of the increases in capital by capitalizing reserves may not exceed €1.5 billion.

Within the scope of this authorization, the Board of Directors may decide that fractional rights will not be transferable, that the corresponding shares will be sold and that the proceeds from the sale will be allocated to the holders of such rights.

This authorization is granted for a period of 26 months as from the date of this Shareholders' Meeting and supersedes the

authorization given in the eighteenth resolution adopted by the Combined Shareholders' Meeting of May 27, 2010.

TWELFTH RESOLUTION

Setting general ceilings on the delegations of authority resulting from the following six resolutions

The Combined Shareholders' Meeting – voting in accordance with quorum and majority rules for Extraordinary Shareholders' Meetings, and after having read the Board of Directors' report – resolves to set as follows:

- the total amount of share issues with or without pre-emptive subscription rights that may be carried out pursuant to the authorizations given to the Board of Directors in the six resolutions hereafter (thirteenth, fourteenth, fifteenth, sixteenth, seventeenth and eighteenth resolutions):
 - the total par value amount (excluding share premiums) of capital increases that may thus be carried out by issuing ordinary shares or securities granting access to the Company's share capital may not exceed €500 million (approximately 40% of the share capital at December 31, 2011), to which will be added, where applicable, the par value of the shares to be issued in order to protect the rights of holders of securities granting access to the Company's share capital, it being specified that this limit will not apply to capital increases by capitalizing additional paid-in capital, reserves, profit or other amounts. In the case of a capital increase by capitalizing additional paid-in capital, reserves, profit or other amounts by allocating shares without consideration during the period of validity of this delegation of authority, the maximum par value amount (excluding share premiums) referred to above will be adjusted based on the ratio between the number of shares issued and outstanding before and after the transaction,
 - the maximum aggregate amount issues of securities granting access to the Company's share capital or granting a right to allocation of debt instruments may not exceed €3.5 billion.
- the total amount of share issues without pre-emptive subscription rights that may be carried out pursuant to the authorizations given to the Board of Directors in the five resolutions hereafter (fourteenth, fifteenth, sixteenth, seventeenth and eighteenth resolutions):
 - the total par value amount (excluding share premiums) of capital increases that may thus be carried out by issuing ordinary shares or securities granting access to the Company's share capital may not exceed €185 million (approximately 15% of the share capital at December 31, 2011), to which will be added, where applicable, the par value of the shares to be issued in order to protect the rights of holders of securities granting access to the Company's share capital, it being specified that this limit will not apply to capital increases by capitalizing additional paid-in capital, reserves, profit or other amounts. In the case of a capital increase by capitalizing additional paid-in capital, reserves, profit or

other amounts by allocating shares without consideration during the period of validity of this delegation of authority, the maximum par value amount (excluding share premiums) referred to above will be adjusted based on the ratio between the number of shares issued and outstanding before and after the transaction,

- the maximum aggregate amount of issues of securities granting access to the Company's share capital or granting a right to allocation of debt instruments may not exceed €1.25 billion.

THIRTEENTH RESOLUTION

Delegation of authority to the Board of Directors to issue ordinary shares and/or securities granting access to the Company's share capital or granting a right to allocation of debt instruments with pre-emptive subscription rights

In accordance with Articles L. 225-129, L. 225-129-2, L. 225-132 and L. 228-92 of the French Commercial Code, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Extraordinary Shareholders' Meetings, and after having read the Board of Directors' report and the Statutory Auditors' special report:

- delegates to the Board of Directors the authority to decide on the issue, on one or several occasions, by the methods and on the terms that it deems fit, in France or other countries, of new ordinary shares of the Company and/or securities granting access to the Company's share capital, immediately and/or in the future, or granting a right to the allocation of debt instruments issued by the Company. These securities may be denominated either in euros, or in foreign currencies, or in any monetary unit established by reference to several currencies,
- resolves that the shares and securities issued within the scope of this authorization will be subject to the following ceilings, in addition to the general ceilings set in indent one of the twelfth resolution:
 - the total par value amount (excluding share premiums) of capital increases that may thus be carried out as a result of issuing shares or securities granting access to the Company's share capital may not exceed €500 million (approximately 40% of the share capital at December 31, 2011), to which will be added, where applicable, the par value of the shares to be issued in order to preserve the rights of holders of securities granting access to the Company's share capital. In the case of a share issue by capitalizing additional paid-in capital, reserves, profit or other amounts by allocating shares without consideration during the period of validity of this delegation of authority, the maximum par value amount (excluding share premiums) referred to above will be adjusted based on the ratio between the number of shares issued and outstanding before and after the transaction,

- the aggregate amount of issues of securities granting access to the Company's share capital or granting a right to allocation of debt instruments may not exceed €3.5 billion,

- resolves that, if the Board of Directors makes use of this delegation of authority:

- the shareholders will have a pre-emptive right and may subscribe, pursuant to their priority rights, for ordinary shares and securities issued pursuant to this resolution in proportion to the number of shares held by them, and the Board of Directors is authorized to establish pre-emptive subscription rights for excess shares and to provide for an extension clause exclusively aimed at satisfying pre-emptive subscription orders for excess shares that could not be satisfied,

- if subscriptions by shareholders pursuant to their priority rights pro rata to their existing holdings, as well as to any shares not taken up by other shareholders, do not cover the total amount of the share issue, the Board of Directors may notably offer to the public all or some of the shares not subscribed,

- authorizes the Board of Directors to offset the share issue costs against the related premiums and deduct from these issue premiums the amounts necessary to bring the legal reserve to one-tenth of the new share capital.

This delegation of authority is granted for a period of 26 months as from the date of this Shareholders' Meeting and supersedes the delegation of authority given in the twentieth resolution adopted by the Combined Shareholders' Meeting of May 27, 2010.

FOURTEENTH RESOLUTION

Delegation of authority to the Board of Directors to issue, in the form of a public offering, ordinary shares and/or securities granting access to the Company's share capital or granting a right to allocation of debt instruments without pre-emptive subscription rights

In accordance with Articles L. 225-129, L. 225-129-2, L. 225-135, L. 225-136 and L. 228-92 of the French Commercial Code, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Extraordinary Shareholders' Meetings, and after having read the Board of Directors' report and the Statutory Auditors' special report:

- authorizes the Board of Directors to decide on the issue, in the form of a public offering, on one or several occasions, by the methods and on the terms that it deems fit, in France or other countries, of ordinary shares of the Company and/or securities granting access to ordinary shares of the Company, immediately and/or in the future, or granting a right to the allocation of debt instruments issued by the Company. These securities may be denominated either in euros, or in foreign currencies, or in any monetary unit established by reference to several currencies,

- resolves that the shares and securities issued within the scope of this authorization will be subject to the following ceilings, in addition to the general ceilings set in the twelfth resolution:
 - the total par value amount (excluding share premiums) of capital increases that may thus be carried out by issuing shares or securities granting access to the Company's share capital may not exceed €185 million, (approximately 15% of the share capital at December 31, 2011), to which will be added, where applicable, the par value of the shares to be issued in order to preserve the rights of holders of securities granting access to the Company's share capital. In the case of a share issue by capitalizing additional paid-in capital, reserves, profit or other amounts by allocating shares without consideration during the period of validity of this delegation of authority, the maximum par value amount (excluding share premiums) referred to above will be adjusted based on the ratio between the number of shares issued and outstanding before and after the transaction,
 - the aggregate amount of the issue of securities granting access to the Company's share capital or granting a right to allocation of debt instruments may not exceed €1.25 billion,
- resolves to cancel shareholder pre-emptive subscription rights to these shares and securities granting access to the Company's share capital that may be issued under this delegation of authority, giving the Board of Directors the power, however, to provide for a priority right for the shareholders to all or part of the issue, during the period and by the methods that it deems fit,
- resolves that the price of the ordinary shares issued, or the shares to which the securities granting access to the Company's share capital issued in accordance with this authorization may confer entitlement, shall be at least equal to the weighted average price of the Company's shares during the three trading days preceding the date on which the price is set. This price may be reduced by a discount of up to 5%,
- resolves that the issue price of securities granting access to the Company's share capital will be such that the amount immediately collected by the Company plus, where applicable, any amount that is likely to be collected subsequently by the Company, is, for each share issued as a result of the issue of these securities, at least equal to the amount set out in the preceding paragraph,
- authorizes the Board of Directors to offset the share issue costs against the related premiums and deduct from these issue premiums the amounts necessary to bring the legal reserve to one-tenth of the new share capital.

This delegation of authority is granted for a period of 26 months as from the date of this Shareholders' Meeting and supersedes the delegation of authority given in the twenty-first resolution adopted by the Combined Shareholders' Meeting of May 27, 2010.

