

FINANCIAL REPORT 2008

REFERENCE DOCUMENT



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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.

BOARD OF DIRECTORS

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Pierre HESSLER

Marcel ROULET

Geoff UNWIN

STATUTORY AUDITORS

PRICEWATERHOUSECOOPERS AUDIT

represented by Serge VILLEPELET

KPMG S.A.

represented by Jean-Luc DECORNOY

FINANCIAL HIGHLIGHTS

CONSOLIDATED FINANCIAL STATEMENTS					
<i>in millions of euros</i>	2004 (1)	2005	2006	2007	2008
REVENUES	6,235	6,954	7,700	8,703	8,710
OPERATING EXPENSES	6,259	6,729	7,253	8,063	7,966
OPERATING MARGIN	(24)	225	447	640	744
% of revenues	(0.4%)	3.2%	5.8%	7.4%	8.5%
OPERATING PROFIT/(LOSS)	(281)	214	334	493	586
% of revenues	(4.5%)	3.1%	4.3%	5.7%	6.7%
PROFIT/(LOSS) FOR THE YEAR	(534)	141	293	440	451
% of revenues	(8.6%)	2.0%	3.8%	5.1%	5.2%
EARNINGS/(LOSS) PER SHARE					
Number of shares at December 31	131,383,178	131,581,978	144,081,808	145,425,510	145,844,938
Earnings/(loss) per share at December 31 (in euro)	(4.07)	1.07	2.03	3.03	3.09
Dividend per share for the year (in euros)	-	0.50	0.70	1.00	1.00*
NET CASH AND CASH EQUIVALENTS AT DECEMBER 31	285	904	1,632	889	774
AVERAGE NUMBER OF EMPLOYEES	57,387	59,734	64,013	79,213	86,495
NUMBER OF EMPLOYEES AT DECEMBER 31	59,324	61,036	67,889	83,508	91,621

(1) Restated in accordance with IFRS.

* Subject to approval by the Extraordinary Shareholders' Meeting of April 30, 2009.

THE CAPGEMINI GROUP

I - HISTORY

Founded by Serge Kampf in Grenoble on 1 October 1967, Capgemini has grown to become a world leader in the consulting and IT services industry by driving an ambitious development and diversification strategy that has combined both internal and external growth.

The Group thus progressively extended its European activities with notable acquisitions, including Hoskyns in the UK (1990), Programator in Scandinavia and Volmac in the Netherlands (1992).

At the same time, Capgemini developed its management consulting business with the acquisition of two US companies (United Research and Mac Group) in the early 1990s, of Gruber Titze & Partners in Germany (1993) and of Bossard in France (1997).

More recently, the acquisition of Ernst & Young Consulting (2000) bolstered the international profile of the Group by increasing its presence appreciably in North America and in certain European countries. The years between 2001 and 2004 proved particularly difficult for the IT services sector, and it became necessary to rebalance the Capgemini service portfolio in favor of two of its business lines or disciplines: Local Professional Services and Outsourcing.

The acquisition of Transiciel, at the end of 2003, allowed Capgemini to double the size of Sogeti, the entity created in 2001 for Local Professional Services, which revived the original brand of the Group. In 2008, this entity represented approximately 18% of Group revenues.

In the field of outsourcing (35% of Group revenues in 2008), from 2004 to 2005 onwards, the Group was able to reap the rewards of many years of effort to consolidate its presence both in Europe and in North America by winning a number of major contracts.

Furthermore, Capgemini became the first European company to take the offshore route (namely, delivery from another country, sometimes far away from that of the customer). The Group has chosen to mark itself out from its major rivals by proposing to its customers an *à la carte* production system, depending on its customers' needs, the project they envisage and their particular culture or specific requirements. This is what is known as the Rightshore® concept.

The Group's profile has therefore undergone profound changes in just a few years, with Capgemini demonstrating its

capability to take up the new challenges in the IT services and consulting industry.

The results of 2006 and 2007 provided confirmation of the Group's return to growth and profitability due to the dynamism of its disciplines, underpinned by its sector expertise.

The acquisition in February 2007 of Kanbay International, a US firm specializing in financial services, strengthened the Group's presence in the United States and consolidated its establishment in India.

Group results for 2008 show net income of €451 million (an increase of 2.5% on the prior year) and revenues of €8.71 billion (up too by 5% on 2007, at constant scope and exchange rates). The acquisitions made in 2008 (in particular, that of Getronics PinkRocade Business Applications Services B.V., specializing in application services with a strong presence in the Public Sector in the Netherlands) have had no effect on the financial solidity of the Group, which maintained net cash and cash equivalents of €774 million as at 31 December 2008.

Total Group headcount for 2008 amounted to 91 621 at year end (an increase of 8 113 persons compared with 31 December 2007), 28% of whom are working in offshore countries, essentially India, but also Poland, China, Morocco and Latin America. With more than 22 000 new recruits in the course of the year, Capgemini has continued its transformation through strong growth in offshore delivery while building on the close proximity to its customers it has always upheld.

II - THE CAPGEMINI DISCIPLINES

A - One mission, four disciplines

With a presence in some 30 countries, Capgemini's mission is to assist its clients in transforming their businesses in order to improve their performance and gain a competitive edge. To this end, the Group proposes an integrated service offering, comprising perfect command of its four disciplines and strong expertise in several key sector-specific fields.

The four Capgemini disciplines are:

- Consulting Services (CS): handled by a specific entity (Capgemini Consulting), this discipline is designed to help clients to identify, structure and execute the transformation projects that will have lasting effects on their growth and competitiveness;

THE GROUP

- Technology Services (TS): this involves designing, developing and implementing an array of technical projects for systems integration and IT application development, from the very small- to the very large-scale;
- Outsourcing Services (OS): this involves guiding and assisting clients for the total or partial outsourcing of their IT systems and other associated activities;
- Local Professional Services (LPS): handled by a specific entity (Sogeti), this discipline delivers IT services that are suited to local needs in terms of infrastructures, applications, engineering and operation.

These four broad disciplines, which globally constitute the services offering of the Group, are organized into autonomous units, each with its own individual objectives, business models and recruitment processes. By pooling their skills, the business units are able to offer clients an integrated set of transformation services. Therein lies one of the Group's great strengths: it is able to marshal a wide range of know-how in order to cater to the needs of projects that require cross-functional expertise and to respect its commitments to tangible and measurable results.

Capgemini is entirely independent of software publishers and manufacturers of IT equipment. However, the Group has built up a network of strategic alliances and partnerships with these companies, thus providing access to the best know-how and to the most innovative products. Hence it can freely and knowingly select and offer its clients up-to-date solutions, precisely tailored to their needs. Conscious of the importance of maintaining client proximity, Capgemini is also able to build and deliver services exactly where it best suits the client in terms of quality, cost and access to the best skills available. Designated Rightshore®, this approach generates productivity gains and brings added value to the services delivered. Capgemini has created, especially for its clients, a relational model based on close collaboration which is referred to as the Collaborative Business Experience. This is a Group trademark, and applies to how its employees both work together and how they work with its clients. For Capgemini, the way in which results are obtained counts for as much as the results themselves. The bottom line for all this is customer satisfaction: the most important criterion for success.

In the face of profound market changes, the Group launched an ambitious and demanding transformation program at the end of 2006: the I.Cube program, whose purpose is to support the Group's development towards a global delivery model. This program comprises three aspects: Industrialization, Innovation & Intimacy. Accelerating the industrialization process aims at providing the Group, in these times of heightened competition, with a globalized production force driving optimal productivity

and quality, and improved profitability. Innovation, which is ubiquitous, must provide the means to serve clients better and better, and improve their efficiency by offering the most up-to-date and appropriate consulting, service provision and technological solutions. As far as the Intimacy aspect is concerned, the objective is to cultivate new relationships with clients by building on some 40 years of shared experiences and proximity.

Mission and vision of the Capgemini Group

- **Our mission: your transformation.** Capgemini helps its clients to transform and improve their performance by providing the consulting, technology and service expertise best suited to their requirements.
- **Our vision: your freedom of action.** Capgemini aims to be a leader committed to facilitating its clients' freedom of action and to boosting their results thanks to the know-how of its teams and a relational model based on close collaboration.

B - Capgemini Consulting: a new organization with global ambitions

The current uncertain economic climate merely intensifies companies' needs for partners that are trustworthy and capable of meeting their organization's transformation requirements, from definition to completion of the strategy implemented. *"The new market conditions that began to prevail at the end of 2008 quickly caused companies to switch the focus of their demands in order to meet their most pressing priorities. Some are now concentrating on cost reductions since, in a period of recession, it is essential to maintain sound corporate financial well-being, while others are striving to make the necessary business model changes required to face up to the new economic environment,"* explains Pierre-Yves Cros, Group Director of the Capgemini Consulting SBU.

In 2008, Consulting, generating 8% of Group revenues, posted a strong increase in margin (12.8% compared with 10.5% in 2007). Of the geographic zones that account for this activity, the United States has regained growth momentum; and Asia has recorded significant successes since India now has 150 consultants and China is still expanding. In Europe, its market position has been reinforced through innovative business solutions such as the BeLean offer developed in the United Kingdom, which has helped Capgemini clients from the Public Sector make their transformation processes cost-effective.

From the point of view of the discipline itself, consulting activities have extended from traditional management consulting to strategy

& transformation consulting. The Capgemini Consulting offering now encompasses three service lines: Strategy & Transformation, Operations Transformation and Technology Transformation. *“We are positioned as an offensive player in the transformation consulting market, and have all the capabilities required to help our clients stand apart from the crowd in the current downturn,”* according to Pierre-Yves Cros. The Capgemini Consulting Business Transformation Survey has shown that the major concerns of companies revolve around their ability to make transformations happen. Today, companies need to act more quickly and be agile in order to restructure their businesses and be ready to reap the benefits of the future upturn. The Business Transformation Framework, developed for this purpose, helps customers step up their strategic development more swiftly and implement it successfully. Technology is a key contributor, and the adoption of TechnoVision to leverage transformation through technology forms the core Capgemini Consulting innovation strategy.

The good performance achieved in 2008 by Capgemini Consulting should not, however, eclipse *“the intense volatility of this market,”* underlines Pierre-Yves Cros. *“Whereas a large number of countries have been affected by the recession, as a 21st century worldwide consultancy firm we must be a proactive driving force with global expertise for our clients,”* he explains. For this purpose, the Group has decided to reorganize its consultants into a new worldwide entity called Capgemini Consulting. The entity became operational on 1 January 2009 and functions as a unique brand, so encouraging the recruitment and retention of the best consultants.

C - Technology Services: 2008, the Rightshore® year

The Group's continuing efforts to roll out its Rightshore® model across the organization (support, sales, innovation and delivery) have borne fruit for Technology Services (TS) in 2008. The discipline posted growth of 4.1% (at constant scope and exchange rates) and *“actual growth is even higher if we take into account the growing amount of revenues generated for other Group disciplines, and Outsourcing Services, in particular,”* emphasizes Henk Broeders, in charge of the worldwide coordination of Technology Services. Moreover, with better cost control, operating margin has risen by more than one point to 10.2% for this activity.

Enterprise Resource Planning (ERP) projects have generated many success stories due to alliances with two leading software houses (German SAP and US Oracle). In Europe, Technology Services have posted good results in Italy through contracts with the Ministry of Immigration and the car manufacturer Fiat, in France and in Spain where mid-tier contracts have been signed with banks and telecom operators. Prospects are also bright in the

United Kingdom where TS proposes six package offers including, for example, the e-Procurement offering, business intelligence and IT asset management. These offers are marketed in many other countries where Capgemini is established such as the Nordic Countries, Eastern Europe and Germany, and in which offshore is not yet prevalent. In the United States, Technology Services have made headway in the Telecommunications, Media & Entertainment (TME), and Distribution (ERP and CRM projects) sectors. In China, services were provided for the merger of two cement groups.

According to the US firm Forrester's analysts, demand for systems integration is sustained for SOA (Service Oriented Architecture), Web 2.0 applications, virtualized servers and for SaaS solutions, in particular. This trend should continue through 2009. In order to respond to the demand, *“a new TS organization, spread into five geographic units, facilitates client access to our Rightshore® establishments, and simplifies the exchange process with our offshore centers. This organization should become increasingly competitive since our clients' IT budgets have been subjected to pressure,”* explains Henk Broeders.

The transformation efforts accomplished over the last two years in Technology Services have equipped Capgemini with invaluable assets to face 2009. Among these, Henk Broeders highlights the *“capability of mobilizing all the Group's skills in order to provide its clients – despite the current economic crisis – with the responses they need to develop strategic growth and cost saving projects, on a global basis.”*

D - Outsourcing: targeted offers to retain clients and develop global business

In 2008, Capgemini developed numerous initiatives, including targeted service packages. *“Our clients want a partner capable of helping them not only to master their IT expenditure but also to draw advantage from the innovation we bring to their transformation processes via the comprehensive services capability of Capgemini. By combining our experiences, our Collaborative Business Experience approach and sector knowledge, we can offer these different types of services,”* declares Paul Spence, Group Director of Outsourcing Services. The financial year 2008 witnessed the launch of Instincts 2.0, an outsourcing offer for large personal computer estates of Reference Data Management, a Business Process Outsourcing (BPO) offer for outsourcing professional services for banks and also of a Center of Excellence dedicated to cloud computing, created in partnership with Amazon Web Services. Implementation of the Rightshore® global delivery model by Outsourcing Services has also made considerable headway, thus significantly improving the competitive edge of this discipline.

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All these efforts have enabled longstanding client loyalty to be preserved while winning new contracts in North America (in the media and consumer goods segments), in the Netherlands (for the Public Services) and in the United Kingdom (for services). Lastly, Business Process Outsourcing (BPO) recorded particularly strong growth: Unilever, for example, renewed its trust, by transferring to Capgemini its shared services centers for financial activities, situated in South America. BPO ranks high on the list of Group activities, with improved profitability. *“Outsourcing Services have posted 4.6% growth (at constant scope and exchange rates) due to the dynamism in all our areas, and Germany and Benelux, in particular. Operating margin continues to progress, and has now reached 5.4%,”* declares Paul Spence.

In 2009, assets such as the creation of a global unit (Global Infrastructure Management) for the management and delivery of these outsourcing projects worldwide, the continuing development of Rightshore®, and further synergies with the Technology Services teams are just a few of the signs heralding the consolidation of this trend.

E - Local Professional Services (Sogeti): agile in responding to uncertainty

In the financial year 2008, Sogeti achieved both the Group's strongest growth (+9.1%) and its best operating margin (12.9%). The Swedish and German geographic units, in particular, posted remarkable performance in terms of revenue growth; and both the Netherlands and the United States increased their profitability against an economic backdrop that was already worsening in the second half-year. The technology partnerships signed with IBM and Microsoft also generated a 25% rise in the revenues corresponding to these alliances. Lastly, the worldwide application testing market continues to progress, and Sogeti's Testing offer is attracting so many new clients that the headcount in India dedicated to this industrial activity now exceeds 1 000 employees.

“These results emphasize the fact that the strategic decision taken in 2006, involving recourse to offshore for Sogeti, has borne fruit,” points out Luc-François Salvador, its Chairman & CEO.

For 2009, Sogeti will continue to concentrate its efforts on four major areas: forging and consolidating ever closer links with its clients; taking an active role in the Group Country Boards (internal organization for aid in tendering successfully for complex projects with key accounts); developing offshore production in order to respond to the new client demands in terms of competitiveness; and supporting the unceasing quest for innovation. Sogeti is spearheading innovation as a result of its technology alliances. *“Our priorities for 2009 are both to*

continue to support our clients better by delivering the quality of service which they are accustomed to obtaining from Sogeti, and to maintain Sogeti's sound position by protecting its profitability,” concludes Luc-François Salvador.

III - THE CAPGEMINI SECTORS

A - Public Sector: positions strengthened in a key area for Group resilience

Capgemini has strengthened its position in the Public Sector, and this business now contributes 26% of Group revenue. In a market that has been flourishing for several years due to the modernization programs implemented by administrations worldwide, the Group's performance is bolstering its resilience. Contracts signed in this particular sector are often high value and long term. *“In addition to the large number of projects arising from their own requirements, governments are now tempted to maintain and even increase their levels of expenditure in order to sustain activity,”* explains Stanislas Cozon, Group Director for the Public Sector.

In 2008, Capgemini consolidated its position in its traditional UK stronghold where clients hailed the Rightshore® program, which allows them to maintain control over the integrated offshore resources deployed for their projects.

The Group's offensive in continental Europe has led to the acquisition of Getronics PinkRocade Business Applications Services (BAS B.V.), and Capgemini has now taken top position in the Public Sector market in the Netherlands. BAS B.V., specializing in application services, generates 40% of its turnover in this market and has excellent references with large administrations, local government and social security bodies. These clients, with whom the Dutch company has built close ties based on trust and proximity, form the basis of a solid portfolio of long-term contracts. This reflects Capgemini's own approach to building long-term business relationships in its own markets, relationships that are indispensable in the Public Sector. Major contracts have also been signed in France (Assistance Publique-Hôpitaux de Paris), in Slovakia (e-administration), and in Italy with the Ministry of Immigration (continuation of the e-borders program launched in the United Kingdom).

In the United States, the Group also won major contracts (tax authorities and defense projects) and is maintaining its efforts to develop in the US Public Sector, the world's largest. 2008 was also a year of expansion in the Middle East for Capgemini where it has embarked on several major contracts with central government bodies.

Partnerships with SAP (tax management) and Microsoft (citizen service platform) and heightened emphasis on Rightshore® mean that Capgemini has strengthened its positions with administrations. Lastly, in the billion-dollar “border control” segment, the Group aims to sign contracts for new projects in Europe, the United States of America and the Asia-Pacific regions.

B - Energy, Utilities & Chemicals: conquest of new territories to secure global leadership

Capgemini's strong leadership in this sector has enabled its strong ties with major companies to be reinforced and some new contracts to be signed (EDF and GDF-Suez in France, Hydro One in Canada, and more). Capgemini, now a reference in the market, has published many studies, including the *European Energy Markets Observatory* (EEMO); the tenth issue, published last autumn, received considerable media coverage.

In 2008, new geographic and sector fronts were opened. Of geographic note, significant new contracts have been signed with the nuclear (CGNPG) and oil (CNPC) industries in China and in Energy & Utilities in India. Of sector note, Capgemini has won several projects in the nuclear energy industry (EDF and CGNPG), which is of particular interest since worldwide investment in this form of energy is being revitalized. Contracts signed in the oil sector require Outsourcing Services and offshore leverage.

For 2009, “*We will not only continue to develop our offers of operational excellence throughout the sector, but also focus on smart networks and meters, nuclear energy and oilfield services with our Integrated Oil Fields Operations offering. At the same time, we shall continue to pursue our growth in the emerging countries, and speed up the development of our Centers of Excellence,*” explains Colette Lewiner, Group Director of Energy, Utilities & Chemicals.

C - Financial Services: market growth despite the turmoil

“*Our clients have come under significant pressure in 2008. Our diversified portfolio across the Financial Services sector as well as our global footprint have allowed us to continue to expand in this large market despite the current turmoil,*” explains Aiman Ezzat, Group Director of the Global Business Unit (GBU) Financial Services. Faced with this situation, Capgemini has been able to preserve its positions in 2008 due to close ties with its key clients and to its ability to provide high-quality cost-effective solutions, adapted to a changing environment in areas such as risk management, cost transformation and payments.

The Group's proactive approach stems from the successful integration of the US company Kanbay in 2007, the Group's expertise in Financial Services and its wide range of services. These assets have enabled Capgemini to sign a contract with the French bank Société Générale, for supporting and upgrading its international retail banking information systems, based on a service center operating out of India.

In 2009, the Financial Services GBU will continue to develop in the Asia-Pacific region (China, India) and in the Middle East.

D - Manufacturing, Retail & Distribution: industrialized offerings are a major asset

In the Manufacturing, Retail & Distribution (MRD) sector, clients' purchasing behavior has changed considerably; they now seek, more than ever, IT solutions that produce savings and maximum flexibility for their organizations and processes.

Capgemini has been able to respond to the new demands in this market by proposing industrialized and differentiated offers. The dedicated retail and consumer goods solution Crescent is a case in point, since it generated several contracts recently in North America (for example, with American Greetings, a company specializing in paper and electronic personalized greetings cards). Likewise, the Clinical Trials Platform, based on developments made on behalf of a leading pharmaceutical laboratory, is gleaming success in the life sciences segment. Lastly, the Group has signed noteworthy contracts for the automotive industry in Germany, and the aerospace and defense fields in France.

In 2009, Capgemini needs to cater to the needs of its very large international clients, who have a worldwide presence and a major stake in the MRD sector, by adapting both its organization and its geographical coverage accordingly. The Group's readiness to take up this challenge is demonstrated, for example, by the extension of BPO activity to South America with the Unilever contract, and the new global sales organization that has a team dedicated for major pursuits. Lastly, the Group's determination to support its clients and help them find solutions, regardless of the economic climate, is shown by the development of appropriate concepts and methods: “*We have developed a TechnoVision concept, tuned to the new economic conditions; and we have a point of view on the new delivery models for information systems,*” specifies Bernard Helder, Group Director of Manufacturing, Retail & Distribution. He adds: “*We can capitalize on a wide range of offers that include extensive consulting, which has already helped clients do precisely what is needed now: reduce their costs and preserve their cash flow while becoming more flexible and reactive.*”

E - Telecommunications, Media & Entertainment: moving ahead ambitiously

Group Telecommunications, Media & Entertainment (TME) has seen its activity grow. *“This is mainly to be credited to the successful deployment of Capgemini’s Billing Excellence Program. Today, more than 100 clients around the world, including the German telco operator T-Mobile in the Netherlands and SFR in France, are using these invoicing systems,”* declares Greg Jacobsen, Group Director of Telecommunications, Media & Entertainment.

In 2008, TME also built upon the rationalization of its offering via the Rightshore® delivery model implemented with the help of specialized telecom centers in India, the United States and Europe. The US operator Fairpoint thereby obtained back-up from 350 extra people called in to work on a vast contract for the transformation of its information systems, which was successfully delivered this year.

By drawing on innovative sector-specific solutions, such as the Communications Transformation Platform enabling industrialized re-use of solutions developed for other clients, TME is even better armed to face 2009.