FIFTEENTH RESOLUTION

Delegation of authority to the Board of Directors to issue, in the form of a private placement, ordinary shares and/or securities granting access to the Company's share capital or granting a right to allocation of debt instruments without pre-emptive subscription rights

In accordance with Articles L. 225-129-2, L. 225-135, L. 225-136 and L. 228-92 of the French Commercial Code, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Extraordinary Shareholders' Meetings, and after having read the Board of Directors' report and the Statutory Auditors' special report:

- authorizes the Board of Directors to decide, on one or several occasions, on the issue carried out in the form of an offering as set out in paragraph II of Article L. 411-2 of the French Monetary and Financial Code (*Code monétaire et financier*), in France or other countries, of ordinary shares of the Company and/or securities granting access to ordinary shares of the Company, immediately and/or in the future, or granting a right to the allocation of debt instruments issued by the Company. These securities may be denominated either in euros, or in foreign currencies, or in any monetary unit established by reference to several currencies,
- resolves that the shares and securities issued within the scope of this authorization will be subject to the following ceilings, in addition to the general ceilings set in the twelfth resolution:
 - the total par value amount (excluding share premiums) of capital increases that may thus be carried out by issuing shares or securities granting access to the Company's share capital may not exceed €185 million, (approximately 15% of the share capital at December 31, 2011), to which will be added, where applicable, the par value of the shares to be issued in order to preserve the rights of holders of securities granting access to the Company's share capital. In the case of a share issue by capitalizing additional paid-in capital, reserves, profit or other amounts by allocating shares without consideration during the period of validity of this delegation of authority, the maximum par value amount (excluding share premiums) referred to above will be adjusted based on the ratio between the number of shares issued and outstanding before and after the transaction,
 - the aggregate amount of issues of securities granting access to the Company's share capital or granting a right to allocation of debt instruments may not exceed €1.25 billion,
- resolves to cancel shareholder pre-emptive subscription rights to these shares and securities that may be issued under this delegation of authority,
- resolves that the price of the ordinary shares issued, or the shares to which the securities granting access to the Company's share capital issued in accordance with this authorization may confer entitlement, shall be at least be equal to the weighted average price of the Company's shares during

the three trading days preceding the date on which the price is set. This price may be reduced by a discount of up to 5%,

- resolves that the issue price of securities granting access to the Company's share capital will be such that the amount immediately collected by the Company plus, where applicable, any amount that is likely to be collected subsequently by the Company, is, for each share issued as a result of the issue of these securities, at least equal to the amount set out in the preceding paragraph,
- authorizes the Board of Directors to offset the share issue costs against the related premiums and deduct from these issue premiums the amounts necessary to bring the legal reserve to one-tenth of the new share capital.

This delegation of authority is granted for a period of 26 months as from the date of this Shareholders' Meeting and supersedes the delegation of authority given in the twenty-second resolution adopted by the Combined Shareholders' Meeting of May 27, 2010.

SIXTEENTH RESOLUTION

Delegation of authority to the Board of Directors to increase the number of securities to be issued within the scope of over-allotment options ("Greenshoe" options)

The Combined Shareholders' Meeting - voting in accordance with quorum and majority rules for Extraordinary Shareholders' Meetings, and after having read the Board of Directors' report and the Statutory Auditors' special report — delegates its authority within the scope of issues performed with or without pre-emptive subscription rights and decided based on the authorizations granted to the Board of Directors pursuant to the three preceding resolutions (thirteenth, fourteenth and fifteenth resolutions), to increase the number of securities initially offered under the conditions and within the limits provided for by Articles L. 225-135-1 and R. 225-118 of the French Commercial Code and within the limit of the ceilings provided for in such resolutions.

This delegation of authority is granted for a period of 26 months as from the date of this Shareholders' Meeting.

SEVENTEENTH RESOLUTION

Delegation of authority to the Board of Directors to issue ordinary shares and/or securities granting access to the Company's share capital for contributions in kind to the Company of shares or securities granting access to share capital

In accordance with Articles L. 225-147 and L. 228-92 of the French Commercial Code, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Extraordinary Shareholders' Meetings, and after having read

the Board of Directors' report and the Statutory Auditors' special report:

- delegates to the Board of Directors the authority required to carry out an issue of ordinary shares or securities granting access to the Company's share capital, as payment for contributions in kind made to the Company comprised of shares or securities granting access to share capital where the provisions of Article L.225-148 of the French Commercial Code do not apply,
- resolves that the shares and securities issued within the scope of this authorization will be subject to a ceiling of 10% of the Company's current share capital, in addition to the general ceilings set in the twelfth resolution,
- notes that existing shareholders of the Company shall not have a pre-emptive right to subscribe for any shares and/or other securities issued pursuant to this authorization, as the exclusive purpose of such issues shall be to provide payment for contributions in kind,
- authorizes the Board of Directors to use this authorization, approve the valuation of contributions, issue such shares or securities, offset the share issue costs against the related premiums and amend the bylaws accordingly.

This delegation of authority is granted for a period of 26 months as from the date of this Shareholders' Meeting and supersedes the delegation of authority given in the twenty-fifth resolution adopted by the Combined Shareholders' Meeting of May 27, 2010.

EIGHTEENTH RESOLUTION

Delegation of authority to the Board of Directors to issue ordinary shares and/or securities granting access to the Company's share capital or granting a right to allocation of debt instruments as payment for shares tendered to any public exchange offer made by the Company

In accordance with Articles L. 225-148, L. 225-129 and L. 228-92 of the French Commercial Code, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Extraordinary Shareholders' Meetings, and after having read the Board of Directors' report and the Statutory Auditors' special report:

- delegates to the Board of Directors the authority to decide, on one or several occasions, on the issue of ordinary shares and/or securities granting access to ordinary shares of the Company or, provided that the first debt instrument constitutes shares, granting a right to the allocation of debt instruments as payment for shares tendered to any public exchange offer made by the Company in France or other countries for the shares of another company traded on one of the regulated markets set out in Article L. 225-148,

- resolves that the shares and securities issued within the scope of this authorization will be subject to the following ceilings, in addition to the general ceilings set in the twelfth resolution:
 - the total par value amount (excluding share premiums) of capital increases that may thus be carried out by issuing shares or securities granting access to the Company's share capital may not exceed €185 million (approximately 15% of the share capital at December 31, 2011), to which will be added, where applicable, the par value of the shares to be issued in order to preserve the rights of holders of securities granting access to the Company's share capital. In the case of a share issue by capitalizing additional paid-in capital, reserves, profit or other amounts by allocating shares without consideration during the period of validity of this delegation of authority, the maximum par value amount (excluding share premiums) referred to above will be adjusted based on the ratio between the number of shares issued and outstanding before and after the transaction,
 - the aggregate amount of issues of securities granting access to the Company's share capital or granting a right to allocation of debt instruments may not exceed €1.25 billion,
- notes that existing shareholders of the Company shall not have a pre-emptive right to subscribe for any shares and/or other securities issued pursuant to this authorization, as the exclusive purpose of such issues shall be to provide payment for securities tendered to public exchange offers made by the Company,
- notes that the price of the shares and other securities issued under this authorization will be set based on the laws applicable to public exchange offers,
- authorizes the Board of Directors, or a representative duly authorized in accordance with the law, to use this authorization and to offset the share issue costs against the related premiums.

This delegation of authority is granted for a period of 26 months as from the date of this Shareholders' Meeting and supersedes the delegation of authority given in the twenty-sixth resolution adopted by the Combined Shareholders' Meeting of May 27, 2010.

NINETEENTH RESOLUTION

Authorization to be given to the Board of Directors to allocate performance shares to employees and corporate officers of the Company and its French and non-French subsidiaries

In accordance with Articles L. 225-197-1 et seq. of the French Commercial Code, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Extraordinary Shareholders' Meetings, and after having read the Board of Directors' report and the Statutory Auditors' special report:

1. authorizes the Board of Directors - subject to the achievement of the performance targets defined in paragraph 4 of the present resolution and for a number of shares with a par value of €8 not exceeding 1.5% of the share capital at the date of the decision (this maximum number of shares being referred to hereafter by the letter "N") - to allocate shares of the Company (existing or to be issued), to employees and corporate officers of the Company and its French and non-French subsidiaries;
2. resolves that up to a maximum of 10% of "N", these performance shares may also be allocated, in accordance with applicable laws, to the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officers of the Company, it being specified that in this case, the shares may not be transferred by their beneficiary until the end of the beneficiary's term of office;
3. resolves that these performance shares will only vest at the end of:
 - a) a period of at least two years, in which case the beneficiary will be required to hold the shares for an additional minimum period of two years from the date on which they vest, or
 - b) a period of at least four years, in which case there will be no minimum holding requirement;

The Board of Directors may decide between the above two options and apply them alternately or concurrently, depending on regulatory provisions in force in the country of residence of the beneficiaries. However, the shares will vest before the expiry of the above periods and with no minimum holding period in the event of the death or incapacity of a beneficiary, corresponding to a Category 2 or 3 disability in France, as defined in Article L. 341-4 of the French Social Security Code (*Code de la Sécurité Sociale*);
4. resolves that the exact number of shares vesting at the end of the minimum period of at least two or four years (depending on whether option 3a) or option 3b) is chosen) following the date of initial notification of the allocation, will be:
 - i) for half, equal to the number of shares indicated on the allocation notice, multiplied by the percentage of achievement of the chosen external performance target, it being specified that:
 - unless the Board of Directors subsequently makes a duly reasoned decision to the contrary, the performance target to be met in order for the shares to vest will be the performance of the Cap Gemini S.A. share measured over a minimum two-year period compared to the average performance, measured over the same period, of a basket of at least five shares of listed companies operating in the same sector as the Group in a minimum of five countries in which the Group is firmly established (France, the United States, India, etc.),
 - this relative performance will be measured by comparing the stock market performance of the Cap Gemini S.A. share with the average share price performance of the companies

comprising the basket over the same period, such that:

- the number of shares that will ultimately vest:
- will be equal to 50% of the number of shares initially allocated if the relative performance of the Cap Gemini S.A. share is at least equal to 110% of the basket,
- will vary between 30% and 50% of the initial allocation if the relative performance of the Cap Gemini S.A. share is between 100% and 110% of the average performance of the basket, with an additional 2% of shares vesting for each tenth of a point between these limits,
- will be equal to 30% of the number of shares initially allocated if the relative performance of the Cap Gemini S.A. share is equal to 100% of the basket,
- will vary between 20% and 30% of the initial allocation if the relative performance of the Cap Gemini S.A. share is between 90% and 100% of the average performance of the basket, with an additional 1% of shares vesting for each tenth of a point between these limits,
- no shares will vest if, over the period used as the reference for the calculation, the performance of the Cap Gemini S.A. share is less than 90% of the average performance of the basket of securities over the same period,

ii) for half, equal to the number of shares indicated on the allocation notice, multiplied by the percentage of achievement of the chosen internal performance target, it being specified that:

- unless the Board of Directors subsequently makes a duly reasoned decision to the contrary, the performance target to be met in order for the shares to vest will be the amount of audited and published organic free cash flow for the three-year cumulative period from January 1, 2012 to December 31, 2014, excluding Group payments to make up the shortfall on its defined benefit pension funds,
- no shares will vest if the cumulative organic cash flow for the three fiscal years is less than €750 million;
- the number of shares that will ultimately vest will be equal to 50% of the initial allocation if the cumulative organic cash flow for the three fiscal years is at least €1 billion and will vary on a straight-line basis between nil and half of the initial allocation for a cumulative organic free cash flow between these two limits;

it being understood that "organic free cash flow" is defined as cash flow from operations less acquisitions (net of disposals) of intangible assets and property, plant and equipment, adjusted for flows relating to the net interest cost (as presented in the consolidated statement of cash flows);

5. resolves that by exception, and for an amount not exceeding 15% of "N", shares may be allocated to employees of the Company and its French (pursuant to Article L. 225-197-6, paragraph 1, of the French Commercial Code) and foreign subsidiaries –excluding members of Group Management– without performance conditions;

6. gives powers to the Board of Directors to implement this authorization, and in particular:

- to set the share allocation date,
- to draw up one or more list(s) of beneficiaries and the number of shares allocated to each beneficiary,
- to decide, in the event that transactions are carried out before the shares vest that affect the Company's issued capital, whether to adjust the number of the shares allocated in order to protect the rights of the beneficiaries and, if so, to define the terms and conditions of such adjustment,
- to perform, where the allocations concern shares to be issued, the necessary share capital increases by capitalization of reserves and/or additional paid-in capital of the Company when the shares ultimately vest, to set the dates from which shares bear dividend rights and to amend the bylaws accordingly,
- to carry out all formalities and, more generally, to do whatever is necessary.

This authorization is granted for a period of 18 months as from the date of this Shareholders' Meeting and supersedes the authorization given in the eleventh resolution adopted by the Combined Shareholders' Meeting of May 26, 2011.

TWENTIETH RESOLUTION

Amendment of Article 19 of the bylaws to allow shareholders to vote using the internet

The Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Extraordinary Shareholders' Meetings, and after having read the Board of Directors' report, decides to amend Article 19 of the bylaws "Shareholders' Meetings" as follows:

"Shareholders' Meetings are convened by the Board of Directors. Meetings are held at the Company's headquarters or any other location in the same "département"¹, or neighboring "département"¹, detailed in the notice of meeting.

Shares carry voting rights based on the proportion of capital represented. All shares have the same par value and they therefore all carry one vote per share.

The right to participate in Shareholders' Meetings is evidenced by an entry in the name of the shareholder (or of the intermediary acting on his/her behalf if domiciled outside France) in the Company's share register or in the register of bearer shares held by the applicable authorized intermediary. Such entries must be recorded by 12:00 a.m. (Paris time) on the third working day preceding the Meeting and any related notices must be filed at one of the addresses indicated in the notice of meeting.

In the case of bearer shares, the authorized intermediary shall provide a participation certificate.

¹ France is divided into a number of territorial areas for administrative purposes known as "départements"

Shareholders may participate in Shareholders' Meetings in person, by proxy or by casting a remote vote in accordance with the terms and conditions set by applicable regulations.

Shareholders who have informed the Company that they wish to participate in a Meeting in person, remotely or by proxy may not alter their method of participation. However, attendance at a Meeting by a shareholder in person shall cancel any votes cast by proxy or remotely. To be taken into account, remote votes or proxy forms must be received by the Company at least three days prior to the date of the Meeting. If the Board of Directors so decides when convening the Meeting, shareholders voting by proxy or remotely may participate in voting using any telecommunication or teletransmission means, including the internet, in accordance with the conditions set out in applicable regulations at the time of use. Where an electronic form is submitted, the shareholder's signature may take the form of a secure signature or a reliable identification procedure guaranteeing the link with the related action and potentially consisting of a user identification and password. Where applicable, this decision of the Board of Directors shall be communicated in the notice of meeting published in BALO (French Journal of Mandatory Legal Announcements).

Where a shareholder has given proxy to a third party and has also voted remotely, if there is any difference in the two votes, the remote vote will be taken into account and the proxy ignored.

If the Board of Directors so decides when convening the Meeting, shareholders may participate and vote at the Meeting using any telecommunication or teletransmission means enabling their identification, including the internet, in accordance with the conditions set out in applicable regulations at the time of use. Where applicable, this decision of the Board of Directors shall be communicated in the notice of meeting published in BALO (French Journal of Mandatory Legal Announcements).

The Meetings are chaired by the Chairman of the Board of Directors or, in his/her absence, by the Vice-Chairman. In the absence of the Chairman and the Vice-Chairman, the Shareholders' Meeting shall elect a Chairman.

Minutes of the Meeting are prepared and copies are certified and delivered in accordance with the Law."

TWENTY-FIRST RESOLUTION **Powers to carry out formalities**

The Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings, authorizes the bearer of a copy or extract of the minutes of this meeting to execute all filing, publication and other formalities required under French law.

9.

SPECIFIC INFORMATION

9. SPECIFIC INFORMATION	215
9.1 Legal information	216
9.2 Share capital	218
9.3 Corporate governance	223
9.4 Agreements with executive corporate officers	229
9.5 Employee profit-sharing and incentive plans	230
9.6 Group management structure	231
9.7 Persons responsible for the audit of the financial statements	232
9.8 Person responsible for information	233
9.9 2012 provisional financial calendar	234
9.10 Declaration by the person responsible for the Reference Document	235

9.1 Legal information

Corporate name and head office

Corporate name: Cap Gemini

Head office: 11, rue de Tilsitt, 75017 Paris

Legal form and governing law

The Company is a *société anonyme* (joint-stock corporation) governed by the French Companies Act of July 24, 1966 (Law no. 66-537) and Decree no. 67-236 of March 23, 1967 (as amended by Decree no. 2006-1566 of December 11, 2006).

Date of incorporation and term

To prepare and facilitate the IPO on the Paris stock exchange of Cap Gemini Sogeti (incorporated in 1967) a new company, Cap Gemini, grouping together all investments representing the operating activities of the Group was incorporated on September 17, 1984. This company was registered with the Companies and Trade Registry on October 4, 1984.

The Company was set up for a period of ninety-nine years from the date of its registration with the Paris Companies & Trade Registry. It may be wound up in advance or have its term extended by decision of the Extraordinary Shareholders' Meeting.

Corporate purpose (Article 3 of the bylaws)

The Company's purpose is to assist companies in France and abroad in managing and developing their businesses by providing them with the benefit of its knowledge of their industry, its know-how in the area of business process engineering and re-engineering, and its expertise in the area of information technologies.

To fulfill this purpose, the Company carries out on behalf of clients, either directly, or through its subsidiaries or affiliates*, one or more of the following activities, on an individual or integrated basis:

• Management consulting

Working closely with clients, the Company provides change management assistance to companies by helping them to redefine or redirect their strategy, change their product and service lines, re-engineer their structures and business processes, restore staff motivation and achieve other changes. To this end, the Company uses all the possibilities offered by the latest information technologies whenever appropriate.

* including Technical Assistance/Local Professional Services performed under the Sogeti tradename and representing the Group's fourth business.

• Information systems development

The Company designs and installs information systems. Its services include the development of customized software, the installation of software applications available on the market or developed internally, the integration of systems incorporating hardware, communication systems, customized software, software packages and other components. The Company also supports clients' IT projects by providing consulting, project management, training and assistance services.

• Outsourcing

The Company manages all or part of its clients' IT resources on their behalf. Where requested by clients, the Company may perform all or part of this service using its own hardware, telecommunications systems and other equipment.

The Company may also manage the IT-based services offered to its clients' own clientele. In addition, it may work in partnership with clients within a structure conducting all or some of these activities.

In order to fulfill its corporate purpose, the Company may decide to:

- create specialist subsidiaries or acquire interests in the capital of other companies and manage their business in exchange for a fee. Management services include the provision of technical, marketing, legal and financial assistance, promotion of a consistent image, organization of financial structures, assistance in negotiations to help these companies win new contracts, training, research and development support, etc.;
- invest and manage the Company's available funds, make cash advances, and provide any and all guarantees or collateral on behalf of subsidiaries and affiliates;
- obtain or acquire and use any and all patents and manufacturing processes and sell, contribute or license any such patents and processes.

In broader terms, the Company's purpose includes carrying out any and all commercial, industrial, securities, real estate or financial transactions related directly or indirectly to any of the above purposes or any similar or related purpose or which is likely to facilitate the fulfillment or furtherance of these purposes.

Incorporation details

The Company is registered with the Paris Companies & Trade Registry (*Registre du Commerce et des Sociétés*) under number 330 703 844. Its APE business identifier is 7010Z.

Consultation of legal documents

Documents relating to the Company, including the bylaws, the financial statements, the reports of the Board of Directors (or the Management Board, the Directoire, from May 24, 1996 through

May 23, 2000) to the Shareholders' Meetings, and the Statutory Auditors' reports are available for consultation at the Company's head office at 11, rue de Tilsitt - 75017 Paris.

Fiscal year

The Company's fiscal year commences on January 1 and ends on December 31.

Appropriation and distribution of income

The Shareholders' Meeting has sole discretionary powers to decide on the appropriation of distributable income, as defined by French company law. Consequently, the Shareholders' Meeting may decide to appropriate all or part of distributable income to revenue reserves, special reserves or retained earnings, or to distribute all or part of the amount to shareholders.