IV - THE IT SERVICES MARKET AND THE COMPETITION

A - The market (economic context, market status and size)

The crisis in the banking sector in the summer of 2007 has progressively spread to affect other areas and, after causing massive depression on the financial markets, has begun to weigh down the real economy, forcing many business sectors around the world to plunge into recession. The IT markets have reacted in diverse ways to this context. While the sales of IT hardware have been seriously affected (+3% in 2008 in dollar value according to US analysts from the consulting firm Gartner¹, which may, on a constant monetary unit basis, be evaluated at -0.4%), services and software have shown greater resistance (respectively, +9% and +14% in dollar value according to Gartner, i.e., +5.5% and +10% on a constant monetary unit basis). This results from companies adopting a more stable approach to IT, when compared with previous periods of economic upheaval. In contrast to the first few years of the present decade, the rate of investment in IT has not fallen, which tends to demonstrate that there has been no over-investment in recent years. Compared with the early 1990s, growing widespread use of personal

(1) Gartner Dataquest Market Databook, December 2008 update

computing in all jobs and functions has brought IT closer to the heart of business activity.

In the four disciplines of the Capgemini Group, the consulting market is estimated by Gartner to be worth \$72 billion worldwide. It is the discipline with the shortest cycle time, and is highly sensitive to economic trends. Hence, after a dynamic early part of the year, the discipline nevertheless experienced a downturn at year-end, at a time when customer requirements were evolving towards programs that are centered more on operational efficiency and cost reduction. Technology Services, in conjunction with the Local Professional Services markets, are estimated by Gartner to be worth an aggregate \$255 billion worldwide. Technology Services have a slightly longer cycle time. Consequently, they are proving to be resistant, borne along by the needs of businesses to rationalize their IT systems and even, in some cases, to pursue with innovation, in particular by developing systems that are more user-centric. Lastly, outsourcing – a market estimated by Gartner to be worth \$341 billion worldwide, including BPO – has bright prospects in store. Characterized by its longer life cycle (contracts generally last from three to eight years), outsourcing seems to operate in “phase-shift mode” compared with consulting. In 2008, the “wait and see” period observed at the start of the year was followed by a dynamic year-end with many opportunities arising in a market evolving towards a greater number of contracts than previously with diminishing terms and scope. This trend corresponds to the client’s need to gravitate towards more short-term cost savings.

B - The competition

1) Worldwide

Capgemini is considered by Gartner² to be the world’s sixth largest player in the field of professional services, and fifth if you exclude the Japanese market where the Group is no longer present. The Group is therefore one of the world’s top players in this market, in the face of competition from US firms such as IBM, Accenture, HP and CSC.

The Group also has to deal with growing competition from the Indian players whose three main representatives, Infosys, TCS and Wipro, now have more employees than Capgemini as well as growth figures and operating margins that are at least twice as high as those of the main world players. Although these Indian companies have experienced reduced growth this year insofar

(2) Industry IT Services Worldwide Market Share: Database, August 2008, base Revenue 2007. The Gartner Report(s) described herein, (the “Gartner Report(s)”) represent(s) data, research opinion or viewpoints published, as part of a syndicated subscription service, by Gartner, Inc. (“Gartner”), and is(are) not representations of fact. Each Gartner Report speaks as of its original publication date (and not as of the date of this Prospectus) and the opinions expressed in the Gartner Report(s) are subject to change without notice.

as they too are affected by the crisis, being highly exposed to financial services, today they are embarking on markets that were previously considered hard for them to penetrate. After the United States and the United Kingdom, in 2008 they made major inroads into the Nordic countries and the Netherlands, and their new targets are now France, Germany and China. In terms of services, after focusing principally on application development and maintenance, the Indian players are diversifying into enterprise resource planning, remote infrastructure outsourcing, application testing, BPO and even consulting.

2008 was marked by a major consolidation operation, whereby HP acquired EDS for \$13.9 billion, the deal being finalized in August. This operation should lead the “services” division of HP to double in size, mainly for the benefit of its outsourcing activity.

At a more modest yet nonetheless significant level, 2008 was also marked by two acquisitions by Indian companies, which are increasingly prepared to take over mid-tier companies. In Europe, HCL Technologies, for example, took over the British company Axon, a specialist in SAP software, for £438.5 million after outbidding an offer from Infosys. In India, TCS acquired a subsidiary of Citigroup, specializing in outsourcing, for \$512 million.

2) Europe

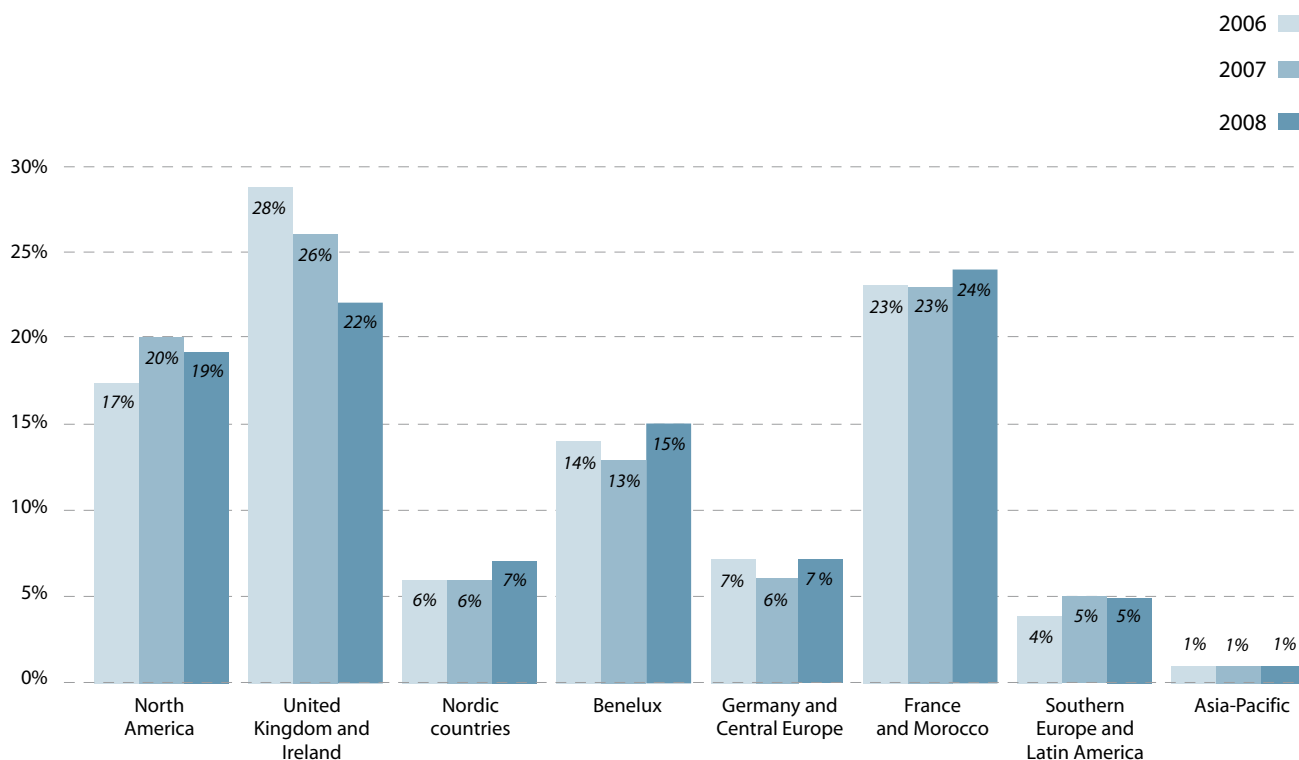
In Europe, Capgemini’s main competitors are US companies, such as IBM and Accenture. Capgemini is the only market player of European origin to have acquired a genuinely global dimension. Its European competitors are mirroring its globalized delivery strategy but with far less offshore leverage, in general. A rare exception to this is Steria, which, in 2007, acquired the British company Xansa, firmly established in India. Furthermore, most of these competitors in Europe have in recent years engaged in costly external growth operations, thus leading them into heavy debt.

Large-scale consolidation initiatives seem fairly unlikely as long as the stock markets remain unstable. Conversely, it is clear that certain mid-tier European companies may be potential targets for Indian players that wish to augment their trading presence.

V – GEOGRAPHIC ORGANIZATION, MAIN GROUP SUBSIDIARIES AND LOCATIONS

The Group is established in some 30 countries representing eight geographic areas. In 2008, it generated 24% of its revenues in France (its historical market), 22% in the United Kingdom, 19% in North America, and 15% in Benelux. Together these areas account for 80% of overall revenues.

The relative contributions of each of these eight areas to Group consolidated revenues in 2006, 2007 and 2008 are illustrated in the diagram set out below.



The Group performs its business activities through 140 consolidated subsidiaries as listed in Note 29 to the consolidated financial statements for the year ended December 31, 2008 (“List of the main consolidated companies by country”).

The Group’s policy is not to own its business premises. Consequently, the Group’s sole real estate assets at December 31, 2008 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 on the one hand, and the Group and its management on the other hand.

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 Capgemini Service S.A.S. and Capgemini S.A.;

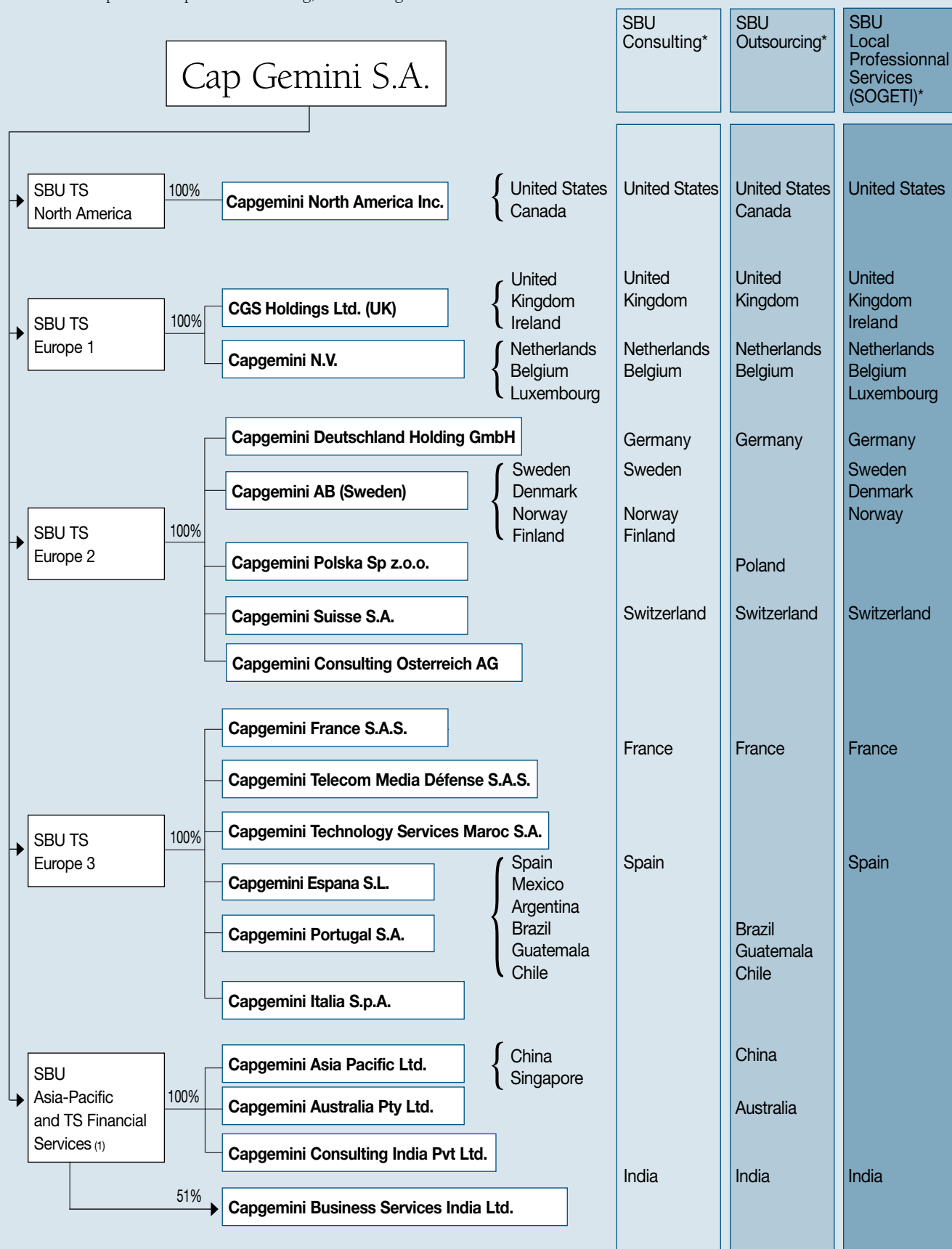
- the entire capital of a limited liability company (S.A.R.L.), which provides the premises, via a real estate leasing contract, for the Group’s University, an international training center located in Gouvieux, 40 km (25 miles) north of Paris, which opened at the beginning of 2003;
- the entire capital of an intragroup service company named Capgemini Service S.A.S.

The parent company, Cap Gemini S.A., defines the strategic objectives for 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, or by providing security and guarantees. 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 for the Group

The Group is composed of eight main operating units (Strategic Business Units, or "SBUs"):

- 5 geographical units : TS North America, TS Europe 1, TS Europe 2, TS Europe 3 and Asia-Pacific included TS Financial Services.
- 3 units for specific disciplines : Consulting, Outsourcing and Local Professional Services.



(1) TS Financial Services brings together this sector's businesses in the United States, United Kingdom, France, the Netherlands and India.

* Operational subsidiaries and/or divisions.

TS = Technology Services.

VI – THE GROUP'S INVESTMENT POLICY

The implementation of the Group's external growth strategy was affected in 2008 by the strong volatility in the financial markets and attendant deep economic uncertainty. The Group reviewed numerous projects in all its operating markets as well as emerging markets, but only invested a limited amount of capital (€274 million) to carry out a select number of acquisitions (BAS, Indigo II, Empire and Vizzuri). Mindful of the need to remain financially sound so as to better cope with market risks and to avoid dissipating its managerial capacity, Capgemini acquired companies only in familiar markets such as the Netherlands and the United Kingdom or emerging economies such as the Czech Republic, Chile and Brazil where the Group could develop its IT services business under conditions allowing for limited execution risk.

The acquisitions strengthened existing positions in a number of ways: BAS B.V.'s "application lifecycle development" model and its market shares in the Dutch public sector contributed more resilient revenues, the acquisition of Empire and its subsidiary bolstered the Consulting and Technology Services businesses in the Czech Republic, while the Indigo II transaction increased the Group's share of business on a key client account through the acquisition of financial and accounting processing platforms for Unilever in Latin America. These external growth transactions are ambitious given the relative size of the acquired companies in their respective markets and at the same time cautious given their customer portfolios, the transactions' financing conditions and the experienced management in both the acquired companies and the Capgemini entities acquiring them, thereby ensuring the companies' successful integration.

The Group's policy is to acquire 100% of a company's capital. In the rare cases where purchase agreements provide for the subsequent buying out of minority interests, such commitments are recognized in financial debt.

In a context of continuing instability as regards company valuations and the financing of acquisitions, the same priorities and principles will guide any external growth transactions in 2009.

Such actions will aim to bring increased stability to the Group's businesses by providing them with critical mass in their markets and enhancing their presence in emerging markets, as well as complement the Rightshore® industrial strategy in several countries. Any transaction must be fully compatible with Capgemini's financial capacity and should not subject the Group to complex entity-integration issues in a year where business growth and continued profitability will be key concerns.

VII - RISK ANALYSIS

7.1 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 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 rigorously they are applied, these procedures can only provide reasonable assurance – and not an absolute guarantee – against all risks.

7.2 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 time-frame 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 execution

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

In spite of the formal approval procedure for all client project commitments undertaken by the Group, in some cases, difficulties with respect to project execution 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. The Group may provide a performance and/or a financial guarantee for certain large contracts. Some of these guarantees, concerning a very restricted number of clients whose projects represented approximately 17% of Group revenues in 2008, are not for fixed amounts.

In spite of the rigorous control procedures that the Group applies in the project execution 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 can not 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.

Employees

Capgemini's production capacity is mainly driven by the people it employs, and the Group attaches great importance to developing and maintaining its human capital. The inability to recruit, train or retain employees with the technical skills required to execute its client project commitments could impact the Group's financial results.

The Group pays close attention to internal communication, diversity, equality of opportunity and good working conditions. Group Management has published a code of 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.

Information systems

Capgemini's operations have little dependency on its own information systems, which are managed via a predominantly decentralized structure. 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 sensitized to the security of internal communication networks, and protects them 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 services to sites or countries other than those in which the services are used or in which the Group's clients are located, particularly India, Poland, China, 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 greater number of production sites provides the Group with a wider range of options in the event of a contingency.

Environment

As an intellectual service provider, Capgemini's activities have a moderate impact on the environment. Nevertheless, the Group strives to limit the environmental impact of its activities, as described in the corporate responsibility and sustainability section, VII – "The Group and the environment". The risks in this respect are not deemed material.

Clients

Capgemini serves a large client base, in a wide variety of sectors and countries. The Group's biggest clients are multinationals and public bodies. The Group's largest client, a major British public body, contributes 11% of Group revenues, while the second-largest client accounts for just 3%. The top 10 clients collectively account for just under 27% of Group revenues, and the top 30 represent 40%. The creditworthiness of these major clients and the sheer diversity of the other smaller customers help limit credit risk.

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, certain projects may be adversely affected by the failure of a supplier with specific technologies or skills.

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Country risks

Capgemini has permanent operations in approximately 30 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 notably in India, which now represents more than 20% of the Group's total headcount. Consequently, Capgemini is now more exposed to the risk of natural disasters in South East Asia, 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 operations, one of the cornerstones of Group 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 operation 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.

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.

7.3 Legal risks

The Group's activities are not regulated and consequently do not require any specific legal, administrative or regulatory authorization.

In the case of some services, such as outsourcing or specific projects carried out for clients whose activities are regulated, the Group itself may be required to comply with contractual obligations related to such regulations.

Draft agreements are submitted to the legal department for review when their terms and conditions derogate from the principles governing the Group's contractual relations. However, in spite of the rigorous control procedures that the Group applies regarding the terms and conditions of the agreements to which it is party, it is impossible to guarantee that all risks have been contained and eliminated.

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.

The sheer diversity of local legislation and regulations 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 rigorous 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.

There are no other 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.

7.4 Financial risks

Detailed information concerning these risks is provided in Notes 22 and 16 to Capgemini's consolidated financial statements in this Registration Document.

7.4.1 Equity risk

The Group does not hold any shares for financial investment purposes, and does not have interests in listed companies. However, it holds 2,377,000 treasury shares acquired under its share buyback program.

7.4.2 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 a credit and counterparty risk.

7.4.3 Liquidity risk

The financial liabilities whose early repayment could expose the Group to liquidity risk are mainly the two convertible bonds (OCEANE 2003 and OCEANE 2005).

7.4.4 Interest rate risk

The Group's exposure to interest rate risk should be analyzed in light of its cash position. The significant liquidity at its disposal (€1,805 million in cash and cash equivalents at December 31, 2008) is generally invested at variable rates, while the Group's debt (€1,032 million at December 31, 2008) – essentially comprising the two OCEANE bond issues - is mainly subject to fixed rates or capped variable rates.

7.4.5 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.

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 (2008: 22.1% and 19.2% respectively), fluctuations of the pound sterling and the dollar against the euro may have an impact on the consolidated financial statements. For example, a 10% fluctuation in the pound sterling-euro exchange rate would trigger a corresponding 2% change in revenues and operating margin. Similarly, a 10% fluctuation in the dollar-euro exchange

rate would trigger a corresponding 2% change in revenues and a 1% change in operating margin.

Regarding risks arising on operating and financial cash flows, the growing use of offshore production centers in Poland, India and China 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 intragroup financing transactions and fees paid to the Group by subsidiaries whose functional currency is not the euro.

7.4.6 Employee-related liabilities

The present value of pension obligations under funded defined benefit plans calculated on the basis of actuarial assumptions, is subject to a risk of volatility. A 0.5% change in the discount rate used could trigger a corresponding change in the present value of the liability of approximately 10%. If trends concerning longer life expectancy at retirement – which are gradually being reflected in actuarial mortality tables – are confirmed in the future, the Group's post-employment benefit obligation may increase. 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. Any deficits resulting from positive or negative changes in assets and/or liabilities are eminently volatile and are likely to impact the Group's consolidated financial statements.

7.5 Insurance

The Group Insurance Manager is part of Group Finance 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 function 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 envisageable 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, solvent insurers. The terms and conditions of this program, including limits of coverage, are periodically

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reviewed and adjusted to reflect trends in revenues and changes in the Group's activities and risk exposures.

The primary layer of this program, totaling €30 million, is reinsured through a consolidated reinsurance company 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. With an average surface area of 2,000 square meters, these premises concern almost 500 companies. 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 biggest outsourcing site, which has disaster recovery plans in place to ensure continuity of service, represents less than 4% of Group revenues. The Group's largest site, which is located

in India, employs some 5,200 people in a number of different buildings. No building at any of the Group's sites houses more than 1,800 employees.

Other risks

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

The Group has decided not to insure against employment practices 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 all 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.

VIII – CAP GEMINI S.A. AND THE STOCK MARKET

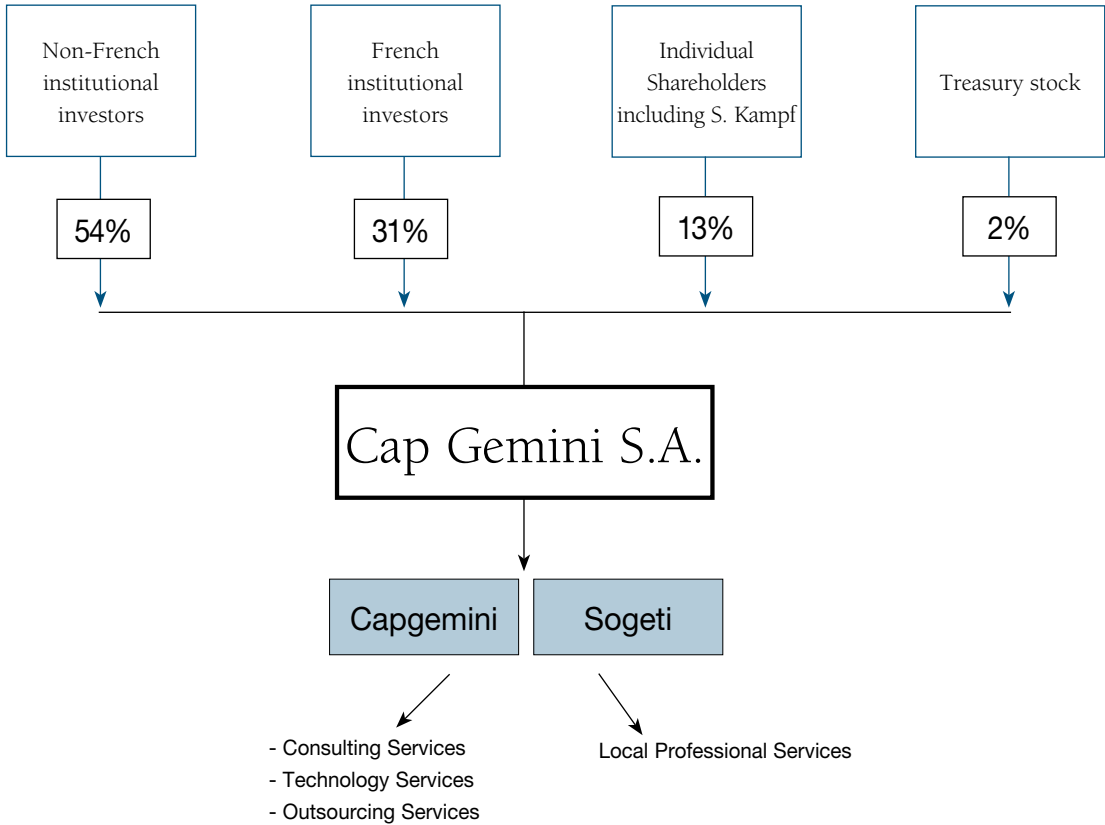
At December 31, 2008, the capital of Cap Gemini S.A. was made up of 145,844,938 shares (ISIN code: FR000125338). Cap Gemini shares are listed on the “Euronext Paris” market (compartment A) and are eligible for the SRD deferred settlement system of the Paris Stock Exchange.

The number of issued and outstanding shares of Cap Gemini S.A. increased year-on-year by 419,428 as a result of the issue of new shares upon the exercise of stock options granted in prior years by Group employees.

Cap Gemini shares are included in the CAC40 and the Euronext 100 indexes and the Dow Jones STOXX and Euro STOXX European indexes. Between January 1 and December 31, 2008, the Cap Gemini share price on “Euronext Paris” decreased from €41.89 to €27.500.

In 2008, the average daily trading volume in relation to Cap Gemini shares was 1,942,178 shares, i.e., 1.1 % of the total volume of shares traded on the Paris market.

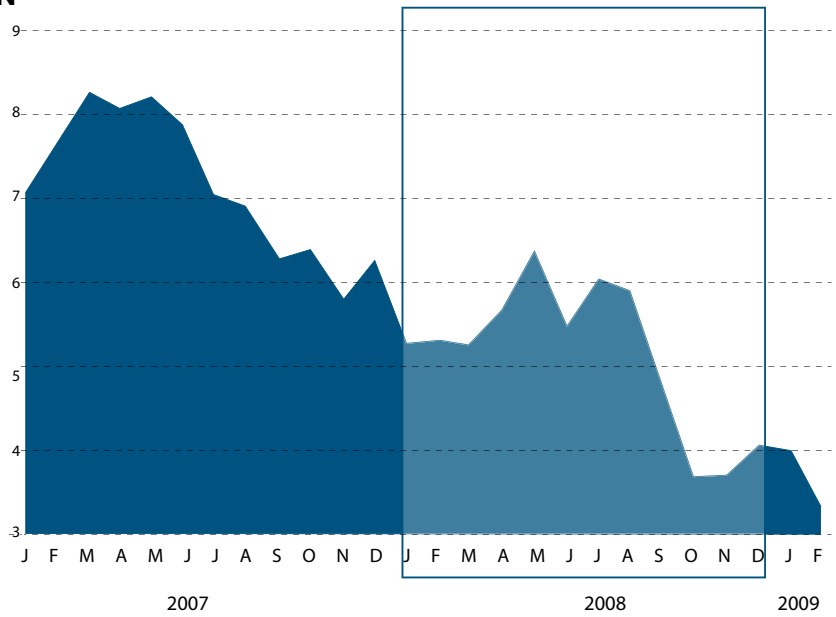
Cap Gemini S.A. ownership structure at December 31, 2008 (on the basis of a shareholder survey)



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STOCK MARKET CAPITALIZATION

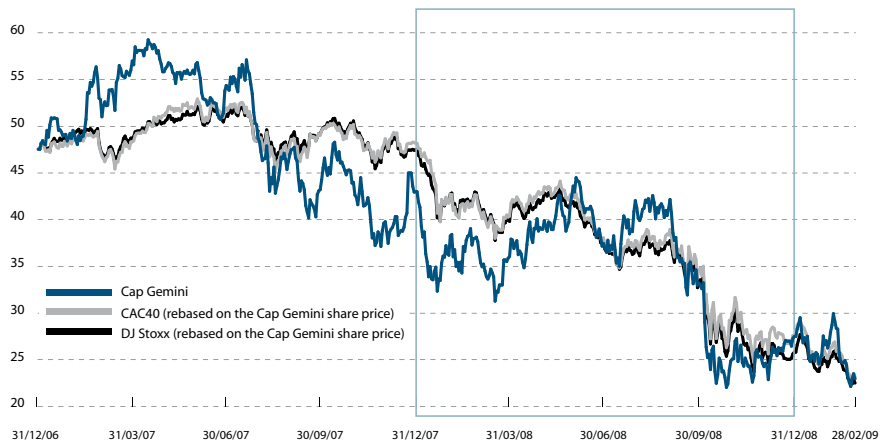
From January 2007 to February 2009
In billions of euros



source : Euronext

SHARE PERFORMANCE

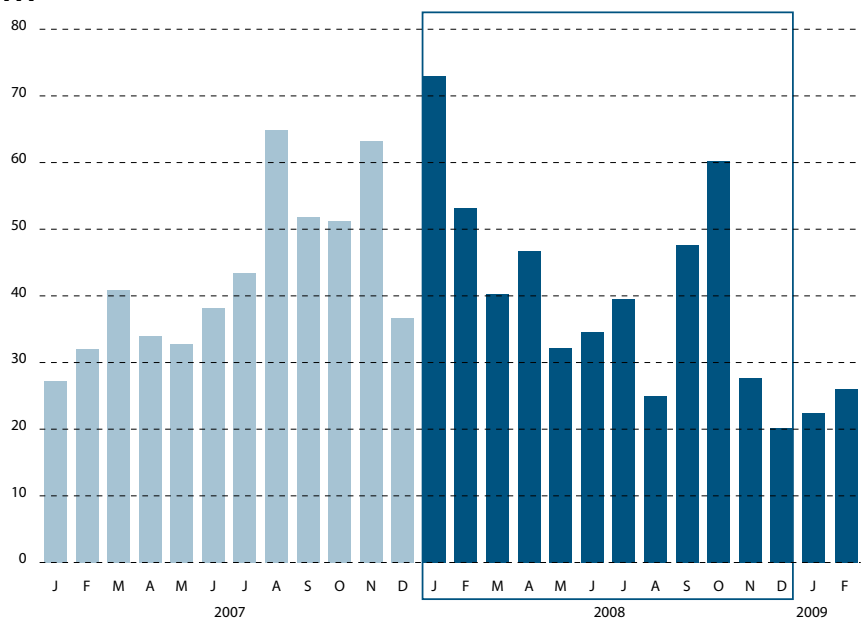
From December 31, 2006
to February 28, 2009
In euros



source : Reuters

NUMBER OF TRADES PER MONTH

From January 2007 to February 2009
In millions of shares



source : Euronext

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 in euros			Trading volume		
		high	average	low	Number of shares		Value (millions of euros)
					total	average (daily)	
March 07	22	57.65	54.33	50.45	40,940,541	1,860,934	2,175.7
April 07	19	59.87	57.97	55.57	33,916,022	1,785,054	1,954.1
May 07	22	57.28	55.87	53.52	32,719,570	1,487,253	1,825.1
June 07	21	57.00	52.95	50.19	38,180,747	1,818,131	2,021.1
July 07	22	57.39	54.2	48.69	43,399,935	1,972,724	2,344.5
August 07	23	48.88	45.87	42.14	64,949,158	2,823,876	2,975.4
September 07	20	47.80	43.26	39.02	51,796,663	2,589,833	2,199.0
October 07	23	48.68	45.76	42.83	51,278,028	2,229,479	2,357.2
November 07	22	45.72	40.42	36.43	63,227,464	2,873,976	2,566.6
December 07	19	45.00	40.13	37.34	36,727,921	1,933,048	1,475.2
January 08	22	43.580	36.063	31.120	72,975,810	3,317,082	2,594.0
February 08	21	39.500	36.990	33.850	53,174,714	2,532,129	1,969.0
March 08	19	36.250	34.331	31.280	40,292,433	2,120,654	1,387.2
April 08	22	40.720	37.728	34.720	46,662,129	2,121,006	1,771.5
May 08	21	43.800	40.466	37.620	32,217,125	1,534,149	1,307.1
June 08	21	45.140	40.786	36.820	34,623,368	1,648,732	1,414.4
July 08	23	42.950	38.245	34.540	39,555,888	1,719,821	1,516.0
August 08	21	42.650	41.156	39.360	24,918,655	1,186,603	1,022.6
September 08	22	42.160	35.906	31.730	47,617,990	2,164,454	1,694.3
October 08	23	34.190	25.651	21.250	60,185,493	2,616,761	1,557.3
November 08	20	27.600	25.074	22.190	27,658,887	1,382,944	695.1
December 08	21	28.280	25.764	22.760	20,197,807	961,800	516.6
January 09	21	29.700	26.532	24.075	22,366,473	1,065,070	592.1
February 09	20	29.940	26.604	21.655	26,030,277	1,301,514	662.1

Source : Euronext

DIVIDENDS PAID BY CAP GEMINI

Year ended December 31	Distribution of dividends		Number of shares	Dividend per share
	In millions	In % of net income		
2003			No dividend paid	
2004			No dividend paid	
2005	€66	47%	131,581,978	€0.50
2006	€101	34%	144,081,809	€0.70
2007	€145	33%	145,425,510	€1.00
2008	€146*	33%	145,844,938	€1.00*

(*) Recommended dividend submitted to the Annual Shareholders' Meeting of April 30, 2009

CORPORATE RESPONSIBILITY AND SUSTAINABILITY

The principles of corporate responsibility and sustainability are reflected throughout Capgemini's long-standing business practices. These principles, including our shared values and ethics, guide our relationships with clients, employees, business partners and the communities and environment in which we operate.

Since 2003, the Group has formalized its corporate responsibility and sustainability strategy under the responsibility of Senior Management and in coordination with the Group's General Secretary. In 2007, this strategy was added to the remit of the Ethics and Governance Committee of the Board of Cap Gemini S.A.

In 2004 we joined the UN Global Compact. The member companies of this program support and respect ten principles relating to human rights, the environment, labor rights, and anti-corruption.

The Group respects local laws and customs while supporting international laws and regulations, in particular the International Labor Organization fundamental conventions on labor standards.

In December 2007, we signed up to the UN Global Compact's "Caring for Climate" initiative.

We produced our first separate corporate responsibility and sustainability report called the "Other Face of Capgemini" highlighting our commitments and achievements in 2007.

I - CORPORATE RESPONSIBILITY, AND SUSTAINABILITY

1.1 Our commitment and vision

Capgemini is committed to responsible and sustainable business practices which deliver value to our stakeholders, including customers, shareholders, investors, business partners, suppliers, employees, the community, and the environment. Corporate responsibility and sustainability priorities are based on our six pillars below:

1. Leadership, Value & Ethics
2. Our People
3. Clients
4. Community
5. Suppliers & Business Partners
6. Environment.

Our vision is to maintain a set of values and standards focusing on our commitments outlined below:

Our Commitments:

- **Leadership, Values & Ethics: We say what we do and do what we say.** We embrace our core values of honesty, boldness, trust, freedom, solidarity, modesty and fun. Capgemini maintains a strong code of ethics, which underpins all of our business practices.
- **Our People: Employees and the Workplace. We are committed to being a responsible employer** whom people choose to work for. We strive to ensure that both the physical working environment and our business practices are safe and allow our people to develop and deliver their best. As a people-oriented business, our focus is on the professional development and wellbeing of all our employees. We have a culture whereby we respect and make best use of the diversity of our people as individuals.
- **Clients: Collaborating with our clients, we engage to understand their real business needs** and deliver long-lasting value with tangible results. We take customer dialogue and feedback very seriously. We also look to embed corporate responsibility and sustainability considerations into our consulting and technology offers.
- **Communities: Ensuring a positive impact on the communities in which we live and operate.** As a major global employer we work on both national and international levels with local authorities and organizations on community projects. We encourage the involvement of our employees in community development.
- **Suppliers & Business Partners: Working with our suppliers and business partners and committing to sound and sustainable procurement procedures,** to ensure that our suppliers and business partners adhere to the same principles as we do.
- **The Environment: Recognizing our impact on the environment,** we strive to reduce any negative environmental impact in the areas most relevant to our business, in particular energy use, travel and waste management. Long term sustainability is the key and we endeavor to increase employee awareness, reduce our impact and increase our positive contribution.

1.2. Our Strategy

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

Our approach to corporate responsibility and sustainability is exactly the same; strategic vision and leadership combined with

individual commitment and passion. We believe it is important to ensure that all audiences and activities are properly aligned and considered and to ensure that activity is anchored in a proper framework and program for implementation.

Our strategy has been developed around Six Strategic Pillars that underpin all aspects of our business.

Each Strategic Pillar has its own strategic goals and plans. Under each pillar, we have identified the key areas that are material to our business, areas in which Capgemini has an impact and that are important to our stakeholders. We have set objectives for each pillar in order to improve our internal reporting processes and monitor our performance.

We are keen to ensure that corporate responsibility and sustainability performance delivers the same high standards and commitment to our values across all areas of our activity and ensure the further sustainability of our business.

1.3 Our values

Capgemini's culture and business practices are guided by its seven core values – Honesty, Boldness, Trust, Freedom, Team Spirit, Modesty and Fun. These values have existed as long as the Group.

They are second nature to us now, and remain at the heart of our approach to being a responsible business.

- The first value is **Honesty**, denoting loyalty, integrity, uprightness, and a complete refusal to use any underhanded 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 any lack of openness and integrity in business dealings will be penalized immediately once proven.
- **Boldness** implies a flair for entrepreneurship and a desire to take considered risks and show commitment (naturally linked to a firm determination to uphold one's commitments). This is the very soul of competitiveness: making firm decisions and seeing them through to implementation, and accepting 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 could become reckless.
- **Trust** means the willingness to empower both individuals and teams and 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 wide-spread idea and information sharing.
- **Freedom** indicates independence in thought, judgment and deeds, entrepreneurial spirit and creativity. It also means tolerance, respect for others, and for different cultures and customs – essential qualities in an international group.
- **Solidarity**/team spirit designates friendship, loyalty, generosity, fairness in sharing the benefits of group work; accepting responsibilities and an instinctive willingness to espouse joint efforts when the storm is raging.
- **Modesty** signifies simplicity, the very opposite of affectation, pretension, pomposity, arrogance and boastfulness. Simplicity does not imply naivety; but is rather 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.

1.4 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 fundamental operation as a Group.

The Group "Blue Book", so called because it is blue in color, was originally created in 1989 as a managers' rulebook and provides the overarching common framework for every employee and every part of the business to work effectively as one Group.

The Blue Book contains:

- Group Fundamentals
 - Group Mission & Expertise, Fundamental Objectives, Values, Code of Ethics, and Guiding 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. Every year the Group Blue Book is reviewed and updated to reflect our increased focus on corporate responsibility and sustainability. The Blue Book is accessible online to all Group employees; and our ethical policies, our ethics in practice, procurement policies, environmental policies and commitments to our people are all available on our website.

1.5 Our code of ethics

Capgemini is committed to ethical conduct and to the principles embedded in its seven values. Our code of ethics, set out in the Group's Blue Book, guides all of our business practices:

- We respect human rights in all dealings with Capgemini stakeholders, including team members, clients, suppliers, shareholders, and local communities.
- We recognize that local customs, traditions and practices may differ and, as a global organization, we comply with local laws and customs while supporting international laws and

regulations. In particular, we support the International Labor Organization fundamental conventions on labor standards.

- We refuse the use of forced labor.
- We refuse the use of child labor and ensure that our processes reflect this.
- We refuse unlawful discrimination of any kind, and promote diversity.
- We develop flexible working conditions to promote a healthy work-life balance.
- We promote the training and personal development of our team members.
- We respect freedom of association.
- We respect health and safety regulations in our working environment and in dealings with stakeholders.
- We require our team members to maintain confidentiality with regard to all information to which they have access, in accordance with applicable laws.
- We refuse bribery and corruption in business practices.
- We are sensitive to environmental impact and promote environmentally friendly policies.

1.6 Our ethics in practice

We are committed to having world class standards of business integrity everywhere we operate. Our code of ethics is more than a collection of abstract ideas; it's a formalization of Capgemini's longstanding commitment to ethical behaviour, and our ethics shape our business practices at every level of the company:

Responsible Business Practices: Our Code of Ethics and our Blue Book, the company confidential Capgemini Group document outlining the "Fundamentals, Guidelines and Policies of the Group", contains direction to all Group employees about their conduct and how we conduct business. The Blue Book is mandated at Group level and is enforced throughout all jurisdictions in which we operate, taking into account any applicable local laws and regulations.

Bribery and corruption: We have zero tolerance for any form of bribery and corruption in Capgemini. In the event of any bribery or corruption instance brought to the Capgemini Group's attention, we would take immediate steps to take all necessary corrective actions and report it to the relevant authorities if need be.

Conflict of interest: Each employee has the duty to the Group to act with integrity and good faith. It is essential that the Group employees do nothing which conflicts with the Group's interests or which could potentially be construed as being in conflict with such interests.

Sales activities: No Capgemini employee may accept commission from or pay commission to third parties unless expressly

authorized to do so by top Group Management in strictly limited cases. Any breach of this rule may result in immediate disciplinary sanctions in full compliance with applicable local laws.

Funding of activities and organizations: All funding of activities and organizations, outside Capgemini must be authorized by top Group Management to ensure that we support only activities and organizations whose ethical rules are aligned with our own. Capgemini does not finance political parties.

Business gifts and entertainment: Group employees may give and receive appropriate, lawful business gifts in connection with their work with the Group's clients, suppliers or business partners provided that all such gifts are nominal in value and are not given or received with the intent or prospect of influencing the recipient's business decision.

Insider Trading: The Group has set strict rules relating to the trading of Cap Gemini SA or any other Capgemini-related securities and especially the rule of not buying or selling company shares during "closed" periods before our results are published (twice a year prior to the release of half-year and year-end results). The aim of these rules is to protect our employees and the Group against any potential risks (mainly insider trading). All employees are notified of the closed periods applicable to Capgemini. In addition, there are certain restrictions that apply to trading in publicly-listed securities of the Group's actual or potential clients, suppliers or business partners.

Confidential Information: The Group has defined standards on the protection of confidential or non-public information belonging to the Group, the Group employees or third parties such as Group clients, suppliers or business partners. Non-public information includes but is not limited to any personal information or confidential information provided by employees or third parties as well as information about the Group clients, finances, product development, marketing strategy, sales prices, non-published financial results and changes to shareholders.

Public position: The Capgemini Group does not lobby with governments or regulators on behalf of Capgemini or its clients. We are members of relevant trade bodies in our industry and undertake an advisory role regarding the impact and opportunities of technology. We are also members of relevant non-governmental and non-profit organizations. Capgemini regularly publishes "thought leadership" on various topics of public interest.

Country risk: Capgemini has permanent operations in some 30 countries. An increasing proportion of the services we deliver are based in emerging countries. In the absence of minimum

legislative standards, the Capgemini Group's Blue Book contains the policies that are applicable to all of our operating units. Strict approval criteria must be met before employees are sent to work in countries where there are no existing Group operations. In addition, even stricter criteria apply in the event that employees are sent to countries considered to be at risk.

1.7 Today's Challenges

Today, our strong commitment to values and ethics is even more important than ever before and brings with it a new set of challenges and requirements.

To meet these challenges, Capgemini has drawn on its long-held corporate values, honesty, boldness, trust, freedom, team spirit, modesty and fun. Our values are human values that stand for the completeness of quality of life, and not just the pursuit of profit.

Our global growth has increased our geographic footprint especially in the developing world, where corporate responsibility and sustainability is essential. We are determined that growth should not come at the expense of sustainability. We understand that this growth is broadening communities and the range of relevant issues for which we need to produce practical solutions to continue to ensure a positive impact.

This worldwide growth also requires us to ensure that our ethics are known, understood and respected wherever we operate. The Chief Compliance Officer position was created in 2009 to ensure that our professional practices and our internal and external operating processes are consistent with our values and ethics, thus marking a new stage in our commitment to responsible growth.

An increased geographic footprint also means an increase in locations, data-centers and travel, activities that all have an impact on the environment. Our strong Outsourcing business poses us with the challenge to effectively consolidate our data centers, implement Green IT solutions and create new Green Data Centers. Leveraging new technologies to provide opportunities for virtual working will also enable us to reduce our travel footprint.

Offshore deals can give rise to a number of social issues, such as retraining or redeploying staff, relations with trade unions as well as impact on local communities. Capgemini continues to strive to make offshore solutions compatible with social and environmental responsibility by:

- Understanding and managing the right balance between a company's financial, operation and social aspects;
- Providing the right service, in the right place at the right price, while balancing the interests of the client, the local economies, and the people involved.

Attracting and retaining top talent is increasingly influenced by corporate responsibility and sustainability. Both our existing and future employees want to work for a company that has a strong and vibrant approach, that they can feel proud of and that enables them to be personally involved.

Our Learning and Development, which is a main cornerstone of our Employee Promise and critical to our business, has increased challenges and opportunities. The speed of technology change, the increased geographic footprint, the need to continually learn new topics and ways of working presents both the opportunity and the challenge. The challenge is to make a wide variety of learning events available – either just in time, on the job, online or in the more formal classroom environment. The opportunity is to leverage the assets we currently have within the company and make them easily accessible in multiple modes.

Our focus on diversity and in particular, increasing the number of women in senior management, continues to be a priority and a challenge.

The increasing globalization of our business produces challenges to corporate responsibility and sustainability but also provides us with a range of opportunities. We can work collaboratively with our clients to embed sustainability into the way they do business, whether in the way they use technology, in their supply chains or in the business models that they operate. We see this as an area in which opportunities are increasing along with client demand.

Our increased footprint in developing countries provides us with opportunities to support actions to reduce the digital divide. Increased local employment opportunities, local community programs – specifically those aimed at education and skills building, and the leveraging of our skills and capabilities in technology are a few ways in which we can contribute.

1.8 How we measure up? Social, environmental and corporate governance.

Third party measurement is taken very seriously and we welcome the measurement of corporate responsibility and sustainability performance by respected third parties. We are pleased to respond to such organizations.

Capgemini cooperates with several external ratings agencies that evaluate companies' performance in terms of social, environmental and corporate responsibility. This gives us a clearer vision of our achievements, targets and priorities in each area.