The Shareholders' Meeting also decides the terms and conditions of payment of dividends. In particular, shareholders may be offered a stock dividend alternative, in which case the related dividends will be paid in the form of new shares credited as fully paid, in compliance with applicable laws and regulations. The above provisions also apply to the distribution of interim dividends, subject to compliance with French corporate law.

In addition, the Shareholders' Meeting may decide to distribute a dividend out of distributable reserves, subject to compliance with French corporate law.

Shareholders' Meetings

Shareholders may participate in Shareholders' Meetings in person, by proxy or by casting a postal vote, subject to submitting evidence of their identity and ownership of the shares. Ownership of shares is evidenced by an entry in the Company's share register in the name of the shareholder (or of the intermediary acting on their behalf if they are domiciled outside France), or in the register of bearer shares held by the applicable authorized intermediary. Such entries must be recorded by 12:00 a.m. (Paris time) on the third working day preceding the Meeting and any related notices must be filed at the address indicated in the notice of meeting.

Shareholders who have informed the Company that they wish to participate in a Meeting in person, by proxy or by casting a postal vote may not alter their method of participation. However, attendance at a Meeting by a shareholder in person shall cancel any proxy or postal votes cast.

To be taken into account, postal votes or proxy forms must be received by the Company at least three days prior to the date of the Meeting.

Where a shareholder has given proxy to a third party and has also sent in a postal voting form, if there is any difference in the two votes, the postal vote will be taken into account and the proxy ignored.

Disclosure thresholds

The Extraordinary Shareholders' Meeting of April 25, 2002 added specific disclosure obligations to the Company's bylaws. The bylaws now state that shareholders are required to notify the Company if their interest in the Company's share capital or voting rights is increased to above or reduced to below 1% or any multiple thereof. In the event of failure to comply with these disclosure rules, at the request of one or several shareholders with combined holdings representing at least 1% of the Company's share capital or voting rights, the undisclosed shares will be stripped of voting rights. This sanction will apply for all Shareholders' Meetings for a period of two years from the date on which the failure to disclose is rectified. Such request and the decision of the Shareholders' Meeting must be recorded in the minutes of the Meeting.

Shareholder identification

The Company is authorized to obtain details of identifiable holders of bearer shares.

The Extraordinary Shareholders' Meeting of April 25, 2002 added a new article to the Company's bylaws according to which the Company may request from the share transaction clearing organization, the name, address, nationality and year of birth for an individual or the name, address and date of registration for a company, of any holders of shares and securities granting access, immediately or in the future, to shares carrying voting rights at Shareholders' Meetings. The Company may also obtain details of how many shares are held by each shareholder and any applicable restrictions on these shares.

Voting rights

Shares carry voting rights based on the proportion of capital represented. All shares have the same par value and they therefore all carry one vote per share.

No shares carry double voting rights.

All registered and bearer shares carry one vote per share.

Changes in share capital and related rights

Changes in the share capital or the rights attached to shares are subject to compliance with French corporate law and the specific provisions of the bylaws.

9.2 Share capital

Amount of capital

At December 31, 2011, the Company's share capital amounted to €1,246,162,896, divided into 155,770,362 fully paid-up ordinary shares with a par value of €8 each.

Shares may be held in either registered or bearer form, at the shareholder's discretion.

Financial authorizations

Existing financial authorizations (Combined Shareholders' Meeting of May 27, 2010)

The Combined Shareholders' Meeting of May 27, 2010 authorized the Board of Directors to carry out various transactions in respect of the Company's share capital subject to the limits specified in the table below. Under these authorizations, the

Board of Directors may increase the share capital by a maximum par value amount of €500 million (excluding any employee share issues or capital increases carried out through the capitalization of reserves). The aggregate maximum amount of authorized issues may not exceed €3.5 billion:

Type of securities	Maximum amount (in euros) ⁽¹⁾	Authorization date	Expiry date
a) Ordinary shares paid up by capitalizing reserves, profit or other eligible amounts	1.5 billion (par value)	05/27/2010	07/27/2012
b) Ordinary shares and/or securities granting access to the share capital of the Company, or granting a right to allocation of debt instruments, with PSR	500 million (par value) 3.5 billion (issue amount)	05/27/2010	07/27/2012
c) Ordinary shares and/or securities granting access to the share capital of the Company, or granting a right to an allocation of debt instruments without PSR, public offer	185 million (par value) 1.25 billion (issue amount)	05/27/2010	07/27/2012
d) Ordinary shares and/or securities granting access to the share capital of the Company, or granting a right to an allocation of debt instruments without PSR, private placement	185 million (par value) 1.25 billion (issue amount)	05/27/2010	07/27/2012
e) Ordinary shares or shares combined with securities granting access to the share capital of the Company, as payment for contributions in kind to the Company	10% of the share capital	05/27/2010	07/27/2012
f) Ordinary shares and/or securities granting access to the share capital of the Company, or granting a right to an allocation of debt instruments as payment for shares tendered to a public exchange offer made by the Company	185 million (par value) 1.25 billion (issue amount)	05/27/2010	07/27/2012
g) Ordinary shares without PSR (French Corporate Savings Act)	12 million (par value)	05/27/2010	07/27/2012

PSR = Pre-emptive Subscription Rights

⁽¹⁾ Recap of overall limits:

- a maximum par value amount of €500 million and a maximum issue amount of €3.5 billion for all issues with and without pre-emptive subscription rights.
- including a maximum par value amount of €185 million and a maximum issue amount of €1.25 billion for all issues without pre-emptive subscription rights.

During fiscal year 2011, the Board of Directors did not use any of these delegations of authority, which remain valid until July 27, 2012.

Other existing financial authorizations (Combined Shareholders' Meeting of May 26, 2011)

The Combined Shareholders' Meeting of May 26, 2011 also delegated powers to the Board of Directors authorizing it to:

- carry out a share capital increase via a share issue reserved for employees of the Group (both members and non-members of Group savings plans). The par value amount of this share capital increase may not exceed €48 million (i.e. 6 million shares or slightly less than 4% of the Company's share capital at December 31, 2010).
- issue redeemable share subscription or purchase warrants (BSAAR) to employees or executive officers of the Group, granting access to a maximum of 1 million shares (approximately 0.6% of the Company's share capital at December 31, 2010) and representing a maximum par value amount of €8 million;
- grant performance shares to employees and corporate officers of the Company and its subsidiaries, up to a maximum of 1 million shares with a par value of €8 each.

The following table summarizes these delegations of authority:

Type of securities	Maximum amount (in euros)	Authorization date	Expiry date
Ordinary shares issued within the scope of the international employee share ownership plan:			
a) members of Group savings plans	48 million (par value) ⁽¹⁾	05/26/2011	07/26/2013
b) not restricted to members of Group savings plans, but subject to similar conditions	16 million (par value) ⁽¹⁾	05/26/2011	11/26/2012
Redeemable share subscription or purchase warrants (BSAAR)	8 million (par value)	05/26/2011	11/26/2012
Performance shares	8 million (par value)	05/26/2011	11/26/2012

⁽¹⁾ The total amount of share capital increases performed pursuant to a) and b) is capped at a par value amount of €48 million.

The Board of Directors' Meeting of February 15, 2012 decided in principle a share capital increase reserved for Group employees under similar terms and conditions to the transaction performed in 2009. However, the delegations of authority enabling the Board

of Directors to grant performance shares and to issue redeemable share subscription or purchase warrants (BSAAR) to employees or executive officers of the Group, had not been used at the date of the Combined Shareholders' Meeting of May 24, 2012.

Proposed renewal of financial authorizations (Combined Shareholders' Meeting of May 24, 2012)

The Combined Shareholders' Meeting of May 24, 2012 is asked to replace the existing delegations of authority with new delegations of authority of the same nature, but with new expiry dates, as summarized in the following table:

Type of securities	Maximum amount (in euros) ⁽¹⁾	Authorization date	Expiry date
a) Ordinary shares paid up by capitalizing reserves, profit or other eligible amounts	1.5 billion (par value)	05/24/2012	07/24/2014
b) Ordinary shares and/or securities granting access to the share capital of the Company, or granting a right to allocation of debt instruments, with PSR	500 million (par value) 3.5 billion (issue amount)	05/24/2012	07/24/2014
c) Ordinary shares and/or securities granting access to the share capital of the Company, or granting a right to an allocation of debt instruments without PSR, public offer	185 million (par value) 1.25 billion (issue amount)	05/24/2012	07/24/2014
d) Ordinary shares and/or securities granting access to the share capital of the Company, or granting a right to an allocation of debt instruments without PSR, private placement	185 million (par value) 1.25 billion (issue amount)	05/24/2012	07/24/2014
e) Ordinary shares or shares combined with securities granting access to the share capital of the Company, as payment for contributions in kind to the Company	10% of the share capital	05/24/2012	07/24/2014
f) Ordinary shares and/or securities granting access to the share capital of the Company, or granting a right to an allocation of debt instruments as payment for shares tendered to a public exchange offer made by the Company	185 million (par value) 1.25 billion (issue amount)	05/24/2012	07/24/2014

PSR = Pre-emptive Subscription Rights

⁽¹⁾ Recap of overall limits:

- a maximum par value amount of €500 million and a maximum issue amount of €3.5 billion for all issues with and without pre-emptive subscription rights.
- including a maximum par value amount of €185 million and a maximum issue amount of €1.25 billion for all issues without pre-emptive subscription rights.