Participation in financial indexes:

FTSE4GOOD

Capgemini has once again been included in the FTSE4GOOD Index for 2008. It is included in the FTSE4Good Index Series, the ASPI Eurozone® and the Ethibel Excellence Index®. In 2008 Capgemini was a constituent of the ECPI Ethical Index Euro.

VIGEO

Vigeo assesses Capgemini every two years and in 2007, our ratings report assessed Capgemini as demonstrating proactive behavior regarding sustainability issues, linked to a high level of overall reporting on corporate responsibility and sustainability for the sector.

- Among the top 3 performers in our sector with regard to human rights;
- Among the top 3 performers in our sector for environmental issues.

Our 2009 assessment is underway.

CORPORATE RESPONSIBILITY AND SUSTAINABILITY

CARBON DISCLOSURE PROJECT

Capgemini once again participated in the Carbon Disclosure Project (CDP) in 2008.

AWARDS

In 2008, Capgemini (UK&I) for the fourth consecutive year took part in Business in the Community's Corporate Responsibility Index. In 2007, we were awarded bronze status and congratulated for our participation, which reinforces our commitment to and transparency in managing, measuring and reporting on business practices. We are awaiting the results of our 2008 assessment.

Employer, Employee and Diversity Awards in 2008

- **Capgemini India** won the prestigious “**Continuous Innovation in HR Strategy at Work**” award at the Employer Branding Awards function, held under the aegis of the Asia Pacific HRM Congress.
- **Capgemini NL ranked No. 1 as “Employer of Choice”** for IT-professionals and Sogeti NL also ranked in the top 10 companies in the AG (Automatiseringsgids)-Berenschot survey June 2008.
- **Capgemini NL** received the “Golden Voicetube” in July 2008 from Imago Blauwdruk Arbeidsmarkt ICT 2008 (job market ICT) in the category ICT students with the **Best Score on Development** and 6 other criteria.
- **Capgemini Netherlands** reached the 18th place in the Dutch Management Team 500 (MT500), a list of the 500 companies with the best image in the Netherlands (rising 23 positions since the previous year).
- **Capgemini Belgium** was awarded the title “Top Employer 2008 in Belgium” for the fourth year in a row.
- Capgemini UK was listed in The Times “**Top 50 Places Where Women Want to Work**” for the third year running.
- Capgemini Poland was awarded second place by students' votes as “**The Best Employer in Poland 2007**”, run by the Modus Group (the survey was conducted between October 2007 and April 2008, with the participation of almost 5,000 students representing most Polish universities).
- **Capgemini Germany** ranked among the 30 Top-Employers in 2008.
- The Highlands Diversity Award for best practice in “**Staff Development and Retention**” was won by the UK Service Centre Management team.
- **Capgemini Spain** won the “**Innovation in HR**” award, given by “Expansion y Empleo” for the Recruitment 2.0 project that uses new channels to get closer to candidates and employees.
- **Capgemini Spain** was awarded the Alcobendas council's prize for **fostering equal opportunities and work-life balance**.
- Christine Hodgson, Chief Financial Officer for both Global Outsourcing Services (OS) and Capgemini UK, received a prestigious prize at the 2008 **First Women Awards** in London. Christine won the Finance Category.
- The Executive Council of New York Ten Award recognized Lanny Cohen and Capgemini's North America business with the 2008 “**Judges' Choice Award for CEO and Business Innovation**”, publicly complimenting our commitment to transformation.
- UK was short listed for “Best Corporate” in the “**Women of the Future**” Award.
- Executive HR Director for **Portugal** was recognized as the “HR Manager of the Year” by the RH Magazine, one of Portugal's most widely read magazines on human resources management for HR professionals.
- BusinessWeek announced Capgemini America in the list of the top 119 companies to “**launch a career**” .
- **Sogeti Sweden** was placed No. 8 in Sweden in the Best IT Consultants review by leading Swedish business paper Veckans Affärer.
- **Sogeti Sweden**, our Swedish mobility expert, won both the Microsoft Global award for the “**Most Valuable Professional of the Year**”, and the Swedish business paper Veckans Affärer's Consultant of the Year award
- **Sogeti Netherlands** was recognized in the top 20 ICT Employers in the Netherlands in 2008 by crf.com.
- **Sogeti Belgium** was awarded Top Employer België-Belgique 2008 along with 35 other companies, which included Capgemini Belgium.
- **Capgemini sd&m** was ranked No. 14 by German Computerwoche as the most attractive IT-Company for IT students.
- **Capgemini Consultants in Belgium** won the ECM Champion Awards from Open Text, and also had a winner of the Oracle “Are You The Smartest?” contest.

Community awards in 2008

- In 2008, Sogeti won the “**IBM Beacon Award for Outstanding Corporate Citizenship**” for its work with Planet Finance.
- On 25 October 2008, the “**2008 Fourth China Corporate Citizenship Commending Conference**” was held at the Greater Hall of the People in Beijing. At the event, Capgemini won two awards: “**2008 China Corporate Citizenship Award for special contributions to earthquake relief**” and “**2008 China's Outstanding Corporate Citizen**”. Chen Bo, Capgemini's Greater China CEO, was also proud to receive the award for “**Entrepreneurs with Strongest Social Responsibility**”.

Supplier diversity awards in North America

- 2008 - EFH's (formerly TXU) Gold Star Award for our commitment to **supplier diversity** and demonstrating the commitment through the development and utilization of businesses owned by minorities and women, and outreach activities. (Capgemini has had Multi-Year awards for its supplier diversity from TXU).
- SCMBDC Corporate Leadership Award.
- Women's Business Council Southwest Corporate Challenge Award Winner.

- North Texas Commission Mentor/ Entrepreneur Outstanding Match Award Recipient (Multi-Year).
- Minority Enterprise Development Dollar Roundtable Winner (Multi-Year).

Education Awards

- In 2008, our **Capgemini University** went through the **Corporate Learning Improvement (CLIP) Accreditation** Process of the European Foundation for Management Development (EFMD) and in January 2009, their accreditation committee team unanimously approved Capgemini University's accreditation for a period of 5 years.
- Our **Financial Services** SBU won the 2008 LOMA "**Excellence in Education**" (EIE) award (LOMA is an international association of insurance and financial services companies engaging in research and educational activities to improve company operations).
- **Capgemini sd&sm** founded a professorship for Global Software Engineering at Technische Universität München (TUM).

Environmental Awards

- *Les Fontaines*, home of the Capgemini University, was awarded the **European Ecolabel** in April 2008.
- In October 2008, **ALD Automotive** awarded **Capgemini NL** with the "**Green Fleet Award**", a prize for 'environmental friendly' fleet management.

Outsourcing awards

- 2008 - For the third year running Capgemini was named one of the **world's leading outsourcers** by the International Association of Outsourcing Professionals (IAOP). We were ranked number five in the "Leader's Category" of the IAOP's 2008 Global Outsourcing 100.
 - Best 10 Leaders with Employee Presence in India;
 - Best 20 Companies by Industry Focus: Discrete Manufacturing;
 - Best 20 Companies by Industry Focus: Technology (Hardware and Software);
 - Best 20 Companies by Service Offered: Customer Relationship Management;
 - Best 20 Companies by Service Offered: Financial Management;
 - Best 20 Companies by Service Offered: Information and Communications Technology Management.
- The 2008 "China Outsourcing Development and International Cooperation Forum" (CODC) awarded Capgemini China the "**Best Business Practices in China's Service Outsourcing Industry**". Chen Bo, Capgemini's Greater China Chairman & CEO, received the award for "Leadership in China's Service Outsourcing Industry Development" (which includes customized software development, application development, application management, infrastructure management, business process outsourcing etc.)
- Capgemini won the top public sector award in the **National Outsourcing Awards 2008** for its work with the Welsh Assembly Government on the IT system that handles EU payments to farmers throughout Wales.

Customer Satisfaction Awards

- **On 22 May 2008, Capgemini was announced as the winner of Vodafone's "Corporate Responsibility Engagement" Award 2008 at Vodafone's Annual Global Supplier Conference.**
- Capgemini was honored with the 2008 SAP Pinnacle Award for "Showcases Leadership for Service Partners". Capgemini was also short listed for the categories "Thought Leadership for Service Partners", "Collaborative Revenue Contribution" and "**Customer Satisfaction**". SAP highlighted the collaborative work achieved with Capgemini resulting in a number of recent Pinnacle Awards and Special Expertise Partnerships as well as in many successful client projects.
- In October 2008, Capgemini NL was awarded the Computable ICT-Services **Supplier of the year Award** at the third annual Computable Awards.
- Capgemini UK was awarded "Finance Team of the Year" in the CIMA 2008 awards.
- Capgemini North America was recognized as a **Leading Technology and Consulting Company by Top Industry Organizations**: CRM magazine, InformationWeek and VARBusiness Magazine.
- **Capgemini Consulting** was awarded the "Best Business Transformation" ASCO (Association of Management Consultants Switzerland) Award 2007 for its transformation program with Implenia, Switzerland's largest construction and building services provider; and was also awarded "Best IT Key Supplier" by Daimler and "Aktiv gesteuerter IT-Partner" by BMW AG.

II - PEOPLE

2.1 HR priorities

Our HR priorities across the Group focus on the following main areas:

- Career Development:
 - Managing our talent and taking care of career aspirations;
 - Offering the right professional challenges;
 - Managing our pyramids to reflect the changeover to new industrialized business models;
 - Leveraging the wide range of learning opportunities available that link to our competency models.
- Leadership Development:
 - Focus on talent pool management and succession management;
 - Increasing our Executive Development offerings;
 - Increasing mobility within the leadership pool.
- Strengthening the Group University to deliver more regional programs.
- Balanced recruitment and managing our attrition levels.
- Diversity:
 - Gender diversity;
 - Increasing support for people with disabilities;
 - Mirroring our local communities;
 - Corporate responsibility;
 - Sustainability.

2.2 Continuing sustained headcount growth

The evolution of the Group workforce over the last ten years is a reflection of the various 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 was multiplied by 2.5 in five years. Moreover, this period was marked by sustained demand for Consulting and Technology services due to oncoming Y2000, the introduction of the euro and the development of the Internet.

During the three subsequent years, under the twofold effect of:

- general economic degradation due to the emergence of major international crises, culminating in the 9/11 attacks and the war against Iraq, and
- the bursting of the Internet bubble, investment slowdown led to downsizing our workforce.

2004 was marked by a return to growth mainly as a result of staff transfers (over 3,500 people were transferred upon signature

of two large outsourcing contracts, notably Aspire in the United Kingdom).

2005 was a year of consolidation and renewed large-scale recruitment in a flourishing market, then 2006 was marked by a turn-up in employment with double-digit growth in recruitment which quickened in 2007, boosted both by the Kanbay acquisition and by sustained organic growth, particularly in the offshore countries (India, Poland). 2008 continued on a positive trend with headcount growth of close to 10% mainly due to:

- acquisitions, notably take over of BAS from Getronics, a significant milestone in the development of the Group's legacy market in the Netherlands where Capgemini is now the undisputed leader.
- organic growth in headcount increased by more than 6%, entirely as a result of the offshore markets (India, Poland, Latin America, China and Morocco).

Year	Average headcount		End-of-year headcount	
	Numbers	Evolution	Numbers	Evolution
1996	23,934		25,950	
1997	28,059	17.2%	31,094	19.8%
1998	34,606	23.3%	38,341	23.3%
1999	39,210	13.3%	39,626	3.4%
2000	50,249	28.2%	59,549	50.3%
2001	59,906	19.2%	57,760	-3.0%
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%

*48,304 excluding the Transiciel contribution, which was only incorporated at 31 December.

From late 2005 to the close of 2008, headcount rose by 50% i.e. 30,000 additional people, namely almost the full size of the Group in 1997, on its thirtieth anniversary.

Acquisitions of Kanbay and BAS, and the strong organic growth recorded over the last three years in recently developed regions have continuously appreciably modified the geographical distribution of the Group personnel. Its evolution is summarized in the table below:

End-of-year headcount per region	31/12/06		31/12/07		31/12/08	
	Numbers	Mix %	Numbers	Mix %	Numbers	Mix %
North America	6,441	9.5%	8,857	10.6%	8,379	9.2%
United Kingdom & Ireland	8,785	12.9%	8,482	10.2%	7,985	8.7%
Nordic countries	3,608	5.3%	3,942	4.7%	4,049	4.4%
Benelux	9,014	13.3%	9,492	11.4%	12,291	13.4%
Germany and Central Europe	5,137	7.6%	6,274	7.5%	7,534	8.2%
France and Morocco	20,438	30.1%	21,138	25.3%	21,392	23.4%
Southern Europe and Latin America	6,235	9.2%	6,836	8.2%	7,913	8.6%
Asia-Pacific	8,231	12.1%	18,487	22.1%	22,078	24.1%
Total	67,889	100%	83,508	100%	91,621	100%

The above evolution reflects:

- The continuing adaptation of our production capacity to our Rightshore® model combining local resources (in the client's area) with those situated in specialized production centers, the balance depending on the technology or offer concerned. This is due, in particular, to the development of the Asia-Pacific workforce (especially India) where more than 24% of Group resources are now concentrated (compared with 12.1% in 2006 and less than 5% in 2004), growth in Central Europe (mainly as a result of BPO development in Poland), and the emergence of Latin America (which reports to Southern Europe) due to new contracts being signed in this particular region.
- Acquisition of BAS in 2008, thus boosting Benelux weight, which regained 2006 levels.
- The fall in headcount in the United Kingdom, and consequently its smallest share in the Group headcount, was caused by the reduction in scope of the Aspire contract (with extension of the global contract term), its other business units either remaining stable or growing.
- Continuing development of Local Professional Services, recording growth in almost all countries.
- Maintaining a growing local production force in all our geographic zones excepting both the United Kingdom and North America.

In 2008, recruitment activity was very brisk, again with more than 22,500 people hired during the financial year. Nonetheless, numbers were slightly lower than the previous year (24,800 new recruits in 2007 following on from 18,600 in 2006 and 14,500 in 2005) with a turndown in recruitment at the end of the year. The excellent recruitment trend was prevalent in all areas and in all countries but, once again, particularly in India with more than one third of 2008 recruits; and its organic growth enabled

3,600 new employees to come onboard. 2008 was also a year of diversified recruitment offshore with strong growth in Poland and the development of South America and Morocco, which were only at the embryonic stage last year. Sogeti also recorded high recruitment rates (more than 5,000).

Staff turnover (i.e. percentage of voluntary departures) in the first half year continued on the ascending curve of previous years (from 14.1% in 2004 to 15.4% in 2005, 16.6% in 2006 and 18.6% in 2007) before falling in the second half year and closing at 17.2%, voluntary departures remaining fairly stable compared with the previous year (slightly above 15,100). The rise in departures in the last few years was a widespread, standard occurrence in Consulting and Technology Services i.e. increased mobility when the market is flourishing and a falling indicator in troubled times. This rate is closely watched with the aim of remaining in line with industry norms through appropriate programs and actions that fit each discipline and geographical zone. Turnover in India, which has had a healthy technology market for several years now, has leveled out compared with last year settling just below the 20% mark (compared with 30% three years previously). This rate went on a downward curve at the end of the year. The evolution in geographic breakdown can be explained partly by the increase in turnover rates, generally higher in countries where our headcount growth is the strongest.

The resource utilization rate - which measures the share of working hours (excluding legal holidays or leave) worked by productive salaried staff and directly allocated to billable services - fell slightly compared to 2007, which was a peak year for Consulting Services. Activity in Technology Services was quite stable but fell slightly in Local Professional Services while nevertheless maintaining satisfactory levels.

Quarterly utilization rates	2007				2008			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Consulting Services	68	70	67	69	67	67	63	65
Technology Services	80	81	81	80	79	81	80	81
Local Professional Services	85	84	85	84	83	83	83	83

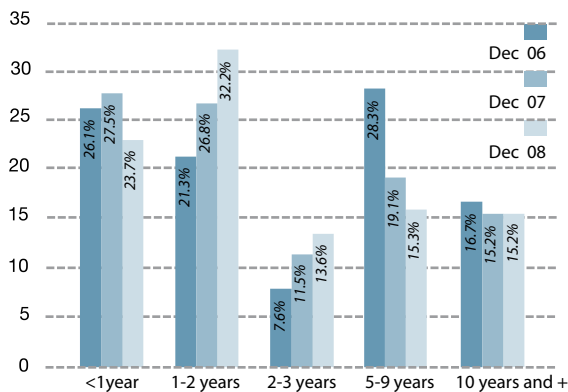
CORPORATE RESPONSIBILITY AND SUSTAINABILITY

It should be noted that utilization rates are not monitored for Outsourcing, for which the indicator does not reflect performance evolution.

Since 2003, the Group measures and follows the evolution of indicators designed to provide better in-depth knowledge with respect to the breakdown of its headcount. These indicators show average seniority, average age and gender breakdown. An in-house tool has been developed for the purpose of obtaining a coherent view of our entire population breakdown and its evolution on a monthly basis, specifying the percentage actually covered.

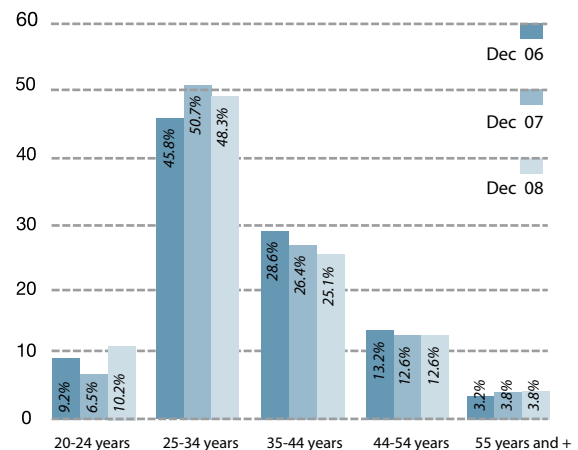
BREAKDOWN OF WORKFORCE BY SENIORITY: EVOLUTION 2006-2008

The rate is 93.3% of end of year headcount covered for the data below. Evolution of average seniority reflects the Group's recruitment policy over the last few years. 2008 was a strong year for recruitment, thus reflecting a high number of employees with less than one year's seniority while the percentage is lower than in the last two financial years. This situation follows on from three years of strong recruitment culminating in a record 2007, and the proportion of people with little seniority in the company continues to grow. On the other hand, 2002 and 2003 were years of selective recruitments, taking off gradually in 2004 and gaining speed in 2005. These combined factors caused the percentage of employees with 5 to 10 years' seniority in the Group to fall. Moreover, the percentage of people with more than 10 years' seniority leveled off in 2008.



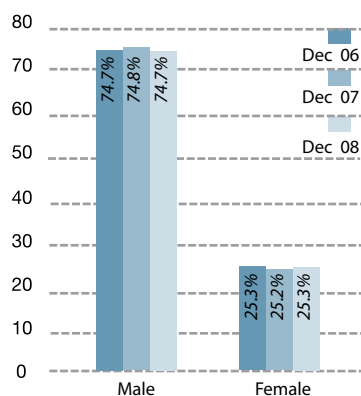
BREAKDOWN OF WORKFORCE BY AGE: EVOLUTION 2006-2008

The rate is 93% of end of year headcount covered for the data below. Overall evolution in average age has fallen slightly again from 35.4 in 2007 to 35 in 2008. This is due to the regained momentum in recruitment of young graduates over the last few years, the strong growth of the workforce in India (where the average age is approximately 5 years younger, on average), and also the development of Central Europe where, here too, the average age is much younger than elsewhere in the Group. After reaching a 50% peak in 2007, the percentage of the workforce within the 25-35 bracket fell below this figure again in 2008 due to the increase in younger recruits. On the other hand, and despite the strong growth of our workforce and the fall in average age, the share of over 50s has progressed slightly (+0.1 point) compared to 2007.



BREAKDOWN OF WORKFORCE BY GENDER: EVOLUTION 2006-2008

The rate is 97.4% of end of year headcount covered for the data below. The percentage of women in the workforce has remained stable overall in the last three years for diverse reasons. Global evolution can be explained by the recent development of certain countries (India in particular) and certain disciplines where there are fewer women (Outsourcing and Local Professional Services) with a gender ratio of 80/20. Nonetheless, many regions still record a rise in the number of women (same scope of reference). Likewise, BPO development has enabled large numbers of women to be taken into BPO in Poland where the ratio is 50/50. This is a clear reflection of the market we address inasmuch as information technology attracts essentially engineering graduates: predominantly men. On the other hand, the more diversified Consulting discipline records a ratio of 62/38.



III - FUNDAMENTAL PRINCIPLES OF HUMAN RESOURCE MANAGEMENT

Our commitment to our people

The success of our business is grounded in the diverse work and life experiences of our professionals, who enable us to both grow our business and deliver outstanding results to our clients. Key elements of our approach as an employer include:

- Fostering a culture of collaboration;
- Providing career flexibility through clearly defined career paths that focus on a combination of experience, industry expertise, technical, business and interpersonal skills;
- Providing learning and development opportunities to offer the tools needed to excel in delivering to our clients and to develop our own capabilities to grow and maintain our careers;
- Providing an annual performance appraisal process with the opportunity to discuss content at an individual interview;
- Entitlement to a personalized development plan which includes recommendations on learning and development options;
- A performance management process that considers our professionals for what they do and how they do it;
- A team-focused environment where professionals can enhance their skills, share knowledge and enjoy a rewarding career;
- Allowing employees access to a mentor, if they wish, with whom they can discuss their career path;
- The ability for employees to regularly voice their opinion through surveys on the Group, employment conditions, working conditions, professional development, and relationships with management and colleagues;
- Ensuring that employees receive regular information updates from their managers and are able to engage in dialogue concerning their assignments and work environment;
- Respecting the Group's corporate responsibility and sustainability and an ethical code of conduct.

We believe that every professional has a key role to play in the success and sustainability of the Group. As a result, the company offers an environment where all employees can progress and develop their skills, collaborate with diverse professionals, contribute to the Group's business goals through varied assignments, share knowledge, and enjoy a rewarding career.

3.1 Personalized career management

The competency model

Employees' professional development is supported by a competency model which forms the basis for performance appraisals and personal career advancement. The model, rooted in shared values, is tailored to take into account the specific needs of each of the Group's businesses, for example, specific knowledge or expertise for each discipline.

Personal development and appraisals

One of the key challenges for a services company is to guarantee a consistent and transparent process of individual performance assessment, based on clearly defined and explained criteria. It is only with such a framework that it is possible to ensure the professional development and promotion of all employees since skills assessment is the best way of respecting equal opportunities.

To allow this, the Group has a performance appraisal system based on regular evaluations generally conducted in relation to client projects and involving personal interviews with the employees. Mentoring systems have been set up to allow employees to benefit, throughout their career, from an outside view and from career management advice from more experienced colleagues.