Accordingly, share capital increases performed pursuant to the delegations of authority which shareholders are asked to grant today, would be subject to the following ceilings:

- a maximum par value amount of €500 million and a maximum issue amount of €3.5 billion for all issues, with and without pre-emptive subscription rights, of securities granting access to the share capital of the Company, or granting a right to an allocation of debt instruments.
- and (included in the above ceilings) a maximum par value amount of €185 million, representing approximately 15% of the share capital and a maximum issue amount of €1.25 billion for all issues without pre-emptive subscription rights, that is (i) issues performed by public offer or private placement at a price at least equal to the weighted average price of the Company's shares during the three trading days preceding the date on which the price is set, potentially reduced by a discount of up to 5%, and (ii) issues performed in consideration for contributions

in kind granted to the Company or shares tendered to a public exchange offer made by the Company;

The greenshoe option would of course be included in these ceilings.

In the event that securities are issued without pre-emptive subscription rights, the Board of Directors may grant shareholders a non-transferable priority right to subscribe to the securities.

The Combined Shareholders' Meeting of May 24, 2012 is also asked to replace the existing delegation of authority with a new delegation of authority enabling the Board of Directors to grant performance shares to employees and corporate officers of the Company and its subsidiaries up to a number of shares with a par value of €8 not exceeding 1.5% of the share capital at the date of grant, as summarized in the following table:

Type of securities	Maximum amount (in euros)	Authorization date	Expiry date
Performance shares	1.5% of the share capital	05/24/2012	11/24/2013

Conversely, the Combined Shareholders' Meeting is not asked to grant new delegations of authority enabling the performance of share capital issues reserved for employees of the Group and issues of redeemable share subscription or purchase warrants (BSAAR) to employees and corporate officers of the Group.

Share equivalents outstanding

Stock option plans

At the May 23, 2000 and May 12, 2005 Combined Shareholders' Meetings, the Board of Directors was given a five-year authorization in respect of the May 23, 2000 plan ("2000 Plan"), and a 38-month authorization in respect of the May 12, 2005 plan ("2005 Plan"), to grant stock options to certain Group employees on one or more occasions.

The main features of these plans and their bases of calculation are set out in the tables on pages 135 to 136 and 185 of this reference document.

Performance share plans

The Shareholders' Meeting of April 17, 2008 authorized the Board of Directors, for a maximum period of 12 months, to grant shares subject to performance and presence conditions to a certain number of Group employees. On March 5, 2009, the Board of Directors approved the terms and conditions of this plan as well as the list of beneficiaries.

The main features of this initial plan are summarized in pages 136 to 139 and 186 to 187 of this reference document.

At the end of the two-year period, the definitive calculation led to the vesting of only 50% of performance shares initially granted, that is, after including shares granted without performance conditions, a maximum of 534,750 shares granted. 200,250 of these shares have definitively vested to beneficiaries tax-resident in France, while the remaining balance granted to foreign beneficiaries is subject to their continued presence in the Group on termination of the plan, that is, on March 5, 2013. The Shareholders' Meeting of April 30, 2009 authorized the Board of Directors, for a maximum period of 18 months, to grant shares subject to performance and presence conditions to a certain number of Group employees. On September 15, 2010, the Board of Directors approved the terms and conditions of this plan as well as the list of beneficiaries.

Bonds convertible/exchangeable into new or existing Cap Gemini S.A. shares (OCEANE)

On April 8, 2009, Cap Gemini S.A. issued bonds convertible/exchangeable into new or existing Cap Gemini shares, maturing on January 1, 2014. The total amount of the issue was €575 million, represented by 16,911,765 bonds with a nominal value of €34 each. The terms and conditions of this issue were set out in the prospectus approved by the AMF on April 8, 2009 under reference number 09-084.

The bonds convertible/exchangeable into new or existing shares issued by Cap Gemini S.A. on June 16, 2005 and maturing January 1, 2012 (OCEANE 2005) are not included in share equivalents outstanding, as the 9,460,810 bonds still outstanding at December 31, 2011 had not been converted at that date. These bonds were redeemed in full on January 2, 2012.

Redeemable share subscription or purchase warrants (BSAAR)

During fiscal year 2009, 2,999,000 warrants were subscribed by employees and corporate officers of the Group at a price of €3.22 per warrant. This issue was disclosed in a prospectus approved by the AMF on May 14, 2009 under reference number 09-140.

The warrants may not be exercised or transferred during a four-year period commencing July 23, 2009, except under the conditions specified in the issue agreement (primarily in the event of a takeover bid for Cap Gemini SA shares). The warrants will be listed and traded on the Euronext Paris market between July 23, 2013 and July 22, 2016.

Changes in the Company's share capital over the past five years

	Number of shares	Share capital (in euros)	Additional paid-in capital (in euros)
AT DECEMBER 31, 2006	144,081,808	1,152,654,464	5,501,959,280
Issuance costs for shares issued in 2006	-	-	(67,499)
Share capital increase by conversion of bonds:			
Shares issued on conversion of OCEANE bonds	1	8	29
Share capital increase for cash:			
Shares issued on exercise of stock options	1,343,701	10,749,608	23,227,599
AT DECEMBER 31, 2007	145,425,510	1,163,404,080	5,525,119,409
Adjustment to issuance costs for shares issued in 2006	-	-	26,207
Share capital increase for cash:			
Shares issued on exercise of stock options	419,428	3,355,424	6,672,634
AT DECEMBER 31, 2008	145,844,938	1,166,759,504	5,531,818,250
Share capital increase for cash:			
Shares issued reserved for employees	5,999,999	47,999,992	117,479,980
Issue costs for shares reserved for employees			(1,266,628)
Shares issued on exercise of stock options	2,332,459	18,659,672	33,472,939
Subscription of redeemable share subscription or purchase warrants (BSAAR)			
Issue of 2,999,000 warrants (BSAAR)	-	-	9,656,780
Warrant issue costs charged against additional paid-in capital	-	-	(863,727)
Allocation to legal reserve			(6,490,802)
AT DECEMBER 31, 2009	154,177,396	1,233,419,168	5,683,806,792
Share capital increase for cash:			
Shares issued on exercise of stock options	1,592,966	12,743,728	33,595,907
AT DECEMBER 31, 2010	155,770,362	1,246,162,896	5,717,402,699
AT DECEMBER 31, 2011	155,770,362	1,246,162,896	5,717,402,699

Current ownership structure

The ownership structure at December 31, 2011 is presented on page 222. No shares carry double voting rights. At December 31, 2011, Cap Gemini S.A. held 2,203,250 of its own shares. At December 31, 2011, there were 1,641 holders of registered shares.

Based on information received by the Company during the year, no shareholder held, directly or indirectly, 5% or more of the Company's share capital or voting rights at Shareholders' Meetings at the year-end.

In accordance with Article 10 of the Company's bylaws, the companies listed below made the following disclosures to the Company during the fiscal year:

- Amundi Asset Management disclosed that it had reduced its interest below the threshold of 4% of the Company's share capital and voting rights,
- International Value Advisers LLC disclosed that it had raised its interest above the threshold of 1% of the Company's share capital and voting rights,
- Norge Bank's holding disclosed that it had raised its interest above the threshold of 2% of the Company's share capital and voting rights,

- Caisse des Dépôts et Consignations disclosed that it had reduced its interest below the threshold of 1% and then raised its interest above the thresholds of 1% and 2% of the Company's share capital and voting rights,
- Alliance Bernstein L.P. disclosed that it had reduced its interest below the thresholds of 4%, 3%, 2% and 1% of the Company's share capital and voting rights,
- Crédit Suisse disclosed that it had raised and reduced its interest on numerous occasions (22 in total) above and below the thresholds of 1% and 2% of the Company's share capital and voting rights. On the most recent occasion, it reduced its interest below the threshold of 1% of the Company's share capital and voting rights,
- BNP Paribas Asset Management disclosed that it had raised and reduced its interest on numerous occasions (12 in total)

above and below the threshold of 1% of the Company's share capital and voting rights. On the most recent occasion, it reduced its interest below the threshold of 1% of the Company's share capital and voting rights,

- UBS disclosed that it had raised and reduced its interest on numerous occasions (9 in total) above and below the thresholds of 1% and 2% of the Company's share capital and voting rights. On the most recent occasion, it raised its interest above the threshold of 1% of the Company's share capital and voting rights,

Shares held by members of the Board of Directors represent 3.6% of the Company's share capital.

Changes in ownership structure over the past three years

	At December 31, 2009			At December 31, 2010			At December 31, 2011		
	Number of shares	% Share capital	% voting-rights	Number of shares	% Share capital	% voting-rights	Number of shares	% Share capital	% voting-rights
Serge Kampf	5,618,156	3.6	3.6	5,518,156	3.5	3.5	5,365,904	3.4	3.4
Paul Hermelin	187,048	0.1	0.1	202,048	0.1	0.1	227,048	0.1	0.1
Public ⁽¹⁾ (bearer + registered)	140,536,717	91.2	91.2	142,377,580	91.4	91.4	142,745,303	91.7	91.7
Employee shareholders	5,714,475	3.7	3.7	5,497,578	3.6	3.6	5,228,857	3.4	3.4
Treasury shares ⁽²⁾	2,121,000	1.4	1.4	2,175,000	1.4	1.4	2,203,250	1.4	1.4
Own shares	-	-	-	-	-	-	-	-	-
TOTAL	154,177,396	100.0	100.0	155,770,362	100.0	100.0	155,770,362	100.0	100.0

⁽¹⁾ Including share capital held by managers.

⁽²⁾ At December 31, 2011, Cap Gemini S.A. held 2,203,250 of its own shares acquired under the share buyback program. In accordance with French corporate law, these shares are stripped of voting rights.

The Company does not hold any "own shares" other than those classified as treasury shares.

Based on a study of identifiable bearer shares carried out at December 31, 2011, the Company has 65,640 identifiable holders of bearer shares holding at least 50 shares.

No shares carry double voting rights.

Shareholders' agreements

There are no shareholder agreements or pacts in force.

9.3 Corporate governance

To avoid repetition, please refer to the first two parts of the Special Report of the Chairman of the Board of Directors for further details.

Board of Directors

- Members: 13 directors

Directors

- Serge KAMPF
Chairman of the Board
- Daniel BERNARD
- Yann DELABRIÈRE
- Laurence DORS
- Paul HERMELIN
Vice-Chairman, CEO
- Michel JALABERT
- Phil LASKAWY
- Bernard LIAUTAUD
- Thierry de MONTBRIAL
- Ruud van OMMEREN
- Terry OZAN
- Pierre PRINGUET
- Bruno ROGER

After extensive examination of their personal situations, the 10 directors whose names are underlined were considered by the Board to be "independent".

- **Term of office: 4 years**

The Combined Shareholders' Meeting of May 11, 2006 decided, on the recommendation of the Board of Directors, to reduce the term of office of Company directors from six years to four years (applicable with immediate effect to current terms of office).

Of the 13 directors comprising the Board of Directors:

- two, **Messrs. Bernard Liautaud and Pierre Pringuet**, were appointed by the Combined Shareholders' Meeting of April 30, 2009. Their terms of office will therefore expire the day of the Combined Shareholders' Meeting held in the Spring of 2013;
- two other directors, **Messrs. Daniel Bernard and Thierry de Montbrial**, were appointed for the first time by the Combined Shareholders' Meeting of May 12, 2005 and their terms of office were renewed for a further 4 years at this same Meeting on April 30, 2009. Their terms of office will therefore also expire the day of the Combined Shareholders' Meeting held in the Spring of 2013;
- eight other directors, **Messrs. Yann Delabrière, Paul Hermelin, Michel Jalabert, Serge Kampf, Phil Laskawy, Ruud van Ommereen, Terry Ozan, and Bruno Roger**, who have been Board members for several years, saw their terms of office renewed last year for a period of four years, therefore expiring in the Spring of 2014, the day of the Combined Shareholders' Meeting held to approve the 2013 financial statements;
- the thirteenth director, **Mrs. Laurence Dors**, was appointed by the Combined Shareholders' Meeting last year to replace Mr. Jean-Rene Fourtou, who did not seek to renew his term of office. Her term of office will therefore also expire in the Spring of 2014.

- **Minimum number of shares**

Each director must personally hold at least 100 shares in the Company. Non-voting directors are not subject to this requirement.

- **Meetings**

- At least six times per year at the head office of the Company in Paris (or at any other venue stated in the notice of meeting). The Board met eight times in 2011 (four times during the first half and four times during the second half);
- Attendance rate in 2011: 88% on average, with all absences due to cases of force majeure.

- **Vice-Chairman**

The Combined Shareholders' Meeting of May 27, 2010 decided to add a provision to the Company's bylaws authorizing the Board of Directors to appoint a Vice-Chairman from among its members, who, in the absence of the Chairman and for the duration of this absence, will exercise his powers. In particular, the Vice-Chairman's role will be to chair meetings of the Board of Directors or Shareholders' Meetings on his behalf. At the end of this Combined Shareholders' Meeting, the Board of Directors decided to elect Paul Hermelin as Vice-Chairman while confirming him in his functions as Chief Executive Officer.

Non-voting directors

- Members: 2 non-voting directors
Pierre Hessler Geoff Unwin
- Term of office: 2 years

The terms of office of the current two non-voting directors (Messrs. Pierre Hessler and Geoff Unwin) were renewed for a period of two years by the Combined Shareholders' Meeting of May 27, 2010: these two terms of office therefore expire today and accordingly the Board of Directors asks shareholders to renew these offices for a further period of two years.

Internal rules of operation

The Board has established and adopted internal rules of operation (which it amended on July 26, 2006 and June 9, 2010), mainly in order to clarify the scope of (and bases for exercising) the various powers entrusted to the Board, the specialized Board committees, the Chairman, the Vice-Chairman and the CEO. It also sets out the list of obligations under the "Code of Business Ethics" with which directors and non-voting directors undertake to comply.

Board committees

The general purpose of these committees is to examine or prepare certain resolutions involving their particular areas of expertise, to draft proposals and to provide opinions or recommendations to the Board with regard to any decisions to be taken. They have no decision-making authority –decisions being taken by the Board of Directors, meeting according to the requisite procedure– and may not treat subjects outside their own fields of competence.

There are four specialized Board committees:

- **Audit Committee**

- Chairman: Yann Delabrière
- Other directors: Michel Jalabert, Phil Laskawy and Pierre Pringuet
- Meetings: six in 2011, with an average attendance rate of 79%

- **Selection & Compensation Committee**

- Chairman: Ruud van Ommeren
- Other directors: Michel Jalabert, Terry Ozan and Pierre Pringuet
- Non-voting director: Pierre Hessler
- Meetings: five in 2011, with an average attendance rate of 92%

- **Ethics & Governance Committee**

- Chairman: Serge Kampf
- Other directors: Daniel Bernard and Bruno Roger
- Meetings: three in 2011, with an average attendance rate of 100%

- **Strategy & Investments Committee**

- Chairman: Bernard Liautaud
- Other directors: Daniel Bernard, Laurence Dors, Paul Hermelin, Thierry de Montbrial and Bruno Roger
- Non-voting director: Geoff Unwin
- Meetings: four in 2011, with an average attendance rate of 100%.

List of directorships and other offices held by members of the Board of Directors

Directorships and other offices held by the 13 voting members of the Board of Directors are as follows:

Members of the Board	First appointment and expiry* of term of office	Offices held in 2011 and current offices	Other offices held during the last five years outside the Group
Serge KAMPF Date of birth: October 13, 1934 <u>Number of shares held at December 31, 2011</u> 5,365,904	2000-2013	<u>Principal office</u> Chairman of the Board of Directors of: <ul style="list-style-type: none"> • CAP GEMINI S.A. <u>Other offices</u> Chairman of: <ul style="list-style-type: none"> • Capgemini Service S.A.S. • Capgemini Suisse S.A. Director of: <ul style="list-style-type: none"> • Capgemini North America Inc. (U.S.A.) 	Director of: <ul style="list-style-type: none"> • SANOFI-AVENTIS S.A. Member of the Selection, Remuneration and Corporate Governance Committee of: <ul style="list-style-type: none"> • SANOFI-AVENTIS S.A. Member of the Académie des Sports
Daniel BERNARD Date of birth: October 18, 1946 <u>Number of shares held at December 31, 2011</u> 150	2005-2012	<u>Principal office</u> Chairman of: <ul style="list-style-type: none"> • PROVESTIS <u>Other offices</u> Chairman of the Board of Directors of: <ul style="list-style-type: none"> • KINGFISHER plc • MAF Retail Group Director of: <ul style="list-style-type: none"> • ALCATEL LUCENT Chairman of: <ul style="list-style-type: none"> • The HEC Foundation Senior Advisor de: <ul style="list-style-type: none"> • TowerBrook Capital Partners, L.P. 	None
Yann DELABRIERE Date of birth: December 19, 1950 <u>Number of shares held at December 31, 2011</u> 2,550	2004-2013	<u>Principal office</u> Chairman and Chief Executive Officer of: <ul style="list-style-type: none"> • FAURECIA 	Member of the Executive Committee and Chief Financial Officer of: <ul style="list-style-type: none"> • PSA PEUGEOT CITROËN Chairman and Chief Executive Officer of: <ul style="list-style-type: none"> • Banque PSA FINANCE • CREDIPAR (Compagnie Générale de Crédit aux Particuliers) Chairman of the Supervisory Board of: <ul style="list-style-type: none"> • PEUGEOT FINANCE INTERNATIONAL NV Chairman of the Board of Directors of: <ul style="list-style-type: none"> • PEUGEOT CITROËN ARGENTINE • PERGOLESE INVESTISSEMENTS Vice-Chairman and Managing Director of: <ul style="list-style-type: none"> • PSA INTERNATIONAL Director of: <ul style="list-style-type: none"> • PEUGEOT CITROËN AUTOMOBILES • AUTOMOBILES CITROËN • GEFCO Manager (Gérant) of: <ul style="list-style-type: none"> • GIE PEUGEOT CITROËN Finance et Comptabilité (Belgium) • PSA Services S.R.L. (Italy)

* at the date of the Shareholders' Meeting held to approve the financial statements of the year concerned.