Mobility

Geographical mobility, whether at country level or internationally, is supported by the Group and often corresponds to employee requests. In 2008, we saw a significant increase in cross-border assignments and travel across the globe. 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 has set up a repatriation procedure with specific insurance to limit the risks faced by its people as far as possible. Specific training courses and advice are provided by our International service provider of mobility support. In 2008, we conducted 80 training courses per week to prepare our people for their international assignment or trip. With heightened security in many places, today additional training sessions and support for our people will be put in place in 2009.

For professionals involved in overseas assignments or considering an international career, useful information can be found on company intranet sites together with relevant rules and procedures.

To facilitate mobility within each country, intranet sites list available positions. This allows the opportunity for roles to be filled by existing employees prior to being advertised externally.

3.2 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 in line with client and market needs. Likewise,

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recruits 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 both the capabilities required for their businesses and their portfolios of training offerings in order to keep pace with current and future market needs.

The fundamental strategy of competency development draws on various approaches:

- Standard training programs;
- Mentoring systems;
- E-learning;
- On-line books;
- Knowledge Centres, 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 culture of sharing and networking 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 providing training both at Group level and locally. The Group's on-line learning management system 'MyLearning', which is open to all employees, was used by over 60,000 employees in 2008, and overall usage of e-courses and online books saw another big jump. Employees use MyLearning for informal and just-in-time learning as well as for registering for more formal, structured learning events.

MyLearning contains all Group programs and, for many regions, local curricula. The catalog of courses includes a range of training options to suit different learning styles, including over 7,500 e-learning courses and 17,000 books, on-line mentoring, test-preps, online examinations, language courses, live virtual training and meeting sessions, and classroom teaching. Classroom instruction is provided either at local training centers, through external suppliers, or at the Group University. In 2008, we continued to increase the development of our own e-learning courses using our dedicated e-learning development capability in our Global Financial Services Business Unit.

In 2008 our Financial Services Business set a target and reached it to provide an average of 10 days of learning per FS associate globally. The split of Learning is measured across 3 areas - Technology skills, Industry or Domain skills and leadership skills and in 2008 FS delivered 71% of learning in enhancing Technology skills, 15% in deepening Industry knowledge and 14% in Leadership capability building.

The Group University

The Group University plays a major role both as a learning centre and as a conduit for the Group's strategy and evolution.

The University is the connection point for the Disciplines, the Businesses and the Group to deliver learning experiences that align our people to the Group's strategy and our clients' needs. It is also where the Group "Feeling and Spirit" comes to life for our people. Its aim is to:

- Develop the professional competencies and capabilities of our people;
- Drive consistent learning to ensure the successful performance of our business;
- Design, host and drive the global curriculum;
- Innovate and ensure the principle of "design once, build once, deliver many";
- Deliver high quality Capgemini tailored program content and methods;
- Animate and incubate networking within and across the disciplines and communities.

In 2008, our Schools expanded their delivery centrally, locally and more importantly through dedicated virtual learning programs/events. Through this, the University reached 13,540 participants expanding the reach of the global curriculum by over 51% compared to 2007.

Central delivery grew by 7% to 5,825 participants with the expansion of programs delivered in Hyderabad. Regional delivery grew by 8% to 3,753 participants with India a major contributor. Our move to increased blended learning approaches meant that in 2008, 3,962 participants completed global curriculum via virtual learning methods such as e-learning modules and Web sessions.

In 2008, the Group University grew by 51%, with over 13,540 participants in 2008 compared to 8,941 in 2007.

The Delivery Centres of the University continued to grow in 2008. Central delivery grew by 7% to 5,825 participants with the expansion of programs delivered in Hyderabad. Regional delivery grew by 8% to 3,753 participants with India a major contributor. Our move to increased blended learning approaches meant that

in 2008, 3,962 participants completed global curriculum via virtual learning methods such as e-learning modules and Web sessions.

The University is now equivalent in size to the executive education activities of many leading business schools

The overall feedback scores for the University programs remained high at 4.34 out of a possible 5.0 points.

In 2008, our Capgemini University went through the Corporate Learning Improvement (CLIP) Accreditation Process of the European Foundation for Management Development (EFMD) and in January 2009, their accreditation committee team unanimously approved Capgemini University's accreditation for a period of 5 years. The EFMD highlighted that the University is a benchmark in terms of its positioning within the company, its facilities, its organisation, its resources, and its programmes. It is clearly making a significant strategic contribution to the company.

The University continued its development and deployment of Business Priority and University Weeks reaching 2,113 people and linking them into the Group's i3 transformation program. These weeks took place in Les Fontaines, but they also expanded to the Americas and India, and included the first BPW simultaneously delivered in Les Fontaines and Dallas as one single event.

A key University project over the last two years has been the creation and establishment of University Qualified Facilitators (UQF). The UQFs were highlighted by the European Foundation for Management Development Accreditation Process as being a world class benchmark in Corporate Learning.

The University is structured into a number of schools aligned to the various businesses. The Executive Development School is focused on our Vice President population, the Business Development School and Engagement Management School are cross-disciplinary and while the Consulting School, the Technology School, the OS School, the Local Professional Services School (Sogeti) and the Finance Sector School are focused on developing the capabilities for the populations of their respective disciplines, they are also open to anyone in the organisation who needs to develop their skills in those areas.

The role of the **Executive Development School** is to create a common management practice and leadership culture across the Group. Strengthening our management and leadership capability, accelerating our own individual abilities and driving change, results and passion – this is what will help us win in the marketplace and why our Executive Education School is so important. The School is key to engaging the talent and enthusiasm of our developing leaders, focusing our skills and actions to bring both short and long term business results.

The **Business Development School** supports the development of world class sales professionals and leaders and is a strong channel for motivating our sales force. The school focuses heavily on Collaborative Selling and ensures a fast roll-out of priority content training such as Rightshore® and SOA.

The **Consulting School** is in charge of supporting the business to become the Global Business Transformation Partner of choice. The Consulting School aims to build the sales power of our teams, maintaining functional excellence whilst drawing on best-in-class sector expertise. It trains our newly hired consultants in Group Consulting kills and methodologies and supports our global Capgemini Consulting Business.

The **Technology School** aims to build deep technology skills and strengthen our professional communities. It equips our technology professionals with the technologies, skills, tools and processes necessary for delivery excellence. This school provide learning programs for our Engagement Managers, Architects, Business Analysts, Software Engineers, Enterprise Application Consultants and Infrastructure Engineers. The programs are designed to support these communities from apprentice to master level, and to allow our professionals to select their learning solutions in line with their current business priorities, personal objectives and career paths. Participants have the opportunity to connect with colleagues from across the Group. Specialized learning programs have been designed in partnership with each community to bring participants up to standard with all phases of our certification processes, and with current technology trends.

The **Outsourcing School** provides outsourcing professionals with the skills, tools and processes for service excellence. The Outsourcing School's core programs support Service Delivery Management (SDM) Certification. The OS School complements the existing University Schools and OS people attend additional programs within the other Schools depending upon the requirements of their roles.

The **Local Professional Services School for Sogeti** is dedicated to supporting our Local Professional Services businesses across the Group. The school focuses on supporting innovative, business-driven quality assurance and testing services.

The **Financial Sector (FS) School** is dedicated to supporting our FS Business and aims to create deep domain expertise and differentiate us in the market with our delivery excellence. The school focuses on the financial services vertical competencies in Banking, Insurance and Capital Market & Investments.

The Certification process

Internal certification

This in-house peer review process encourages employees to appraise the competencies of colleagues based on 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.
- Ensure a blended distribution and graduated progression of competencies, both for in-house needs and in relation to client service.
- Thereby create the win-win situation of ensuring a competitive edge for both the Group and the employee as well as increasing his or her “employability”.

The Group has seven main internal certifications for Engagement Managers, Architects, Software Engineers, Infrastructure Engineers, Enterprise Applications Consultants, Service Delivery Managers and People Managers.

Close to 1,300 additional people have been certified within our 5 main technical areas of expertise an increase of more than 26% versus last year and internal certification covers now close to 6,500 people within the Group. The bulk of the improvement came from the Software Engineers certification channel.

External certification

The Group has a long-standing external certification policy enhanced by online learning programs that provide the ability to study for external affiliation, including test preps and online mentoring. Individuals can apply for external certification from companies and institutions such as Microsoft, IBM, Oracle, Sun Microsystems, Cisco, Linus Professional Institute, Six Sigma (Green and Black Belts), Project Management Institute (PMI), and ITIL.

Center certification

Our centers of excellence around the world continue to consolidate and strengthen their capabilities to support our distributed and increasingly global delivery model. Relevant external certification combined with our internal certification programs support these objectives. More than eighty 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, 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 9001-2000. Many centers have CMM/CMMI® (Capability Maturity Model Integration) certification, which is specific to the applications development business. The Mumbai, Bangalore centers in India, the center in Asturias, Spain and the UK OS AM business have obtained the highest CMM and CMMI® certification (Level 5), and at least another fourteen centers across France, the Netherlands, Spain, Italy, Canada, the

UK and the US have achieved CMM/CMMI® level 2 or 3. All BPO centers have ISO 9000 certification status with IIP accreditation, providing world class capability, economies of scale and flexible capacity to meet changing demand.

3.3 Dialogue and 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 rolling out knowledge, and for sharing success and creating a sense of belonging with local teams and with the Group in all its dimensions:

- The Group’s intranet news and information site, “Talent”, which provides real-time news and information, continued to grow with over 2.5 million hits in 2008. Talent contains best practices and tools concerning the Group, as well as links to local country-specific intranet sites, training sites and communities. A weekly e-mail edition is sent to all Capgemini employees every Friday with the key information about what is happening across the Group. The successful Talent experience led to a new approach to intranet site management across the Group: local intranet sites (15 regional and 12 communities sites) now share the same content management platform, allowing a seamless information flow from one site to another (through RSS feeds). The platform is a combination of push and pull, and enjoys 12.5 million hits.
- Talent also runs themed annual communications and awards programs designed to recognize and reward people from all parts of the Group. In 2008, the theme was “One Team for Success”. The intention was to mobilize the Group’s team members around the need to evolve to a new seamless model where One Team means working together across disciplines, sectors and geographies (seamlessly between locations) to bring success to our clients, the Group, the teams, and each and every one of us. Each month, hundreds of employees responded with individual stories from the field or participated in the monthly quizzes and downloaded the promotional posters and brochures for further distribution. Also it got the strong support from management who adopted this theme in their own communications.
- Group Internal Communications and the network of local internal communicators played in key role in helping Group team members to understand and support the i3 transformation program. At Group level, the program had its own intranet site, quarterly newspaper, regular e-newsletter, video messages from management, physical presence at Group event. Colleagues were also polled twice for their opinion on the program. This was complemented locally by face to face meetings, regional ambassadors and by a special section on local intranets.

- Newspapers and rich media (videos, podcasts, blogs, etc.), produced by Group Communications boost communications at special events such as the Group Kick Off meeting and Business Priority Weeks at the University. Known as “Talent on the Spot”, this capability enables real time capture of key messages that can then be relayed and re-used around the Group.
- A dedicated channel helps foster community spirit and communication between the Group’s main operational leaders. “The Executive” series comprises a monthly newsletter (The Executive Summary), ad-hoc communications (The Executive Link), a “Who’s Who” and a dedicated space on the intranet (The Executive Corner).
- To ensure greater consistency and to protect the Group’s image amongst the various newsletters, opinion surveys, communications messages created internally, Group Internal Communications maintains an application whereby editors focus on content and leave it to the system to package their “production”.
- To help raise the quality of internal communications, and recognizing that many contributors to newsletters, intranet sites, are not communications professionals, in 2008 Group Internal Communications ran a series of virtual Master Classes on a variety of topics which were extremely popular.
- Every quarter, after publication of results, a Communications Pack is put together providing an update on the Group’s main achievements (in terms of financial performance, sales, delivery and human resources at both Group and SBU levels) and key events held during the past quarter. This Communications Pack is then enhanced with local information (corresponding to the same categories) before being shared with team leaders to help them manage local team meetings and ensure that messages are consistent across the Group.
- Electronic community tools such as blogs, “Community Spaces”, “Team Rooms” and other platforms continue to evolve dynamically to allow internal communities to debate technical topics, rapidly share best practice and access Group tools and methodologies.
- The Group University consistently provides a vital platform for international communication and exchange.

While the wealth of global communications initiatives provides cohesion and understanding within the Group, local communications teams also play a vital role in supporting the company’s culture. Above all, communication is a daily management task, drawing on various local initiatives developed through newsletters, intranet sites, information meetings and formal or informal person-to-person exchanges.

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. Communication is at the heart of all stages of employee transfers, whether from an outsourcing deal or an acquisition.

Two-way communication and employee involvement

At the heart of Capgemini’s communications philosophy is a commitment to two-way communication. Whilst informal

two-way dialogue is always encouraged, understanding the engagement and satisfaction levels of employees is also formally sought through the annual Group survey process. For many years the employee surveys were locally managed with a core of globally consistent questions. After a successful 2006 global survey pilot, in 2007 the global employee survey was run across all Capgemini entities worldwide and at the US arm of Sogeti. In 2008, all employees of the Group from all parts of Capgemini and Sogeti were invited to participate and 48,685 employees responded, giving a participation rate of 60%. Having the results by country, by business units and by discipline has enabled increased analysis and better targeting of our action plans locally, at country level, at discipline level and at Group level. We are also able to track and monitor progress to promote areas of strength and to make more impact on the areas in which we wish to improve.

Employee representation – a formal voice for employees

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 and in return to be directly informed by management of plans for the company and the impact of such plans on employees. Since 2004, Capgemini has gone beyond European legislation on works councils and opened the IWC meetings up to members from non-European countries, including the Americas and India, creating a truly globally representative body. The IWC meets twice a year for two day working sessions with Group management and twice a year as a team.

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 France, an information dissemination agreement was signed in 2002 to define the terms and conditions for information to be issued to employees by unions, health and safety committees and other employee representatives via the Group’s intranet. Similar practices exist in other countries such as Spain and the United Kingdom. In 2008, the IWC was regularly updated and involved in our corporate responsibility and sustainability actions and specifically worked with us on the topic of diversity.

3.4 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 top talent,
- reward performance with a remuneration model that is motivating yet flexible,
- be 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 allows employees additional flexibility and enables them to reconcile their financial and personal situations in the best possible way.

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

Vice Presidents' and Senior Executives' compensation schemes are overviewed and authorized at Group level for both fixed salaries and variable compensation schemes. Non-Vice President and Senior Executive compensation schemes are locally designed and managed subject to Group approval with regard to the principles.

3.5 Share based incentive schemes

Capgemini stock options have always been granted on a regular basis in line with corporate governance. 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 granted a certain number of stock options to 6,193 beneficiaries under the fifth plan (launched in May 2000 and closed in May 2005) and to 2,298 beneficiaries under the sixth plan (launched in May 2005 and closed in July 2008). 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, for example, 1.1% of the aggregate options was granted to directors, namely 1.95% of current grants (i.e. from 8 series of grants). Moreover, stock options have never been granted on an automatic and/or annual basis.

Detailed information regarding the stock options granted by Cap Gemini S.A. to directors, to the ten main beneficiaries (non-directors), the options exercised by them and the plans in general is provided in pages 174 and 183 of this Reference Document.

To date, the Group is not authorized to grant stock options since it did not put the appropriate resolution to the vote at the last General Meeting. On the other hand, a resolution for allocation of performance shares, representing a maximum of 1% of the capital, was proposed and voted by the shareholders although this was not utilized in 2008.

3.6 Diversity, equal opportunities and working conditions

With 92,000 employees in more than 35 countries and people speaking over 100 different languages, Capgemini enjoys a wealth of cultural diversity. This diversity encompasses many dimensions, such as gender, disability, ethnicity, age, and lifestyle and we view our diversity as both a strategic advantage and an ongoing challenge. Our differences are a source of innovation and inspiration, enabling us to generate new ideas, anticipate market trends and be thought leaders in our chosen markets. Having a diverse workforce equips us to understand today's global marketplace, creates an international platform and helps us understand and 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:

- We recruit and retain talented individuals from different backgrounds;
- Individuals are shown respect and treated fairly;
- There is no unlawful discrimination in our working relationships;
- Our work environment is free of bullying or harassment;
- Employees are encouraged to keep a balance between work and private life;
- We support the health and wellbeing of our people;
- We provide a sound and fair working environment where staff can grow and develop.

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:

- Selecting 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.

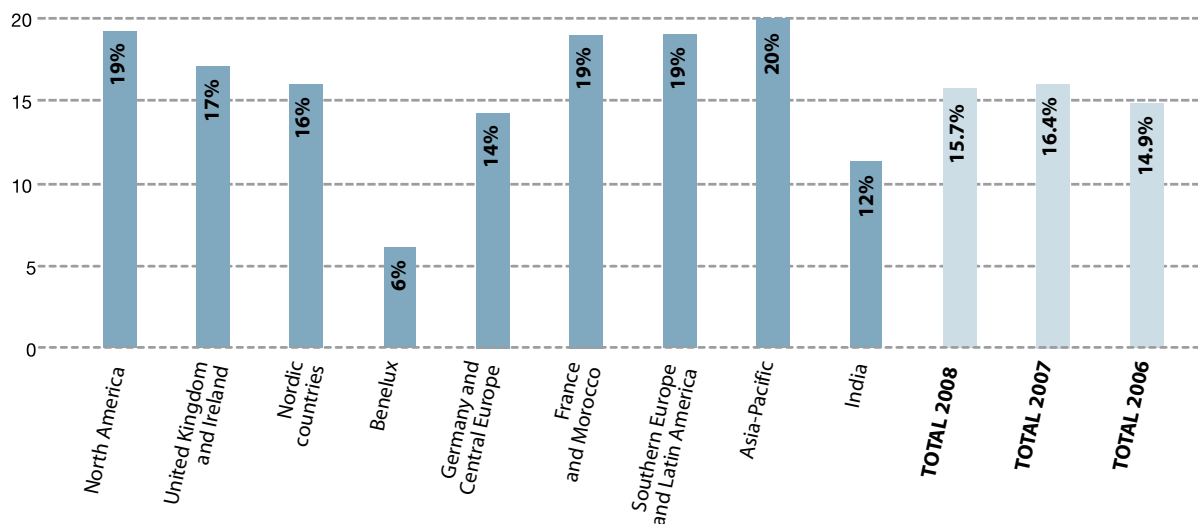
We make every effort to adapt to different needs and to enable people to work with us under a wide range of personal circumstances. Group level tracking is carried out, in compliance with applicable legislation, to better assess and understand **the situation of women** within the Group, i.e., the percentage of

women for recruitments, departures, promotions, and at the various levels within the reporting structure. In a number of countries, where allowed, specific populations are tracked,

such as cultural groups, age groups and people with disabilities. Diversity **performance indicators** are also included in the annual HR audit.

The proportion of women in top executive positions as at 31 December 2008 was as follows:

PROPORTION OF WOMEN IN TOP EXECUTIVE POSITIONS PER OPERATING UNIT



After two years of growth, the proportion of women occupying top executive positions fell by 0.7 point compared with the previous year despite a stable global percentage of women in the company irrespective of grade (25.3%). The ongoing growth of our headcount in countries with a low percentage of female engineers (15% in India, for example) takes a toll on the aggregate percentage even if the proportion of women in these countries is higher than recorded for the global marketplace.

In 2008, 16% of Vice President promotions concerned women, a sharp rise compared with the previous year (10%). We have a clear perspective of our women’s talent pool thanks to the talent reviews conducted throughout the Group, ranging from the top 100 talents reviewed by the CEO to reviews conducted at unit level. In addition, we are challenging the businesses to focus on forming a high profile talent pool for our future senior leadership. 2008 was, in this respect, an exemplary year; with a one of our top female executives appointed onto the Management Committee. We are also leveraging local leadership development courses, senior executive mentoring, and the visibility to aid us since we are determined to attain a more gender-balanced Vice President community.

All our major countries have women’s councils and networks in place with a focus on recruitment, retention, leadership and networking.

In **India**, our **Women’s Council** organized Health Camps with Udaan, an NGO led by a team of doctors to enable our female employees to participate in check-ups organized in areas predominantly related to women’s well being. Tests were conducted around Diabetes & Thyroid, Cancer, and Osteoporosis and Bone density. Through these checks a number of individuals

were sent for further analysis and to help take preventive actions. This is now being rolled out to include our male populations.

Many countries have specific leadership development programs or initiatives and have been actively working with local management to improve gender diversity.

In 2008 **Capgemini Australia** piloted their “Women in Business” training programme for females in the Australian business.

Sogeti Sweden participates in Womentor a Swedish mentor programme for women leaders in IT and Telecom sector and a DigiGirlz program promotes gender equality by interesting young women in IT and provides high school girls with opportunities to learn about careers in technology.

In March 2008, the Group again mobilized around **International Women’s Day** (IWD). This event enables us to profile and highlight many of our talented females at all levels in the organisation and to share the successes we are having on supporting gender diversity.

In **Capgemini Spain**, a Committee has been set up with works council representatives and is developing a plan for reviewing and fostering gender diversity. **Capgemini Spain** has signed an agreement with Adecco Foundation to launch a project that fosters the employment in disabled people in Capgemini. The aim is to create best practices, create social awareness and to improve the situation of those who have more difficulties to access to the Labor Market. With this agreement we also want to offer new advantages to Capgemini employees with disabled children.

In **North America**, our GLBT (Gay, Lesbian, Bisexual, Transgender) community have developed their charter to provide a forum for education and awareness supporting the professional

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growth of GLBT individuals, to help recruit, develop and retain GLBT individuals by fostering a safe environment within Capgemini North America for individuals to be authentic in the workplace.

Capgemini France and Sogeti France worked together to support people with disabilities. An agreement was signed with l'École de la Deuxième Chance, and training programs and awareness campaigns launched in the context of this agreement for the handicapped. Sogeti France launched a communications strategy for the employment of handicapped people and developed actions for the patronage of competences for associations or employees committed to the employment of the disabled. We participated in various recruitment fairs and forums organized by recruiters of the handicapped people and youngsters from difficult neighborhoods.

In 2008, Capgemini and Sogeti in France recruited 36 people with disabilities. At the end of 2006 there were 88 employees with handicaps and at the end of 2008 there were 139.

In France we partner with:

- **IMS Entreprendre pour la Cité** which encourages and helps companies implement societal practices which create value for the communities in which they operate and contribute to better social equity;
- **Nos Quartiers ont des Talents** a network of companies supporting equal opportunities;
- **Club XXI^e Siècle** the club brings together people from all origins who share the conviction that diversity is a lever for France to respond to the challenges in an ever changing world;
- **L'École de la Deuxième Chance** This school welcomes adults aged 18-25 (or 26-30, beneficiary of RMI, unemployment benefit, in the Seine Saint Denis area, close to Paris), who have left the school system for at least 2 years and are without a diploma or qualification. The aim is to help those people with a low education level and a lack of experience to go back to school and work towards a chosen profession.