Members of the Board	First appointment and expiry* of term of office	Offices held in 2011 and current offices	Other offices held during the last five years outside the Group
Laurence DORS Date of birth: March 16, 1956 <u>Number of shares held at December 31, 2011</u> 100	2010-2013	Principal office Independent Director Other offices Director of: <ul style="list-style-type: none"> • Crédit Agricole SA • EGIS SA 	Corporate Secretary of: <ul style="list-style-type: none"> • EADS Senior Executive Vice-President Member of the Executive Committee of: <ul style="list-style-type: none"> • Dassault Systèmes Corporate Secretary Member of the Executive Committee of: <ul style="list-style-type: none"> • Renault Group
Paul HERMELIN Date of birth: April 30, 1952 <u>Number of shares held at December 31, 2011</u> 227,048	2000-2013	Principal office Vice-Chairman and Chief Executive Officer of: <ul style="list-style-type: none"> • CAP GEMINI S.A. Chief Executive Officer of Capgemini Group Other offices Chairman of: <ul style="list-style-type: none"> • Camélia Participations SAS (FRANCE) • Capgemini America, Inc. (U.S.A) • Capgemini US LLC (U.S.A) • Capgemini North America Inc. (U.S.A.) • Capgemini Holding Inc. (U.S.A.) • Capgemini Energy GP LLC (U.S.A) Chief Executive Officer of: <ul style="list-style-type: none"> • Capgemini Service S.A.S. • Capgemini North America Inc. (U.S.A.) • Capgemini Holding Inc. (U.S.A) Director of: <ul style="list-style-type: none"> • CGS Holdings Ltd (UK) • SOGETI S.A. (BELGIUM) • Capgemini Australia Pty Ltd • Capgemini Financial Services International Inc. • CPM BRAXIS S.A. (BRAZIL) Member of the Supervisory Board of: <ul style="list-style-type: none"> • Capgemini N.V. 	None
Michel JALABERT Date of birth: January 20, 1933 <u>Number of shares held at December 31, 2011</u> 425	2000-2013	Principal office Director of: <ul style="list-style-type: none"> • CAP GEMINI S.A. Other offices None	None
Phil LASKAWY Date of birth: March 31, 1941 <u>Number of shares held at December 31, 2011</u> 7,600	2002-2013	Principal office Non-Executive Chairman of: <ul style="list-style-type: none"> • FANNIE MAE (U.S.A) Director of: <ul style="list-style-type: none"> • GENERAL MOTORS CORPORATION Other offices Director of: <ul style="list-style-type: none"> • HENRY SCHEIN, INC. • LAZARD LTD • LOEWS CORPORATION 	Director of: <ul style="list-style-type: none"> • THE PROGRESSIVE CORPORATION • DISCOVER FINANCIAL SERVICES

* at the date of the Shareholders' Meeting held to approve the financial statements of the year concerned.

Members of the Board	First appointment and expiry* of term of office	Offices held in 2011 and current offices	Other offices held during the last five years outside the Group
Bernard LIAUTAUD Date of birth: June 17, 1962 <u>Number of shares held at December 31, 2011</u> 200	2009-2012	<u>Principal office</u> General Partner of: <ul style="list-style-type: none"> BALDERTON CAPITAL MANAGEMENT (BCM) (UK) <u>Other offices</u> Member of the Supervisory Board of: <ul style="list-style-type: none"> SAP Director of: <ul style="list-style-type: none"> CLINICAL SOLUTION (UK) NLYTE SOFTWARE LTD (UK) TALEND SA QUICKBRIDGE (UK) SCYTL (Spain) ABIQUO GROUP INC. (USA) VESTIAIRE DE COPINES S.A. DASHLANE INC (USA) 	Co-founder in 1990 of: <ul style="list-style-type: none"> BUSINESS OBJECTS Chairman and Chief Executive Officer of: <ul style="list-style-type: none"> BUSINESS OBJECTS
Thierry de MONTBRIAL Date of birth: March 3, 1943 <u>Number of shares held at December 31, 2011</u> 100	2005-2012	<u>Principal office</u> Founder and Chief Executive Officer of: <ul style="list-style-type: none"> L'INSTITUT FRANÇAIS DES RELATIONS INTERNATIONALES (IFRI) <u>Other offices</u> Chairman of: <ul style="list-style-type: none"> CENTRE FRANCO-AUTRICHIEN POUR LE RAPPROCHEMENT ÉCONOMIQUE EN EUROPE WOPYCO SAS Emeritus Professor at: <ul style="list-style-type: none"> CONSERVATOIRE NATIONAL DES ARTS ET METIERS Member of: <ul style="list-style-type: none"> L'INSTITUT DE FRANCE (ACADÉMIE DES SCIENCES MORALES ET POLITIQUES) 	Member of: <ul style="list-style-type: none"> LAFARGE INTERNATIONAL ADVISORY BOARD OCP GROUP (Morocco) INTERNATIONAL ADVISORY BOARD RUSAL INTERNATIONAL ADVISORY BOARD
Ruud van OMMEREN Date of birth: September 11, 1936 <u>Number of shares held at December 31, 2011</u> 100	2000-2013	<u>Principal office</u> Director of: <ul style="list-style-type: none"> CAP GEMINI S.A. <u>Other offices</u> Chairman of the Supervisory Board of: <ul style="list-style-type: none"> Capgemini N.V. Member of the Supervisory Board of: <ul style="list-style-type: none"> WILLEM VAN RIJN B.V. 	Chairman of the Supervisory Board of: <ul style="list-style-type: none"> GAK ONROEREND GOED V.O.F. Member of the Supervisory Board of: <ul style="list-style-type: none"> KONINKLIJKE GROLSCH N.V.
Terry OZAN Date of birth: July 21, 1946 <u>Number of shares held at December 31, 2011</u> 24,300	2000-2013	<u>Principal office</u> Director of: <ul style="list-style-type: none"> CAP GEMINI S.A. <u>Other offices</u> Director of: <ul style="list-style-type: none"> COHESANT INC. TFS FINANCIAL CORPORATION Member of the Strategy Committee of: <ul style="list-style-type: none"> STATE INDUSTRIAL PRODUCTS 	Director of: <ul style="list-style-type: none"> KANISA Corporation NOTEWORTHY MEDICAL SYSTEMS, INC.

* at the date of the Shareholders' Meeting held to approve the financial statements of the year concerned.

Members of the Board	First appointment and expiry* of term of office	Offices held in 2011 and current offices	Other offices held during the last five years outside the Group
Pierre PRINGUET Date of birth: January 31, 1950 Number of shares held at December 31, 2011 1,700	2009-2012	<u>Principal office</u> Chief Executive Officer and Director of: <ul style="list-style-type: none"> Groupe PERNOD RICARD <u>Other offices</u> Director of: <ul style="list-style-type: none"> ILIAD S.A. 	Joint Chief Executive Officer and sole Managing Director of: <ul style="list-style-type: none"> Groupe PERNOD RICARD
Bruno ROGER Date of birth: August 6, 1933 Number of shares held at December 31, 2011 100	2000-2013	<u>Principal office</u> Chairman of: <ul style="list-style-type: none"> LAZARD FRERES S.A.S. COMPAGNIE FINANCIERE LAZARD FRERES SAS Chairman and Chief Executive Officer of: <ul style="list-style-type: none"> LAZARD FRERES BANQUE <u>Other offices</u> Chairman de: <ul style="list-style-type: none"> GLOBAL INVESTMENT BANKING of LAZARD Managing Partner of: <ul style="list-style-type: none"> LAZARD FRERES MAISON LAZARD ET CIE Member of the Deputy Chairman Committee of: <ul style="list-style-type: none"> LAZARD FRERES GROUP 	Non-voting director: <ul style="list-style-type: none"> EURAZEO

* at the date of the Shareholders' Meeting held to approve the financial statements of the year concerned.

As far as the Company is aware, none of the current members of the Board of Directors:

- has been found guilty of fraud at any time during the last five years;
- has been involved in any bankruptcy, receivership or liquidation at any time during the last five years;
- has been subject to any form of official public sanction and/or criminal liability, pronounced by a statutory or regulatory authority (including designated professional bodies);
- has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from participating in the management or conduct of the affairs of any issuer at any time during the last five years.

As far as the Company is aware, there are no:

- conflicts of interest among the members of the Board of Directors between their duties towards Cap Gemini S.A. and their private interests and/or any other duties;
- service contracts between the members of the Board of Directors and Cap Gemini S.A. or any of its subsidiaries that provide for the granting of benefits upon termination thereof.

9.4 Agreements with executive corporate officers

This information is provided in the Management Report presented by the Board of Directors at the Combined Shareholders' Meeting of May 24, 2012 ("Compensation of the two Executive Corporate Officers", page 78).

Regulated agreements with related parties

No agreements falling within the scope of Article L.225-38 of the French Commercial Code (*Code de Commerce*) were authorized by the Board of Directors in the year ended December 31, 2011.

Loans and guarantees granted to directors and managers of the Company

None.

9.5 Employee profit-sharing and incentive plans

Profit-sharing and incentive plan agreements

All the French companies in the Group have signed employee profit-sharing agreements in accordance with French law.

Stock options

Stock options granted by Cap Gemini S.A. to the ten employees (non-corporate officers) having received/exercised the greatest number of options are as follows:

Stock options granted to/exercised by the ten employees (non-corporate officers) having received the greatest number of shares	Total number of stock options granted/exercised	Weighted average price	Plan number
Options granted during the year by Cap Gemini S.A. to the ten employees of all eligible companies having received the greatest number of shares	n/a	n/a	n/a
Options exercised (held previously on Cap Gemini S.A.), by the ten Group employees having exercised the greatest number of shares	n/a	n/a	n/a

Performance shares

Performance shares granted by Cap Gemini S.A. to the ten employees (non-corporate officers) having received the greatest number of options and the number of performance shares vested to the ten employees (non-corporate officers) holding the greatest number of vested shares are as follows:

Performance shares granted/vested to the ten employees (non-corporate officers) having received the greatest number of shares	Total number of shares vested / granted	Plan number
Performance shares granted during the year by Cap Gemini S.A. to the ten employees of all eligible companies having received the greatest number of shares	n/a	n/a
Shares available (held previously on Cap Gemini S.A.) by the ten Group employees holding the greatest number of vested shares	57,500	1 st Plan

9.6 Group management structure

The Group management structure comprises:

- **an Executive Committee with 14 members:**

Paul Hermelin	Chief Executive Officer
Pierre-Yves Cros	Consulting (Capgemini Consulting)
Alain Donzeaud	General Secretary
Nicolas Dufourcq	Deputy General Manager, Chief Financial Officer
Cyril Garcia	Strategy and Transformation
Hubert Giraud	Business Process Outsourcing
Philippe Grangeon	Marketing and Communications
Aruna Jayanthi	India
Aymar de Lencquesaing	Development
Paul Nannetti	Global Sales and Portfolio
Patrick Nicolet	Infrastructure Services
Salil Parekh	Application Services One
Luc-François Salvador	Local Professional Services (Sogeti)
Olivier Sevillia	Application Services Two

- **and Group directors who report directly to the Chief Executive Officer**

Philippe Christelle	Internal Audit
Lanny Cohen	Large Accounts - United States
Navin Goel	Large Accounts - Latin America
Christine Hodgson	Large Accounts - United Kingdom
Andy Mulholland	Technology Innovation
Michael Schulte	Large Accounts - Germany

9.7 Persons responsible for the audit of the financial statements

Principal Statutory Auditors:

- PricewaterhouseCoopers Audit

member of the *Compagnie Régionale des Commissaires aux Comptes de Versailles*

63, rue de Villiers, 92208 Neuilly-sur-Seine, Cedex

represented by **Serge VILLEPELET**

First appointed at the Ordinary Shareholders' Meeting of May 24, 1996.

Current term expires at the close of the Ordinary Shareholders' Meeting held to approve the 2013 financial statements.

- KPMG S.A.

member of the *Compagnie régionale des Commissaires aux Comptes de Versailles*

Immeuble le Palatin, 3, cours du Triangle, 92939 Paris La Défense Cedex,

represented by **Jean-Luc DECORNOY**

First appointed at the Ordinary Shareholders' Meeting of April 25, 2002.

Current term expires at the close of the Ordinary Shareholders' Meeting held to approve the 2013 financial statements.

Substitute Statutory Auditors:

- Etienne BORIS

63, rue de Villiers, 92208 Neuilly-sur-Seine, Cedex

Substitute for PricewaterhouseCoopers Audit

Appointed at the Ordinary Shareholders' Meeting of April 17, 2008.

Term of office expires at the close of the Ordinary Shareholders' Meeting held to approve the 2013 financial statements.

- Bertrand VIALATTE

1, cours Valmy, 92923 Paris la Défense Cedex

Substitute for KPMG S.A.,

Appointed at the Ordinary Shareholders' Meeting of April 17, 2008.

Term of office expires at the close of the Ordinary Shareholders' Meeting held to approve the 2013 financial statements.

Fees paid by the Group to the Statutory Auditors and members of their networks

	KPMG				PwC			
	Amount		%		Amount		%	
<i>In thousands of euros</i>	2011	2010	2011	2010	2011	2010	2011	2010
Audit								
Statutory audit, certification of the consolidated and separate financial statements	2,239	2,116	73%	56%	3,040	2,605	55%	54%
<i>Issuer</i>	348	345	11%	9%	441	338	8%	7%
<i>Fully-consolidated subsidiaries</i>	1,891	1,771	62%	47%	2,599	2,267	47%	47%
Other services directly related to the statutory audit engagement ⁽¹⁾	86	857	3%	23%	806	426	15%	9%
<i>Issuer</i>	0	779	0%	21%	293	410	5%	8%
<i>Fully-consolidated subsidiaries</i>	86	78	3%	2%	513	16	9%	0%
SUB-TOTAL	2,325	2,973	76%	79%	3,847	3,031	70%	62%
Other services								
Legal, tax and employee-related advisory services	246	229	8%	6%	210	97	4%	2%
Other ⁽²⁾	491	553	16%	15%	1,460	1,724	26%	36%
SUB-TOTAL	737	783	24%	21%	1,670	1,821	30%	38%
TOTAL	3,062	3,756	100%	100%	5,517	4,852	100%	100%

⁽¹⁾ Fees presented in other services directly related to the statutory audit engagement mainly consist of buyer due diligence procedures.

⁽²⁾ The majority of these fees concern assignments performed at the request of our customers pursuant to the standard ISAE 34-02 and concern the audit of applications and/or processes outsourced to the Group.

9.8 Person responsible for information

9

Nicolas DUFOURCQ
Chief Financial Officer
11, rue de Tilsitt, 75017 PARIS
Tel.: +33 (0)1 47 54 50 00

9.9 - 2012 provisional financial calendar

First quarter 2012 revenue:	May 10, 2012
First half 2012 results:	July 26, 2012
Third quarter 2012 revenue:	November 8, 2012
2012 Results:	February 14, 2013

This provisional calendar is provided for information purposes only and may be subject to subsequent amendments.

9.10 Declaration by the person responsible for the Reference Document

I hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in the reference document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I hereby declare that, to the best of my knowledge, the financial statements for 2011 have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and all the other companies included in the scope of consolidation, and that the Management Report presented in section 4 gives a fair description of the material events, results and financial position of the Company and all the other companies included in the scope of consolidation, as well as a description of the main risks and contingencies with which the Company may be confronted.

I obtained a statement from the Statutory Auditors at the end of their engagement affirming that they have read the whole of the reference document and examined the information in respect of the financial position and the historical accounts contained therein.

The statement from the Statutory Auditors is not qualified and does not contain any observations".

Paul Hermelin,
Chief Executive Officer



The French version of this Reference Document (Document de Référence) was filed with the Autorité des Marchés Financiers (AMF) on April 26, 2012, pursuant to Article 212-13 of the AMF's General Regulations. It may be used in connection with a financial transaction if it is accompanied by an Information Memorandum approved by the AMF. This document was prepared by the issuer and engages the responsibility of its signatories.

In accordance with Article 28 of European Regulation no. 809/2004 of April 29, 2004, the following information is incorporated by reference in this reference document:

1. Relating to the year

- ended December 31, 2010:
- the management report, consolidated financial statements and the Statutory Auditors' report on the consolidated financial statements, set out in the reference document filed on May 3, 2011 under no. D.11-0442 (pages 73 to 93 and 117 to 180, respectively).
 - the parent company financial statements of Cap Gemini S.A. and the Statutory Auditors' report on the parent company financial statements set out in the reference document filed on May 3, 2011 under no. D.11-0442 (pages 181 to 201 and 202, respectively).
 - the Statutory Auditors' special report on regulated agreements and commitments, set out in the reference document filed on May 3, 2011 under no. D.11-0442 (page 203).

2. Relating to the year ended December 31, 2009:

- the management report, consolidated financial statements and the Statutory Auditors' report on the consolidated financial statements, set out in the reference document filed on May 4, 2010 under no. D.10-0401 (pages 62 to 80 and 82 to 153, respectively).
- the parent company financial statements of Cap Gemini S.A. and the Statutory Auditors' report on the parent company financial statements set out in the reference document filed on May 4, 2010 under no. D.10-0401 (pages 154 to 174 and 175, respectively).
- the Statutory Auditors' special report on regulated agreements and commitments, set out in the reference document filed on May 4, 2010 under no. D.10-0401 (page 176).

The information included in these two reference documents, other than that referred to above, has been replaced and/or updated where necessary, with information included in this reference document.

Copies of the reference document are available from Cap Gemini S.A., 11 rue de Tilsitt, 75017 Paris, on its corporate website at <http://investor.capgemini.com>, and on the website of the AMF at www.amf-france.org.

10.

CROSS- REFERENCE TABLE

10. CROSS-REFERENCE TABLE	237
10.1 Information required under Commission Regulation (EC) no. 809/2004	238
10.2 Information required in the Annual Financial Report	238

10.1 Information required under Commission Regulation (EC) no. 809/2004

	PAGE
1 PERSONS RESPONSIBLE	233 and 235
2 STATUTORY AUDITORS	232
3 SELECTED FINANCIAL INFORMATION	5
4 RISK FACTORS	26 to 29, 85, 139, 146, 154 to 156
5 INFORMATION ABOUT THE ISSUER	
History and development of the Company	8
Legal information concerning the Company	216 to 217
Investments	25, 122 to 123, 128 to 130, 140 to 143
6 BUSINESS OVERVIEW	
Principal activities	9 to 10, 13 to 15
Principal markets	11 to 12
The IT services market and competition	11 to 12
7 ORGANIZATIONAL STRUCTURE	
Brief description of the Group and position of issuer	23 to 24
List of significant subsidiaries	173 to 175
8 PROPERTY, PLANT AND EQUIPMENT	23
9 OPERATING AND FINANCIAL REVIEW	69 to 76
10 CAPITAL RESOURCES	
Information concerning the issuer's capital resources	76, 135 to 139
Explanation of the sources and amounts of, and a description of, the issuer's cash flows	118, 152 to 154
Borrowing requirements and funding structure and information regarding any restrictions on the use of capital resources	147 to 152, 170 to 171
11 RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES	N/A
12 TREND INFORMATION	74
13 PROFIT FORECASTS OR ESTIMATES	74
14 ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES AND SENIOR MANAGEMENT	223 to 228, 231
15 REMUNERATION AND BENEFITS	78 to 82, 99, 172
16 BOARD PRACTICES	91 to 98
17 EMPLOYEES	
Number of employees	40 to 46, 71, 170
Employee shareholdings and stock options	77, 135 to 139, 220 to 221, 230
18 MAJOR SHAREHOLDERS	30, 221 to 222
19 RELATED PARTY TRANSACTIONS	23, 172
20 FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	
Historical financial information	5, 235
Financial statements	113 to 175
Auditing of historical annual financial information	114, 198, 235
Dividend policy	32, 76, 217
Legal proceedings and arbitration	28
21 ADDITIONAL INFORMATION	
Share capital	76, 218 to 222
Memorandum and articles of association	216 to 217
22 MATERIAL CONTRACTS	16 to 17
23 THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF INTEREST	N/A
24 DOCUMENTS ON DISPLAY	216 to 217
25 INFORMATION ON SUBSIDIARIES AND INVESTMENTS	196

N/A: Not applicable.

10.2 Information required in the Annual Financial Report

	PAGE
DECLARATION BY THE PERSON RESPONSIBLE FOR THE REFERENCE DOCUMENT	235
MANAGEMENT REPORT	69 to 87
FINANCIAL STATEMENTS	113 to 175

www.capgemini.com