Sogeti France partnered on a project with another major employer for the employment of seniors.

Capgemini UK partners with:

- Business in the Community's Race for Opportunity;
- Opportunity Now;
- Employers' Forum on Disability;
- Employers' Forum on Age.

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 however taken very seriously and the company has specific processes and measures in place. Capgemini also often works in collaboration with clients regarding client buildings and locations where staff may be working. Areas of concern are regularly reviewed and preventative measures put in place.

Our offices around the world have introduced initiatives to promote employee wellbeing. These include work-life balance programs, 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 external and entirely confidential service.

Other examples range from health checks focused on prevention of health problems, training for managers and employees on managing work-life balance, and fitness programs.

Through our "MyLearning" Learning Management System our employees have access to many books and e-learning modules and we have purchased a special range of offerings called 'Wellbeing Essentials'. This addresses topics such as Personal Finance, Emotional Well-Being, Relationships, Health Challenges, Stress Management, Career Transitions, Work-Life Balance, Healthy Eating, Adoption, Parenting, Fitness, Grief & Loss, Substance Abuse and much more.

Our Growth in India

With more than 20,000 people employed in India at the end of 2008, our development of our Human Resources and our people management policies and processes are crucial to the Group's operation. Our Group Policies Procedures and Guidelines, the Blue Book, as our overarching HR approach must be implemented in every country in which we are present. For India our Group requirements have been implemented through the following HR policies:

- Ethical Charter
- Conduct when obtaining Business
- Business Ethics
- Conflict of Interest
- Insider Trading
- Confidentiality of Information
- Compensation Policy
- Working Hours and Attendance
- Leave Policy
- Learning and Development Policy
- Health and Safety Policy
- Physical Access Policy

- Travel Policy
- Diversity Policy
- Sexual Harassment
- Violence at Workplace
- Grievance Review Policy
- Dress Code
- Drug and Alcohol free workplace
- Personnel Information Security Policy
- Corporate Responsibility Policy
- Crisis Management Plan

Examples of some key processes and support provided by the India Employee Services team (ES):

Joining Process

The focus of the joining process is to ensure that new members to the Capgemini family are welcomed and onboarded comfortably. Joining formalities for new employees are carried out by a dedicated team. The team provides guidance to the employees on the day of their joining about the various induction formalities, and makes arrangements for the employees to settle down well into the organization. Some of the activities include, compiling relevant employee data, allocation of a buddy, creation of salary accounts, creation of the employee code, email address and user id etc. In addition, the Employee Services team coordinates compliance to statutory requirements.

Employee Information Maintenance

Employee data is maintained both in the physical and electronic formats. Individual personal files are created to capture all critical data & records of employees. In addition, employee details are also maintained in an online database. In addition to capturing initial details of the employee, all key developments related to the employee's career in the organization are also maintained.

Insurance

All the employees and their immediate family members are provided an insurance cover for hospitalization according to Company policy. In addition the employees are covered for personal accident as per the Company policy.

Engagement Initiatives

To engage better with our team members, obtain their feedback, address their issues, work on improvements, encourage fun, offer a platform for knowledge sharing, and assist employees, there are various initiatives such as - Coffee Club, Fundoo Friday, Socio-Zone, Sportzworld, Quest, Brown Bag, CG Radio, Employee Assistance (Counselling) program, Grievance review board, Manager reach out, Skip level meets etc.

Rewards and Recognition

Project Star, Super Star and Delivery excellence award are some of the recognition schemes.

Employee helpdesk

For resolutions/clarifications concerning various issues such as payroll, insurance, leave, policies, etc.

Other services

The ES team handles relocations, wedding gift vouchers, baby gift hampers, benevolent fund, leave management, executive health checkups, facilitation of filing of returns, service letters for various purposes such as - address proof, employment proof, etc.

Policies & processes

To help deal with various aspects related to the employees' functioning in the organization, the ES team works on policy benchmarking, creation, implementation, modification, etc. In addition the ES team also ensures that an understanding of the policies is generated, by creating and maintaining a list of FAQs for various policies.

Compensation

The ES team works on compensation related issues such as compensation policy, performance bonus policy, salary benchmarking, annual increments, performance bonus payouts, Issuing letters, updating of personal records etc.

Exit Interviews

Exit interviews are conducted to understand the reason for exit and work on possible activities for retention.

Location HR support

To provide touch points for employees, in various locations.

IV - THE GROUP AND ITS CLIENTS

4.1 The OTACE client satisfaction policy

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

- The type of service required;
- The nature of the working relationship;
- Knowledge sharing.

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

OTACE provides an indication of strengths and areas for improvements, as well as a deeper understanding of client satisfaction on individual projects. In 2008, we tracked 3,900 Client Engagements and our OTACE scores were 90% delivered on time, 97% delivered above or to customer expectation and average client satisfaction was 4.16 out of 5.

Our client focus and our Collaborative Business Experience is the essence of the way we work with our clients. Client satisfaction and their appreciation of the value we bring to help make their business successful and sustainable is essential to our business. This is reflected in how our people feel and in our 2008 Global Employee Survey 90% of our people strongly agree that they "feel personally responsible for their client's satisfaction".

Capgemini was pleased to win the Vodafone 2008 Supplier CR Engagement award for continually demonstrating its commitment to the global ethical standards in line with the expectations set by Vodafone's Code of Ethical Purchasing; and for objectively and systematically aligning its corporate responsibility programme with their business values.

4.2 Developing Sustainability Client Offerings

Capgemini continues to develop corporate responsibility and sustainability capability into both existing and new client service offerings. Our market position through our TechnoVision 2012 and through our Cloud Computing offer enable us to help our clients "Green" their IT and to embed sustainability into their processes and infrastructure.

Our core disciplines of Consulting, Technology Services, Outsourcing and Local Professional Services also allow us to provide this for our clients. The range and depth of our offerings has increased considerably in 2008.

In our **Consulting Services**, we have developed sustainability service offerings. Several of our key offerings:

- Capgemini France *Sustainable Transformation* enables organizations to integrate sustainable development into their company strategy.
- Capgemini UK *Sustainable Procurement* Offering embeds sustainable procurement into the client's current operations. This offering has successfully been implemented with several of our clients.
- Capgemini's approach to Lean thinking (known as BeLean™) provides a method both for sustaining the planet and for supporting business growth. Lean is a way to "green" processes by eliminating waste. BeLean™ allows companies to do this with maximum effectiveness, while simultaneously improving service, production, and delivery.
- Capgemini Netherlands has built an international Climate Change Team and has developed a Global Climate Change Service offering. This offering has already had its first major client win and the project is underway.
- In the Supply Chain, the concept of "Cradle to Cradle" closed loop supply chain has been taken up around designing and using sustainable biodegradable materials, as well as re-use of materials in the production processes and logistics.

In our **Accelerated Solutions Environment (ASE)** Capgemini has facilitated several sessions focused on corporate responsibility and sustainability. Successes include assisting our clients to define a three-year corporate strategy on the foundation of corporate social responsibility or designing the changes required to make the company more sustainable.

In our **Technology Services** we have several offerings:

- TechnoVision is Capgemini's way of mapping technology trends and determining which ones meet the needs of a particular business or industry.
- In Capgemini UK, *Sustainable IT* has in 2008 become firmly established. IT needs to be controlled and demand managed. In order to leverage opportunities for sustainable IT, it is important to not only assess deployed technology but also assess the efficiency of end to end business process.
- In the Netherlands, *GreenSourcing* and *GreenScan* enable our clients to analyze and make balanced decisions regarding sourcing strategies, taking into account financial as well as social and environmental consequences.

In our **Outsourcing Services** we launched our Green IT Report 2008. A survey on the product lifecycle of hardware sold by Capgemini's key technology partners across five categories including: manufacture, transport & logistics, ownership & operations, disposal and corporate responsibility. The purpose is to determine the sustainability credentials of our key technology partners both in terms of what they deliver today and what their commitment to "Green IT" is going forward.

Cloud Computing is the use of massively scaled offsite IT resources assembled virtually, accessed over the internet, contracted on demand in real-time or near real-time on a pay-per-use or subscription basis, where the workloads are shared among multiple customers. Capgemini's new Cloud Computing Center of Excellence assists organizations in integrating Cloud Computing into their IT and Business strategies and in building and managing scalable, next generation infrastructure environments. Cloud computing will increasingly provide opportunities to reduce wasted capacity and optimise resources aiding in increased sustainability.

In our Data Centers, we continue to review our Green IT opportunities and measure our Power Utilisation Efficiency (PUE). This includes:

- IT infrastructure virtualization and consolidation, working with specialized companies to develop state-of-the art data centres, reusing waste heat, procuring energy efficient product replacements;
- Green IT Opportunities: such as Client devices, Server-Side Computing, Technologies that help reduce waste, better Asset Management, Optimization of Server Farms;
- Facilities Infrastructure: Reviewing the data centre portfolio to reduce the number of centers, closing those that have inefficient infrastructure, while opening new centers that use the latest technology for efficient power and heat management;

- Working with specialized companies to develop state of the art data centers designed to be efficient and sustainable;
- Procuring the most energy efficient products when replacing core data center infrastructure, as well as reusing waste heat from data centers to heat office space.

In our **Energy Utilities & Chemicals** sector, several offerings are available:

- *Business Models and Sustainable Energy* – for the energy sector sustainable energy is becoming a critical business challenge. Our B-SM model helps our clients to tailor and develop sustainable development strategy in this sector.
- *Smart Metering*: Collaboration with Bell Canada and the Smart Energy Alliance (SEA), on a Smart Metering project, in which a tool was created to enable and empower consumers with information to make the right conservation choices.

In our **Thought Leadership** our professionals combine their knowledge in Consulting, Technology and Outsourcing to conduct ongoing research and find answers to major issues facing business today. We have published several reports around the topic, including:

- *Green IT Report 2008*: a study of the IT Industry's green credentials and an assessment of how industry leaders, EMC, HP, IBM, Google and Sun Microsystems are dealing with the topics of environmental responsibility and sustainability.
- *2016 the future supply chain - Serving Consumers in a Sustainable Way*: what does the current focus on sustainability have to do with on-shelf availability and costs in the physical supply chain for consumer goods? The answer is "everything". The breakthrough change presented in the report is based on the joint work of 24 companies in the retail and consumer packaged goods industry. All the elements of this change have been brought together into an integrated architecture for a future supply chain, aimed at a more sustainable broad-based solution for the industry.
- *2018 Future Value Chain – Succeeding in a Volatile Market*: a new report from the Global Commerce Initiative, Capgemini, HP and SAP, looks at eight trends, including the declining economy, social structure, the cost and availability of raw materials and the increasing awareness of sustainability with particular focus on the Asian market. The report identifies how the industry can continue to meet the needs of consumers around the world, despite the current challenging market conditions; it builds on the 2016 Future Value Chain Report.
- *Capgemini Smart Meter Valuation Model*: there is an increasing pressure for the Energy & Utilities sector in Europe to contribute to meeting political targets such as the 3x20% objectives by 2020 (reduce energy consumption, Greenhouse Gas Emissions, and increase use of renewable energy sources). Smart meters have the potential to contribute towards these goals as they provide new opportunities which will improve the way electricity is distributed and consumed.
- *Save Energy Cost without Compromise*: Capgemini is providing a unique "green" solution to help companies reduce costs and improve corporate responsibility and sustainability. This solution is being delivered through the hardware-based capabilities of Intel® Centrino® Pro and Intel® vPro™ processor technology. Capgemini can now help customers: Reduce power costs for PC's, Improve energy conservation in a way that makes

financial sense and realize cost savings without compromising service, performance or productivity.

- *BeGreen* – Green by Design, the Capgemini Consulting approach to Lean Design can reduce your carbon footprint and support sustainable growth.
- *Connecting Rural India: The Untapped Growth Opportunity* was launched at the Telecom India Summit 2008 in New Delhi. With a significant percentage of India's population living in rural areas, the next big opportunity for the telecom sector lies in the hinterland. The report is a study of the exponential growth in India and the next phase of opportunity for telecom in the vast untapped rural markets of India.

All publications can be downloaded from <http://www.capgemini.com>

V - IN THE COMMUNITY

Capgemini wants to ensure a positive impact on the communities in which we live and operate. As a major global employer, we work on both national and international levels with local authorities and organizations on community projects. We encourage the involvement of our employees in community development.

Our Focus

Joining forces to help others strengthens team spirit, improves communication skills and gives us a better understanding of the communities around us. Capgemini actively encourages employees at all levels to get involved in the communities in which we live and work, and to donate time, energy and creativity. Our community activities range from partnerships with various foundations, to fundraising drives and direct financial contributions to a wide range of volunteer projects. Our focus around community projects is very much aligned to our corporate purpose and values. Our main community projects are currently around three core themes:

- 1) **Education**: Our conviction is that education is the key to help countries and communities develop, our focus is to help build "Skills for the Future".
- 2) **Diversity**: Diversity is a source of richness and competitive advantage and our aim is to support diversity and nurture future talent in all its forms.
- 3) **Growth**: Our growth across the developing world brings with it specific duties and is especially relevant for our current strategy in India.

Many of our actions through our community programs can help in closing the digital divide gap. In particular, our focus on education and skills development combined with examples of providing IT support or infrastructure can aid in reducing the gap. Our support for Naandi's 'Nani Kahli' program where we are supporting the education of 10,000 girls will give some of the most disadvantaged female children in India a chance to finish their education.

Examples from across the Group:

Our intention is to provide as many opportunities as we can for our employees to engage in actions for which they have passion

CORPORATE RESPONSIBILITY AND SUSTAINABILITY

and commitment. Community programs are therefore at 3 levels in the organisation – at a Global or Group level e.g. Naandi, PlaNet Finance and WeKare, at national level or at local office, team or individual levels.

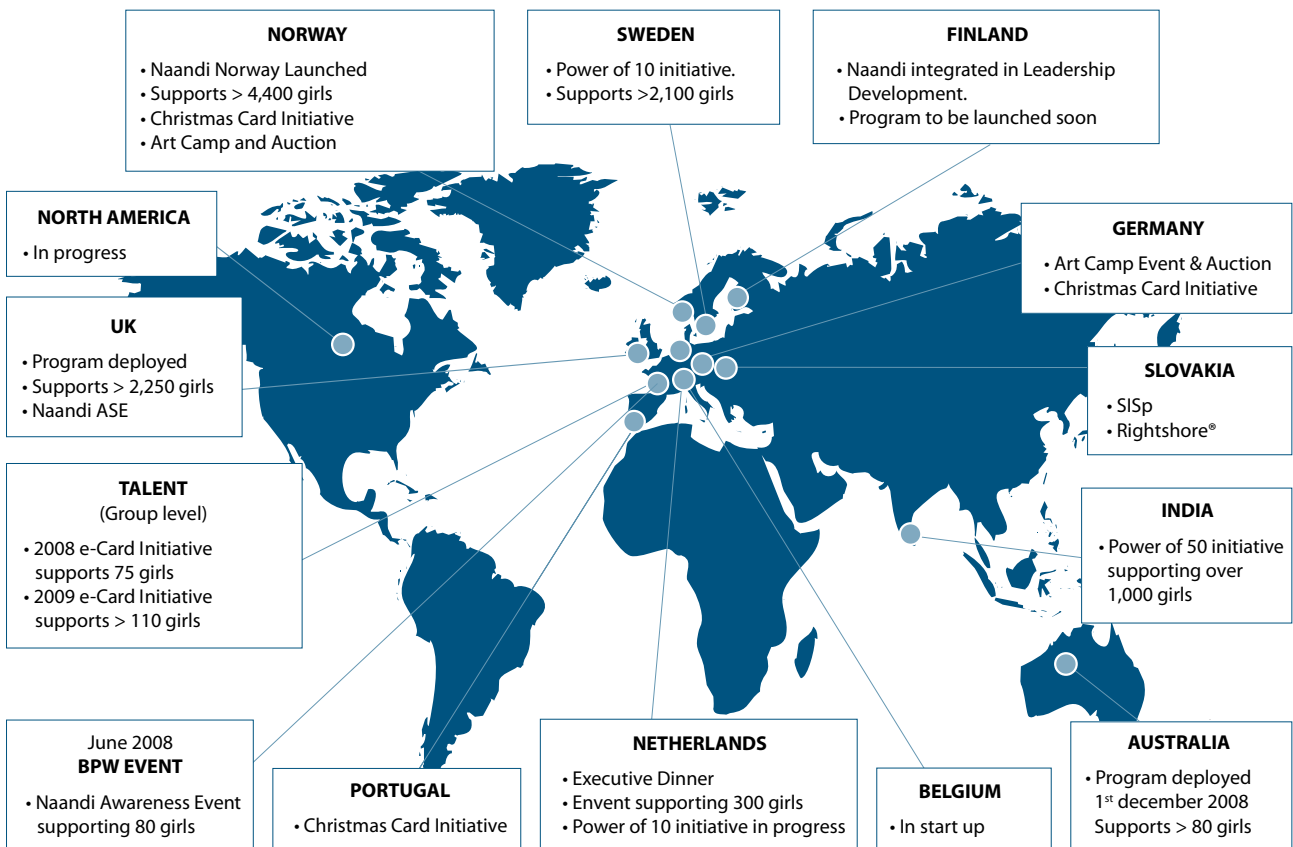
Our partnership with the Naandi Foundation – Nani Kahli Initiative (focused on Girl-child education support) in India has a direct positive community impact in India and supports and aligns with our corporate responsibility and sustainability strategy around our community initiatives. Across the Capgemini Group support for the Nani Kahli initiative has increased greatly in 2008 with over 10,000 girls being helped. The initiative has formally been adopted as a corporate responsibility and sustainability initiative in Capgemini India, Norway, Sweden, UK, Australia and Slovakia. Sogeti India also supports the Naandi Foundation. Finland works in partnership with Naandi and has integrated working with Naandi into their leadership

development programs. Other active countries around the Group include, Capgemini Group (France) the Netherlands, Germany and Portugal.

Our Norwegian team started working with Naandi in relation to the growth in business being delivered out of India. Business growth came when we extended Naandi to client partnerships where each Indian FTE used on the client account results in a girl being supported by both client and our Norwegian company.

Our partnership offers Indian girls, dignity, education, equality and empowerment. The same attributes that our people seek for themselves and the company they work with. Our partnership with Naandi is about changing the way we think and fostering multiculturalism as we become a truly open and diverse company and about changing the lives of the girls we support.

COMMUNITY : CAPGEMINI & THE NAANDI FOUNDATION



Sogeti & PlaNet Finance

Sogeti, our Professional Services entity has a 10 year relationship with PlaNet Finance, 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 that contributes to the development of micro-credit as a means to create economic opportunities for the world's poor. We played an important role in PlaNet Finance's success from the start. Sogeti provided the technical support to set up the organization and since 2005, it has managed PlaNet Finance's computer system via the hosting of computer applications including intranet, emails and on-line training as well as providing the services of its human resources. In 2008, Sogeti continued to ensure the maintenance of the IT systems of PlaNet Finance in France and in its subsidiaries. It signed a new convention aimed at developing the "Mécénat de compétences", this convention allows for Sogeti staff to travel abroad to carry out audits for Microfinance Institutions. Sogeti co-created a Microfinance Chair, together with PlaNet Finance, at the ESCM (Business school in Tours) and sponsored the MFNT (Microfinance and New Technologies Summit) held in October 2008 in New Delhi. Sogeti also sponsored the first Microfinance awards in the New Technology category.

Our **Global Financial Services** business supports WeKare a registered society dedicated to improve the lives of the underprivileged in India.

Capgemini UK continues to work with the Prince's Trust which provides training, mentoring and financial assistance that has helped more than half a million disadvantaged people over the past 30 years.

Capgemini North America again supported the United Way and the American Cancer Society. Our Consulting Life Sciences' practice assisted a New York based non-profit organization NPOKI (Non Profit Organizations Knowledge Initiative) in crystallizing its identity, five-year vision and building its strategic roadmap, NPOKI provides performance management best practices, tools and technical assistance to NGOs delivering international healthcare.

Capgemini Australia conducted a pro-bono ASE session for Australia's Cancer Council.

Our **BPO Australia** business created a 'Corporate Responsibility Hours Bank' where employees could draw time from to fulfil community or environmental activities. Our **new BPO center in Sao Paulo** Brazil kick-started their community programs with a local charity organization for the homeless and street children of Sao Paulo. Our **BPO Centre in Krakow, Poland** is supporting disadvantaged children through a new program called "A Day like No Other."

Capgemini Spain supported the Apsuria foundation in the launching of their new building for seriously affected handicapped people.

Sogeti Netherlands supports the Make-A-Wish Foundation.

Sogeti US is participating in **two programs with the Arbor Day Foundation**, a charity which inspires people to plant, nurture, and celebrate trees.

Sogeti Belgium launched a new charity action "Technology as a means of ending the isolation of ill children".

More details on the extensive range of actions across the Group can be found in our corporate responsibility and sustainability report and on our website at: <http://www.capgemini.com/about/corporateresponsibility/community/>

VI - SUPPLIERS AND BUSINESS PARTNERS

Capgemini's procurement costs account for approximately 45% of Business revenue. External purchases are mostly made up of external resources (contractors, training, legal and audit fees, recruitment or IT services), IT/Telco and rent.

Our commitment to ethical supplier relations is reflected in our comprehensive set of guidelines on the ethics of purchasing and the selection of suppliers.

6.1 Purchasing activities

In our purchasing activities, we pay attention to social impacts and human rights, environmental impacts, anti-bribery and corruption. The 10 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 outlined "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 are then entitled to cancel the contract without indemnity.

Our procurement procedures involve:

- Treating suppliers fairly
- Selecting vendors based on value, performance and price
- Providing justifiable and transparent selection decisions
- Ensuring confidentiality of supplier information
- Risk management of our suppliers
- Ensuring supplier contracts have effective clauses relating to our Sustainable Procurement Principles
- Maintaining an "arm's length" relationship with suppliers
- Not taking advantage of mistakes made by suppliers.

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

Contractors' and suppliers' staff will be expected to work to the same corporate responsibility and sustainability standards as our own employees; in tandem, we will treat contractors and suppliers with the same standards for diversity and Health & Safety as our own employees.

6.2 Our Sustainable Procurement Principles

We expect our suppliers to conduct their relationships with us and any of our clients, partners and other suppliers on a fair and ethical basis and in compliance with our Core Principles of sustainability. These principles apply both to supplier's activities and, where appropriate, to their downstream supply chain.

CORPORATE RESPONSIBILITY AND SUSTAINABILITY

Our **Core Principles** are:

1. - **Human rights** – Respect for human rights in 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 association with equipment that is used in the violation of these rights, such as instruments of torture, or the manufacture or transfer of armaments to oppressive regimes.
2. - **Compliance with applicable international, national, state and local laws** – We recognise that local customs, traditions and practices may differ, but expect as a minimum that suppliers comply with local, national and international laws, including (but not limited to) all environmental, health and safety and labour laws. We expect suppliers to support International Labor Organization core conventions on labour standards.
3. - **Forced or compulsory labour** – Our suppliers must not use forced, bonded or compulsory labour 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. - **Child Labour** - We refuse to accept the use of child labour in the supply chain.
 - No one should be employed who is below the legal minimum age for employment.
 - Children (below the age of 18) must not be employed for any hazardous work or work that is 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 wellbeing and development** - Where applicable, suppliers should give consideration to flexible working conditions to promote work/life balance, the promotion of training and personal development of team members.
7. - **Disciplinary practices** - Employees must be treated with respect and dignity. Physical or verbal abuse or other harassment and any threats or other forms of intimidation are prohibited.
8. - **Freedom of association** - As far as relevant laws allow, respect should be given for freedom of association.
9. - **Health and Safety** - A healthy and safe working environment must be provided for all employees, in accordance with international standards and laws. This includes making sure that adequate facilities training and access to safety information are provided. All applicable policies, procedures and guidelines must be adhered to. Where suppliers work on Capgemini premises, or on behalf of Capgemini – for example in 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 where applicable, agree to be fully responsible for any liability resulting from their actions.

10. - **Confidentiality and intellectual property** - We require our suppliers, contractors and their team members to maintain confidentiality with regard to all information they have access to, in accordance with applicable laws. We also expect them to protect all intellectual property belonging to Capgemini, our customers, other suppliers and individuals.
11. - **Refusal of bribery and corruption** in business practices.
12. - **Environmental impacts** - We are continuing to put processes in place to understand our environmental impacts and risks. We are working to reduce these impacts and promote environment-friendly policies. Areas covered include.
 - waste and disposal;
 - improved efficiency for using finite or scarce resources (such as energy, water, raw materials);
 - protecting biodiversity;
 - climate change – CO₂, methane, other climate change gases and other relevant factors impacting climate change;
 - other environmental impacts such as noise, water and ground pollution;
 - management, operational and technical controls to minimise the release of harmful emissions into the environment.

6.3 Sustainable Procurement Program piloted in the UK

Capgemini has developed a program called Sustainable Procurement in Partnership that reviews every category of goods and services that it procures from suppliers.

We are collaborating with our clients and alliance partners to develop joint approaches to corporate responsibility and sustainability in supply chains and currently have an 18 month program in the UK.

The program encompasses:

- Review of our supplier base in terms of risk and size of spend;
- Full review of prioritised suppliers – using our corporate responsibility and sustainability questionnaire to assess supplier performance compared with our principles and agree any action if required;
- Assessment of all new suppliers. All new suppliers are required to complete an outline questionnaire.

A detailed survey has been constructed to measure suppliers' compliance with the Mandatory Core Principles and a pilot of top suppliers was performed in 2007/2008. The survey is in progress with our top 150 suppliers and all suppliers deemed "high risk".

The following risk criteria have been identified to ensure that more detailed assessment of new suppliers can be undertaken if required, those criteria are extensive and include:

- Supply chains utilising low cost countries where primary supplier organisation has not assessed and managed risk appropriately;
- Excessive use of scarce, endangered or new natural resources;
- Category specific standards. Reducing the environmental impacts in particular of items procured can be influenced by the specification for particular category items – for example, the procurement of energy from renewable resources, or paper of high recycled content. We have a continually evolving set of standards which we apply to specific category items.

This program is now being rolled out to additional entities with the objective of implementing supplier assessment and evaluation with respect to all our major suppliers.

At the end of 2008, our Global CPO community committed to assess their top suppliers risk/spend by end of first quarter in 2009 in all our major countries.

As far as possible, Capgemini also aims to undertake all procurement (real estate, equipment, business travel) in line with its environmental policies and guidelines and in 2007 embedded this into its contracts with the option to terminate contracts if environmental practices did not match up.

Top Ten Suppliers in 2008

<i>in millions of euros</i>	Amount	% Revenues
FUJITSU SERVICES	430	4.9%
BT GROUP	115	1.3%
TEXAS COMPETITIVE ELECTRIC HOLDINGS (TXU)	69	0.8%
MANPOWER	61	0.7%
ACCENTURE	52	0.6%
HP	41	0.5%
FRANCE TÉLÉCOM	40	0.5%
ING GROUP	40	0.5%
IT-STAFFING	39	0.4%
JVS BEHEER	39	0.4%
TOTAL	926	10.6%

VII - THE GROUP AND THE ENVIRONMENT

Environmental policy

Capgemini is recognized as having a moderate impact on the environment due to the nature of its operations. However, the Group is committed to ensuring that its services are delivered in a manner that is not detrimental to the environment or to

the health, safety and welfare of Capgemini employees, clients, customers and partners, or of the general public with whom the company comes into contact. Environmental protection is an ongoing process and the Group expects its employees, suppliers and contractors to ensure that the environmental impact of any activity, building or equipment is taken into consideration.

At the end of each year the Group surveys its subsidiaries with regard to environmental policies, programs and indicators in place in each region, specific actions taken and staff training and awareness.

The key features of the current Group environmental policy are:

- Compliance with local and international environmental legislation;
- Taking environmental impacts into account in corporate responsibility training programs and raising employee awareness of these issues;
- Using the best practices available in this area;
- Setting up indicators to monitor progress.

The Group's environmental focus is on four key areas:

- Energy Consumption;
- Business Travel;
- IT Asset Management;
- Waste Management, including Paper Management.

Energy consumption

We take action throughout the Group to ensure that our facilities have a low impact on the environment. We do this by actively monitoring power consumption with a view to reduction, and through advanced energy saving systems such as auto switch-off lights, energy saving computer monitors, use of materials from renewable resources, non-toxic materials and recyclable items. We also provide training in environmental compliance for facilities managers. Within the context of local legislation and real estate conditions, all parts of the business are increasingly expected to:

- Streamline existing office space to the optimum required for headcount;
- Monitor and, where possible, optimize/reduce power consumption (e.g., by effective servicing, appropriate temperature controls, identification of emissions/leaks, water-saving devices, use of energy-saving monitors, etc.);
- Adopt advanced energy-saving systems when opening new office buildings, e.g., where possible, by:
 - using advanced heating and environmental controls to regulate the working environment;
 - using material from renewable resources, non-toxic materials and recyclable items;
 - installing internal noise suppression devices;
 - utilizing low energy and low water consumption planning;
- Ensure that all buildings comply with appropriate local/international health and safety regulations;
- Ensure that no toxic or hazardous materials are introduced into the workplace without workplace controls being in place;
- Provide appropriate training in environmental compliance for facilities managers.

Business travel

The Group aims to reduce the environmental impact of business travel as far as possible by only travelling to meetings when essential. This is achieved by supporting and improving:

- Video/telephone conferencing and other collaborative working tools;
- Tele-work and flexitime;
- Employees' diary management with a view to minimizing travel;
- Employees' ability to consider various aspects when selecting their mode of transport. This includes work-balance, cost, and environmental impact.

Where possible, employees are expected to use public transport or, for example, special company bus services, in preference to private transport. Where company car schemes are the norm as part of an overall employment package, the Group encourages the choice of hybrid cars and provides training on energy efficient car usage.

IT Asset management

In terms of the purchasing and management of equipment, where possible, and in accordance with local legislation, the business is expected to:

- Take into account the environmental aspects of any new equipment purchased;
- Use low energy equipment;
- Regularly maintain and clean equipment;
- Ensure that equipment in the working environment does not give rise to unreasonable noise, dust or fumes or constitute a hazard for employees;
- Undertake appropriate testing of electrical equipment.

Waste management

Capgemini aims to recycle waste materials as far as possible, for example by:

- Providing recycling facilities for paper, aluminium, printer and toners;
- Environmentally disposing of or recycling IT and electronic equipment in accordance with local laws;
- Using appropriately certified/licensed organizations to remove special waste such as defective monitors or light tubes.

More details on our approach to the environment can be found on our website at: <http://www.capgemini.com/about/corporateresponsibility/environment/>

Key progress in 2008

In 2008, our Capgemini UK, Capgemini Netherlands and Sogeti Netherlands entities are committed to achieving ISO 14001 in 2009.

Our Capgemini UK business in August 2008 publicly committed to:

- To reduce our overall CO₂ footprint by 20% by 2014 (35% by 2020)
- To improve energy efficiency in our data centres by more than 20% by 2014
- To reduce our CO₂ related to travel by more than 30% by 2014
- To send zero waste to landfill by 2014
- To implement an ISO 14001 certified Environmental Management System (EMS)
- The Power Utilisation Efficiency (PUE) measurement has been implemented across the UK Data Centres
 - London City 1.5 (Gartner comment world class)
 - Toltec & Rotherham 1.8 (well ahead of industry standard)
 - Southbank 2.0 (more efficient than the industry standard)
- UK Data Centres using renewable energy sources from EDF & Gaz-de-France.

Capgemini Australia moved the Sydney office into a new building with a 4.5 star ABGR (Australian Building Greenhouse Rating).

Business Travel

In support of our virtual collaborative working tools in 2008, we almost doubled the number of C-Port installations (high quality video conferencing) as well as additional video conferencing capabilities bringing the number of sites now covered to over 200. This capability has enabled us to continue to reduce business travel, in particular between our offices in India and locations in Europe and North America.

Where company cars are part of the employment agreement hybrid cars are promoted as the preferred vehicles. Many of our European countries have deployed **Ecodriving courses**. In Belgium, only eco-friendly cars are provided to new graduates and professionals joining Capgemini.

IT Asset Management

In 2007/2008 we have deployed 40,000 new PCs with the new generation of power consumption, which requires less energy and will reduce energy consumption. We have had pervasive communications programs to encourage our employees to switch off and unplug their PC's when not in use.

Details of our energy consumption and business travel will be available on our website and as a part of our 2009 response to the Carbon Disclosure Project.

REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

This report has been drawn up pursuant to (i) the requirements of article L.225-37 of the French Commercial Code (*Code de Commerce*), (ii) the amendments introduced by the law of July 3, 2008 adapting French company law to EC law, (iii) the recommendations issued by AFEP-MEDEF (French private business associations) on October 6, 2008 on the compensation of executive corporate officers in publicly listed companies and (iv) the principles of good governance in effect within the Group for more than forty years. At its meeting of December 11, 2008 the Board of Director decided that Cap Gemini would refer specifically to the AFEP-MEDEF corporate governance recommendations as part of the preparation of this report. This decision was communicated in a press release dated December 11, 2008.

A. ORGANIZATION OF THE WORK OF THE BOARD AND ITS SPECIALIZED COMMITTEES

Cap Gemini is a French joint-stock corporation (*société anonyme*). On July 24, 2002, at the initiative and on the recommendation of its founder and then Chairman and Chief Executive Officer, Serge Kampf, the Board of Directors decided to separate the functions of Chairman and Chief Executive Officer further to the authorization granted to the Board by the General Shareholders' Meeting of April 25, 2002 within the scope of the New Economic Regulations law (NRE).

1. The Board of Directors

Eleven directors currently sit on the Board:

- two of these directors, **Daniel Bernard** and **Thierry de Montbrial**, were appointed at the General Shareholders' Meeting of May 12, 2005;
- the terms of office of the nine other members were renewed at the General Shareholders' Meeting of May 11, 2006. The directors in question are **Yann Delabrière**, **Jean-René Fourtou**, **Paul Hermelin**, **Michel Jalabert**, **Serge Kampf**, **Phil Laskawy**, **Ruud van Ommeren**, **Terry Ozan**, and **Bruno Roger**.

The General Shareholders' Meeting of May 11, 2006 also decided, on the recommendation of the Board of Directors, to reduce the term of office of Company directors from six to four years (applicable with immediate effect to current terms of office). Consequently, the terms of office of two directors appointed in 2005 expire at the 2009 General Shareholders' Meeting, while the terms of office of the nine directors reappointed in 2006 will expire at the 2010 General Shareholders' Meeting called to approve the 2009 financial statements.

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, and to deal with any issues that arise in respect of the day-to-day operation of the Company. The Board places particular emphasis on managing the Group's 90,000 employees and thousands of managers across the globe, reflecting Cap Gemini's business as a service provider. The Board operates on a collegial basis, and its conduct is underpinned by the values espoused by each of the directors and by best corporate governance practices. The Board meets at least six times a year. Meetings are convened by the Chairman in accordance with a timetable decided by the Board during the second half of the previous 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 2008, the Board met seven times, including once via telephone conference. This represented a total of 77 (11 x 7) theoretical attendances for all directors. The attendance rate was 94% (72 out of 77 attendances), and the five absences were justified in each case by events beyond the control of the director in question. Directors are also invited to participate in shareholder meetings and generally choose to attend these meetings.

Meetings of the Board of Directors last three hours on average. One week before the meeting, each director is sent:

- an agenda which has been approved by the Chairman after consultation with the Chief Executive Officer, the directors who have submitted items for inclusion on the agenda, and the members of Group Management responsible for preparing documentation concerning the items to be discussed;
- and, if the agenda includes items requiring specific analysis, supporting documentation prepared by members of Group Management supplying directors with the information they need to form an opinion on the issues being discussed. However, this documentation is only provided to the directors before the meeting if 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;
- a summary report comparing the performance of the Cap Gemini share to that of various general and sector indexes and to its main competitors; and
- where appropriate, a table giving a breakdown of the last known consensus.

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

- prepared, adopted, amended and applied highly detailed internal rules of operation (see section A.2);
- set up four specialized Board committees – the Audit Committee, the Selection & Compensation Committee, the Ethics & Governance Committee, and the Strategy & Investments Committee – each with a clearly defined role (see section A.3);

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- adopted a system for allocating attendance fees, whereby all such fees are indexed to attendance at Board and committee meetings (see section A.4);
- 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, seven out of the eleven directors qualify as independent under French corporate governance guidelines (Daniel Bernard, Yann Delabrière, Jean-René Fourtou, Michel Jalabert, Phil Laskawy, Thierry de Montbrial and Ruud van Ommeren);
- set up a self-assessment procedure which has given rise on two occasions (2005 and 2008) to an in-depth analysis of the role and responsibilities of the Board. The analysis was based on the individual responses of directors to a questionnaire validated upfront by the Board. The questionnaire was then used as the basis for two-hour interviews between the coordination team and each director. During the interviews, members of the Board were free to put forward their comments and proposals on a wholly anonymous basis. The 2008 assessment was coordinated by Jean-Pierre Durant des Aulnois, a senior executive who has been with the Group for many years and combines consulting experience with a strong capacity for objective thinking, and Jean-Philippe Saint-Geours, a partner with consultant firm Leaders Trust International. The questionnaire was divided into seven sections:
 - knowledge of Group businesses, its management, organization and competitors;
 - Group targets and strategy;
 - risk management;
 - role and responsibilities of directors and non-voting directors;
 - present and future composition of the Board of Directors;
 - role and responsibilities of the Board of Directors;
 - compensation of Board members.

There were between 7 and 23 questions on each of these topics, with respondents encouraged to add any additional comments in each case. Information collected from the questionnaires and the one-on-one interviews were summarized in a report submitted to the Ethics & Governance Committee for review. The report was presented to the Board on December 10, 2008, and discussed at length by the directors. The main findings of the report are set out below:

- the directors were unanimous in considering that the Board operated effectively, and a number of directors ranked it as one of the best they knew. Discussions were seen as open and skillfully managed, while the frequency and length of the meetings were

considered adequate. Directors emphasized the honesty, open-minded nature and independence of Board members;

- the Company was deemed to maintain a clear separation between the roles of Chairman and Chief Executive Officer;
- information received from Group Management notably on the Group's financial position and business outlook was considered to be clear and satisfactory;
- the role of the specialized Board committees was also seen in a very positive light, and directors felt that significant progress had been made since the last Board review in 2005. The skills of each committee member allow them to contribute to the work of the Board and Group Management, and to have a significant influence on the decisions taken by each;
- directors considered the Audit Committee to be well informed and praised the accounting and financial expertise of its members, which make it ideally placed to alert the Board to any irregularities that may arise. The nature of the Audit Committee's work, its clearly defined position with respect to the Group Finance Department, and the relationship of trust it has built up with the Group's Statutory Auditors allow the Committee to carry out its duties to the satisfaction of all parties;
- in terms of risk management, the large majority of Board members felt they had an adequate knowledge of the main risks to which the Group is exposed, and that the formalization of procedures had enabled significant progress to be made in identifying and controlling these risks;
- the directors felt they had a clear view of the Group's strategy and were able to access the information they need to assess the projects they are asked to deliberate on, particularly through the work and analyses of the Strategy & Investments Committee. This committee ensures that all directors are kept well informed of the Group's strategy and the choices it periodically has to make, so that they can participate fully in any debates and discussions;
- the current make-up of the Board, the expertise of its members, their high standing, independent thinking, and proven availability, together with the complementary nature of their experience and diverse cultural backgrounds, allow the Board to successfully carry out its main responsibilities;
- on a personal front, the Company's directors felt proud to be a member of the Board and believed they had sound knowledge of their rights and obligations as well as of any new developments in corporate governance.

The assessment report also shed light on certain improvements that could be made to the way in which the Board and its specialized committees operate. These improvements have been or will be gradually put in place.

The Board of Directors is assisted by three non-voting directors:

- two non-voting directors were previously directors and were appointed non-voting directors in July 2002. The directors in

question are **Pierre Hessler** and **Geoff Unwin**, replacing Phil Laskawy (a non-voting director subsequently appointed director) and Chris van Breugel, respectively. Their terms of office were renewed for two years by the General Shareholders' Meeting of April 17, 2008 and will therefore expire at the 2010 General Shareholders' Meeting called to approve the 2009 financial statements;

- the other non-voting director is **Marcel Roulet**, who was appointed by the General Shareholders' Meeting of May 2005. His term of office as non-voting director, which was renewed for a two-year period by the Shareholders' Meeting of April 26, 2007, therefore expires at the 2009 General Shareholders' Meeting. The Company's directors were satisfied with the contribution of non-voting directors to Board meetings (the attendance rate for non-voting directors was 95% in 2008, or 20 out of 21 attendances). However, the directors reserve the right to hold certain meetings or part of them without non-voting directors being present.

2. Internal rules of operation

As provided for in article 16 of the Company's bylaws, a revised version of the internal rules of operation was discussed and adopted by the Board of Directors on July 24, 2002, following the decision to separate the functions of Chairman and Chief Executive Officer. Four years later on July 26, 2006, the Board made certain changes and additions to these rules, notably:

- the possibility of holding Board meetings using video conference or telecommunications facilities;
- the requirement for directors to inform the French stock market authority (Autorité des Marchés Financiers), and the Company itself, of any transactions they may have carried out personally involving the Company's shares within five trading days of the execution of such transactions;
- an update to the rules governing share trading: subject to the legal and regulatory provisions concerning insider trading, directors and non-voting directors must abstain from any direct, indirect or derivative transaction involving the Company's shares for a period of 15 trading days prior to the announcement of the Company's interim and full-year results, and for one trading day following such announcements.

These amended internal rules of operation :

- set out or provide additional details concerning the bases for exercising the various powers entrusted to the Board of Directors, the four specialized committees created by the Board, the Chairman and the Chief Executive Officer. As regards the role and powers of the Chief Executive Officer, the internal rules of operation stipulate 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 effect on the financial position or commitments

of the Company or on one of its principal subsidiaries. This applies in particular to:

- the approval and updating of the three-year plan based on the strategy approved by the Board;
 - the contracting of strategic alliances;
 - significant changes to the structure of the Group or to its range of business activities;
 - significant internal restructuring operations;
 - financial transactions with a material impact – or a potential material impact – on the financial statements of the Company or the Group (in particular the issuance of shares or share equivalents);
 - acquisitions or disposals of assets individually worth more than €50 million;
 - increases or reductions in the capital of a major subsidiary;
 - specific authorizations concerning the granting of pledges, security and guarantees.
- The amended rules of operation also list the main obligations under the code of ethics with which directors and non-voting directors of Cap Gemini S.A. undertake to comply throughout their term of office concerning, inter alia, the rules governing securities transactions;

3. Board committees

Almost nine years ago in May 2000, the Board of Directors – acting on the recommendation of its Chairman – decided to set up three specialized committees (an Audit Committee, a Selection & Compensation Committee and a Strategy & Investments Committee). Each committee is tasked with studying in depth certain specific matters as well as reviewing and preparing the corresponding Board discussions, submitting proposals to the Board, and providing advice and recommendations to the Board on decisions to be taken. 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 elected its own chairman and drafted specific internal rules of operation that define 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), on July 27, 2005 the Board of Directors decided to appoint a non-voting director and three or four directors to each of the three committees. The Chairman of the Board of Directors did not wish to be appointed to any of the three committees and allowed the committee chairpersons to invite him to attend their various committee meetings at their discretion. At its meeting of July 26, 2006, the Board decided to set up a fourth committee called the Ethics & Governance Committee, whose terms of reference include matters relating to Group corporate governance – previously included in the brief of the Selection & Compensation Committee. Serge Kampf was appointed to chair

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this new committee. The Board consequently adopted the new composition of the four committees as presented below. Lastly, at its meeting of February 14, 2007, the Board of Directors approved the internal rules of operation for each of the four committees. This consisted of an update to the rules already applicable to the existing committees as well as a new set of internal rules of operation for the Ethics & Governance Committee.

These committees are tasked with reviewing and preparing Board discussions on specific matters that are subsequently discussed at full Board meetings in line with the Board's principle of collegiate responsibility. The committees should under no circumstances usurp the power of the Board which has sole decision-making power, nor undermine the collegiate solidarity of the Board of Directors which remains collectively responsible for the duties entrusted to it by law and/or by the General Shareholders' Meeting.

3.1 Audit Committee

This committee assesses the appropriateness and the consistency of the accounting policies and methods used to prepare the full-year and interim financial statements, and checks the internal reporting and control procedures used to ensure the accuracy of financial information. The committee also assesses the various engagements conducted by the Statutory Auditors and gives its opinion on whether their audit engagement should be renewed.

The composition of this committee is currently as follows:

- Three directors: **Yann Delabrière** (Chairman), **Michel Jalabert** and **Phil Laskawy**;
- One non-voting director: **Marcel Roulet**.

The Audit Committee met six times in 2008, with an attendance rate of 96% (23 out of 24 attendances). At the beginning of 2008, it reviewed the financial statements of the Group and the parent company for the year ended December 31, 2007 as well as the accounting treatment of significant events that took place during that year. In the middle of the year, the committee reviewed the Group's interim financial statements at June 30, 2008. It also focused on provisions set aside for certain major contracts, on the Kanbay integration process, and on internal control procedures for key risks. As part of its review, the committee interviewed:

- **Philippe Christelle**, Internal Audit Director, on working methods, terms of reference, the findings of audits carried out, and any avenues for further improvement;
- **François Hucher**, Technical Director, on operations and developments at production centers and the role of the "flying squads" who perform audits on risk-sensitive topics;
- **Lucia Sinapi-Thomas**, Corporate Finance and Risk Management Director, on risk management in the pre-sale phase of major commercial proposals, potential strategic partnership arrangements, framework client or supplier contracts with certain specific characteristics, among other issues.

The Statutory Auditors were given the opportunity to inform the committee of any technical accounting issues that could be improved and put forward certain recommendations to further strengthen internal control procedures. The committee reviewed several recapitalization projects for certain subsidiaries and discussed its opinion on the appropriateness and terms and conditions of these capital injections with the Board.

3.2 Selection & Compensation Committee

This committee is tasked with monitoring the human resources policies applied by Group companies to executive managerial positions (executive appointments, changes in theoretical and actual compensation, setting objectives to determine the variable portion of compensation, stock option allocation criteria, career and succession planning, etc.) and making sure that the policy is both consistent – while complying with particular local requirements – and closely aligned with individual and collective performances in the Business Unit to which the manager concerned belongs. It is consulted prior to any decisions concerning the appointment or replacement of Executive Committee members and Strategic Business Unit managers. The committee drafts and presents recommendations to the Board concerning the proposals made by the Chief Executive Officer in relation to the fixed and variable compensation of executive managers, the Chairman's proposals on the compensation and performance assessment of the Chief Executive Officer, and its own proposals on the compensation and performance assessment of the Chairman. The committee also reviews the various schemes enabling employees to share in Group profits (employee stock ownership, Group savings schemes, etc.) and submits proposals on this issue to the Board of Directors.

The composition of this committee is currently as follows:

- Four directors: **Ruud van Ommeren** (Chairman), **Michel Jalabert**, **Thierry de Montbrial** and **Terry Ozan**;
- One non-voting director: **Pierre Hessler**.

The committee met eight times in 2008, with an attendance rate of 88% (35 out of 40 attendances).

In 2008, the committee ensured that the Group's senior executive management policy was coherent. In compliance with the committee's brief, its Chairman regularly reported on the committee's work and presented its recommendations to the Board of Directors. These recommendations concerned:

- the Group's general compensation policy;
- the calculation of compensation due to the two executive corporate officers (Chairman and Chief Executive Officer) and members of the Executive Committee and Group Management Board;
- At the beginning of 2008, this involved:
 - a review of the theoretical fixed and variable portion of executive compensation for 2008,

- setting objectives to be used at year-end as a basis for calculating the actual variable portion due,
- a review of individual performance in 2007 compared with the objectives set at the beginning of the year,
- calculation of the variable portion of 2007 compensation paid at the beginning of the first quarter of 2008;
- At the beginning of 2009, this involved the same elements as above but for the following year (theoretical fixed and variable compensation for 2008, selection of criteria for 2009, 2008 performance review);
- preparation for the launch of three share-based compensation plans available to all Group employees, which were adopted by the General Shareholders' Meeting on April 17, 2008 (international employee stock ownership plan, equity warrants and the allocation of performance shares) to replace the existing stock option system. The last stock option plan was authorized by the General Shareholders' Meeting of May 12, 2005 and the final option allocation period expired in July 2008. However, the unsettled nature of financial markets in the fall of 2008 prompted the Group to postpone the launch of these new plans;
- follow-up of development and succession plans for executives at the Group's Strategic Business Units: the committee reviewed the system in place at each Strategic Business Unit and at Group level to identify high-performing individuals, develop retention schemes, and ensure internal mobility.

3.3 Ethics & Governance Committee

The committee's main brief is to verify that the Group's seven core values are correctly applied and adhered to, defended and promoted by the Group's corporate officers, senior management and employees in all of its activities 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 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, evaluation, independence and compensation of the Company's directors and non-voting directors. It is also in charge of organizing succession arrangements for the Chairman and/or Chief Executive Officer where appropriate, and of handling and proposing to the Board any changes it considers relevant to the Board's operation and composition (co-opting new directors, limiting their number, etc.) or to the corporate governance rules 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 comprises five directors: **Serge Kampf** (Chairman), **Daniel Bernard**, **Paul Hermelin**, **Phil Laskawy** and **Bruno Roger** (no non-voting

directors currently sit on this committee). The committee met four times in 2008, with an attendance rate of 90% (18 out of 20 attendances). It discussed the ethical considerations that guide all actions taken by the Group and reviewed the conditions for creating the post of Chief Compliance Officer. It also interviewed Philippe Christelle, the Internal Audit Director, who presented a special report describing the ethical framework in which the Group operates, the developments and revisions to the Corporate Social Responsibility policy in 2008, the information presented to members of the Group Management Board, and the scope of the Internal Audit Department. The Committee looked into a number of different methods for reviewing the work of the Board and its four specialized committees. These included a self-assessment by the Board of its own work, a review by an outside specialist firm, or a review conducted by a senior executive assisted by an external consultant. The findings of its study and resulting recommendations were presented to the Board of Directors, which subsequently decided which method to adopt (see section A.1). The committee also reviewed the various corporate governance scenarios open to the Group. At the end of 2008, it reviewed the terms and ramifications of Cap Gemini's compliance with the recommendations published by AFEP-MEDEF on October 6, 2008 regarding the compensation of executive corporate officers of listed companies (and more generally, of its compliance with AFEP-MEDEF's corporate governance code) and discussed its proposals with the Board.

3.4 Strategy & Investments Committee

This committee reviews and recommends or prioritizes the various strategic options that the Group may adopt to ensure its continued growth, improve its profitability and maintain its independence going forward; calibrates the investment required to implement each of these possible strategies; ensures that it has the necessary resources to oversee the subsequent implementation by Management of the strategy decided by the Board of Directors; assesses potential or strategically important alliances or acquisitions; and more generally, deliberates on any issue considered relevant to the Group's future and to guaranteeing operating and financial stability.

The composition of this committee is currently as follows:

- Five directors: **Jean-René Fourtou** (Chairman), **Daniel Bernard**, **Paul Hermelin**, **Thierry de Montbrial** and **Bruno Roger**;
- One non-voting director: **Geoff Unwin**.

This committee met five times in 2008, with an attendance rate of 97% (29 out of 30 attendances).

It devoted the bulk of its time to analyzing and following up a summary document sent to each director detailing the Group's strategic framework, which is anchored around:

- strengthening certain Group businesses such as Consulting Services and Business Process Outsourcing (BPO);
- consolidating the Group's global footprint, particularly in the United States and Germany;

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- developing an offshore production model and adapting it to each local situation;
- developing growth levers by expanding its presence in a handful of carefully chosen emerging countries.

The committee regularly informed the Board of its analyses and recommendations, which included suggestions regarding the best way in which to address issues to be discussed at the “XXII^e Rencontres” business event held for 450 Group managers at the Company’s Gouvieux University premises from October 1 to October 4, 2008. The committee also carried out in-depth analyses of a number of acquisition opportunities and defined the Group’s bargaining position in the event that it enters into negotiations.

4. Compensation of directors

In partial consideration for the directors’ increasing workload and responsibilities, and for the time spent preparing for and actively participating in Board and committee meetings, the Company was authorized by the General Shareholders’ Meeting of May 2006 to pay attendance fees to directors of up to €700,000 per year. In July 2006, further to the Selection & Compensation Committee’s proposal, the Board of Directors decided to implement a new formula for allocating attendance fees based on the following principles:

- elimination of the fixed portion that was attributed based on position as director, non-voting director or committee member (except for the chairmen of the specialized committees and the Chairman of the Board of Directors, who continue to receive a fixed fee of €20,000 per annum in view of their special responsibilities and the heavy workload required to discharge their duties);
- payment of a standard fee of €3,000 per attendance at official meetings of the Board or one of the four specialized committees. This fixed fee may be reduced if circumstances require the Company to hold an exceptional number of meetings, resulting in aggregate attendance fees exceeding the €700,000 threshold;
- payment of attendance fees twice yearly on June 30 and December 31, as opposed to once per annum as was previously the case.

Under this formula, attendance fees paid to directors and non-voting directors in respect of 2008 amounted to €694,000. The coincidental timing of meetings between the two six-month periods and the pattern of absences resulted in the payment of an identical amount of €347,000 for each half-year.

5. Compensation of executive corporate officers

The principles and rules approved for calculating the compensation due to executive corporate officers as well as total compensation paid in 2008 and in respect of 2008 to each executive corporate officer are set out in section 4.8 of the Management Report.

6. Shareholder participation at the General Shareholders’ Meeting

The terms and conditions governing shareholder participation at the Company’s General Shareholders’ Meeting are described in article 19 of the Company’s bylaws (attendance in person, proxy arrangements, supporting documents to be provided, etc.).

7. Structure of the Company’s share capital and information likely to have a bearing on a public offer for the Company’s shares

Details of the Company’s shareholding structure is provided in the chapter entitled “Specific Information” 176 of this Registration Document.

No shareholders’ agreement or other shareholder pact exists.

B. INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES IMPLEMENTED

The main events in 2008 were the ongoing implementation of the Group’s global strategic plan, baptized I.cube (Industrialization, Innovation, Intimacy), and the program to transform the finance function (the “Green Project”).

As part of the “Industrialization” phase of I.cube, which is aimed at improving the management of the increasing proportion of our services delivered from offshore production centers (mainly in India), in 2007 the Group implemented a new operating structure for Business Units (BUs) with frequent recourse to Rightshoring solutions. For the BUs concerned, Rightshored production center teams are now fully integrated with the onshore teams, particularly as regards performance measurement. By providing global project coordination, this new operating model delivers better estimates of business development budgets, and more effective resource allocation, project tracking procedures and risk assessment. Thanks to the model’s success in 2008, it was rolled out to the rest of the Group from January 1, 2008.

The following actions were implemented in 2008 within the scope of the Green Project:

- transfer of certain accounting functions of our Scandinavian and German subsidiaries to a shared service center located in Krakow, Poland. This measure mirrored similar steps taken for the US, UK, French and Dutch accounting functions which were moved as from 2005 to Krakow and another center based in Calcutta, India;

- continued roll-out of the single integrated management system to several Group subsidiaries (notably, the UK and India). The system has gradually been deployed across the Group on a country-by-country basis and comprises key functional components.

1. Objectives and principles of Group internal control procedures

Cap Gemini's internal control and risk management procedures are designed to create a general control environment that is tailored to the Group's specific business activities.

As defined by the committee set up by the French stock market authority (AMF) to devise a blueprint for internal control in French companies subject to the requirements of the *Loi de Sécurité Financière* (financial security law), the internal control process is developed and implemented by the Group with a view to ensuring:

- the compliance with relevant laws and regulations;
- respect for the Group's core values and guidelines set out by Group Management;
- the correct application of instructions;
- the smooth functioning of the Group's internal control processes (particularly asset safeguarding procedures); and
- the reliability of the Group's financial information.

In accordance with the definitions in the AMF's recommended internal control guidelines, risk management is an integral part of internal control and, accordingly, risk management procedures are detailed in the following sections.

Internal control enhances operating effectiveness, the efficient use of resources and risk management, and plays a key role in the day-to-day management of the Group's different businesses. Irrespective of their quality and the ability of the Group employees that apply them, internal control procedures cannot provide an absolute guarantee that all risks are controlled, any more than they can guarantee that the Group's performance objectives will be met.

The internal control process operates on two levels:

- Group Management has prepared, drafted, approved and circulated a set of rules and procedures known as the **Blue Book**, which are binding throughout Cap Gemini S.A. and its subsidiaries. The Blue Book is available to each Group employee and compliance is mandatory irrespective of function, position or Business Unit. It outlines the overall security framework within which the Group's activities must be conducted, and lists the tools and methods to be deployed in order to exercise the necessary degree of control and reduce the risks identified in each of the Group's main functions.
- individual Business Units supplement the Blue Book with specific instructions designed to bring Group internal control procedures into line with the relevant laws, regulations and customary

practices in their country of operation, and to provide more effective control over specific local risks.

In addition to this two-tier process, the Capgemini Group has had a central **Internal Audit function** for over 30 years. This department currently comprises a multidisciplinary team of 19 auditors reporting directly to both the Group's Chairman and its Chief Executive Officer. Although managed centrally, the Internal Audit function mirrors the Group's changing structure, and for example has had an India-based desk comprising five auditors since the middle of 2008.

Internal Audit is tasked with reviewing the internal control procedures set up in the Strategic Business Units (SBUs) and in the Business Units (BUs) to ensure that they comply with the principles and rules laid down by the Group and with the procedures devised by the individual BUs to eliminate or mitigate the risks to which they are exposed locally. For its audits of the Group's major contracts on which the risks are considered significant, Internal Audit uses technical experts (Group Delivery Auditors), who are selected from among a list of eight accredited professionals employed by the Group according to their skills and independence from the unit being audited.

Each SBU is audited in line with a bi-annual program that the Chairman and/or the Chief Executive have the power to modify in the event of a contingency (delays and irregularities, major divergence from budgetary commitments, etc.). In 2008, the Internal Audit team performed 35 engagements in entities belonging to all of the SBUs and representing 59% of the Group's revenues. Each engagement represented an average of 45 field audit days and culminated in a compulsory action plan to be implemented by the audited entity's management as a means of resolving the issues raised in the course of the audit. At the request of the Chairman or Chief Executive Officer, the Internal Audit Department may also perform special engagements to review specific situations.

The Internal Audit Director reports annually to the Audit Committee on the department's work (particularly the preparation and processing of financial and accounting information) and to the Ethics & Governance Committee on compliance with the Group's ethical guidelines. However, the Internal Audit Director may at any moment draw up a special report for the Chairman or the Chief Executive Officer on any matter that he considers should be brought to their attention.

2. General organization of internal control

Internal control is the responsibility of Group Management and the central functions that report directly to it. It is based on a decentralized operating structure and a series of specific procedures.

Central bodies involved in internal control:

The respective roles of central bodies involved in internal control are described below:

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- The Executive Committee, composed of 14 members (see page 183 of the Registration Document), assists the Chief Executive Officer with the day-to-day management of the Group. It implements the broad strategies decided on by the Board of Directors, determines annual and rolling three-year budgetary targets and oversees their implementation, and, if necessary, takes corrective action to remedy any failures to deliver those objectives. In addition, it monitors the appropriateness of the Group's organization in light of changes in its business environment.
 - The Group Management Board is composed of the 14 members of the Executive Committee plus a variable number of other senior Group managers – currently numbering 14 (see page 184 of the Registration Document). Its main brief is to contribute to the deliberations of the Executive Committee on any matter of general interest submitted to it, assist in the implementation of decisions taken and act as the Steering Committee for the Lcube program launched in October 2006.
 - The Group Finance Department is tasked with preparing budgets and monitoring performance, management control, operational reporting, financial and management accounting, consolidation and accounting standards, treasury management, taxation, mergers and acquisitions and financial communications, inter alia. The department is currently headed up by **Nicolas Dufourcq**, Deputy Chief Executive Officer (also Chief Financial Officer), who also handles procurement, internal information systems and risk management for commercial propositions. He is also responsible for technical and support department (IT and procurement), which is tasked with designing and disseminating in-house production methodologies, providing certification for certain categories of employees (project leaders and architects, etc.) and performing audits of risk-sensitive projects conducted by specialized teams known as “flying squads” (125 audits of this type were carried out in 2008).
 - The General Secretariat (**Alain Donzeaud**) is in charge of:
 - Legal affairs, covering two departments: one dealing with problems encountered in international operations and 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 general Group structure (**Philippe Hennequin**).
 - The Human Resources Department (**Jérémy Roffe-Vidal**), 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.
 - Capgemini University, which provides 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.
 - The Strategy Department (**Martin Cook**) is tasked with providing input for deliberations on strategic issues by Group Management, the Board of Directors and its Strategy & Investments Committee.
 - The Marketing and Communications Department (**Philippe Grangeon**) is responsible for defining the guiding principles of the Group's internal and external marketing and communications strategies and ensuring they are applied by the operating subsidiaries.
 - The Sales and Alliances Department (**Olivier Picard**) is in charge of coordinating the Group's sales policy, supervising management of major accounts and relations with the Group's key partners. These bodies are supplemented by **two ad hoc committees** composed of the Chief Executive Officer, the Chief Financial Officer, the Director for International Legal Affairs and the General Secretary. Their task is to review and approve the following projects (within the scope of the restrictions placed on the powers of the Chief Executive Officer):
 - major business proposals to be prepared or up for discussion, offers of strategic alliances and master contracts with clients or suppliers with certain specific criteria, together with the Director of Risk Management and the Director of Sales and Alliances (Group Review Board);
 - plans for acquisitions and divestments up for discussion, selection or negotiation, together with the Strategy Director, the M&A Director and the appropriate Business Unit director (M&A Committee).
 - Chief Compliance Officer (**Hervé Canneva**) joined this setup on March 1, 2009.
- Internal control within a decentralized operating structure**
- The Group's operations are based on a decentralized model consisting of basic operating entities grouped together into eight Strategic Business Units (SBUs). The basic operating entities are known as Business Units (BUs) and are deliberately kept small enough to allow their managers to form strong relationships with their staff and remain in touch with operations on the ground. Each BU has management and performance measurement tools that allow the BU manager to remain in close contact with staff and clients and to contribute fully to the Group's results and development. BU managers are fully responsible for meeting quantifiable targets relating to financial performance (growth, profitability, etc.), business development, management quality, client satisfaction within his or her unit, and the correct application of and adherence to internal control procedures.
- The eight SBUs each have substantial autonomy. Three SBUs are tasked with managing three of the Group's four business lines: Consulting, Outsourcing, and Local Professional Services (Sogeti). The other business line – Technology Services – is divided into four regional SBUs: North America, Europe 1 (United Kingdom, Netherlands, Belgium) Europe 2 (Germany, Nordic countries

and Eastern Europe) and Europe 3 (France, Southern Europe and Latin America). The eighth SBU covers the Group's India-based activities, other countries in the Asia-Pacific region, and the financial services market worldwide.

3. Internal control and risk management procedures

In addition to the key principles and general organization of internal control as described above, the following section deals with the general principles governing internal control procedures for the risk factors identified by the Group and set out in the Registration Document, as well as procedures relating to the preparation and processing of financial and accounting information.

3.1 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 BU, for all issues that fall within its remit,
 - the SBU, for all issues that concern several BUs under its authority;
 - the Group (Group Management, Executive Committee, etc.), for all decisions outside the scope of responsibility of a single SBU 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 a balanced assessment of the advantages and drawbacks of each of the possible solutions.
- **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.

3.2 Operational risk management

- **The project risk control process** : 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 are entered as and when identified, and are kept up to date 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, selective reviews of solutions are carried out during the final pre-sale phase in order to bring to the Group Review Board's attention any potential operational and financial risks.
- **Production and quality control**: the Group has approved policies for monitoring contract performance 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 person 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.;

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- 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 Group technical department, and complement the upstream independent technical audits carried out by the Business Units as a preventative measure for operational risks.
- Client satisfaction measurement via OTACE (On Time Above Client Expectations) surveys.

- **Business control:** depending on its size, each Business Unit has one or more business controllers, whose tasks include:
 - financial oversight for each project, primarily monitoring budgeted versus actual 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;
 - ongoing control over compliance with contractual commitments – particularly billing and payment milestones.

• Reputational risk

The Group has operations in a select number of countries chosen for their high ethical standards. Since its earliest days, Capgemini has been committed to seven fundamental values that bind the Group together and provide a framework for employee conduct. As a listed entity and industry leader, the Group is frequently called upon by the media and the financial community to provide upstream operating forecasts and results, as well as its views on issues that may have only a tangential relationship with the Group's corporate purpose. Only persons duly authorized by Group Management are permitted to speak on behalf of the Group.

• Human resources risk

Each BU has a human resources management function responsible for the local implementation of Group-wide HR policies and procedures. Special attention is paid to recruitment, training, career development for managers, equal opportunity performance evaluation and promotion procedures, and dialogue between management, staff and their elected representatives. An internal survey is conducted each year aimed at measuring satisfaction and expectations among the Group's 90,000 employees.

• 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 disciplines 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.

• Offshore 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 the 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

Although Capgemini's activities leave a minimal environmental footprint, the Group pays special attention to energy consumption, the management of its IT hardware, waste and business travel. The Group has run internal campaigns to raise employee awareness of these issues.

• Client risk

Capgemini pays particular attention to evaluating client satisfaction using a rigorous OTACE client survey program, which is carried out throughout the project and is a key pillar of the Group's customer loyalty policy – particularly as concerns major client accounts. The Group also has several thousand clients, affording it a certain resilience to market turbulence and reducing exposure to volatility in certain segments. The client portfolio consists of a large number of entities from the public sector, and the diverse market segment spread of entities from the private sector further mitigates Group risk. Lastly, supervision of client solvency also helps minimize client credit risk.

• Supplier and subcontractor risk

Over recent years, the Group has formed worldwide sales partnerships with a diversified group of major suppliers in order

to preserve its independence and guarantee the sustainability of its services. In parallel, Capgemini has implemented a tool allowing for worldwide procurement management and monitoring. Suppliers are selected based on rigorous procedures using multiple criteria, several of which concern ethical standards.

- **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 from 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 requirements on major client accounts. Specific contracts have been agreed with organizations specialized in managing these risks in order to resolve any potential difficulties encountered by Group employees assigned to such engagements.

- **Acquisition risk**

Capgemini has a wealth of experience in acquisitions, having carried out around 50 external growth transactions since the 1970s. The 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.

- **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. A variety of scenario forecasts have been devised and are kept up to date by the Group. These are designed to ensure the most appropriate response to a sharp downturn in the Group’s markets or the general economic environment.

3.3 Legal risk management

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

Draft contracts containing terms and conditions that are not in compliance with the contractual guidelines issued by the Group are subject to specific examination at regional and Group level. Regional and local legal affairs teams, in liaison with the sales, delivery and risk management teams, are required to submit to the Group Legal Affairs Department and/or Group Review Board, an analysis of the risks incurred on these contracts and their recommended risk mitigation plan.

3.4 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. The management of other financial risks (equity, interest rate, currency, credit and counterparty risks) is centralized by the Group Finance Department as described in Note 22 to the consolidated financial statements. In addition, risks arising on employee benefit obligations are controlled through the active management of financial commitments made in respect of the United Kingdom defined benefit pension plan, which represents almost 80% of such commitments carried by the Group. Permanent dialogue with the pension fund representatives allows the Group to mitigate financial risk in this area.

3.5 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 90,000 Group employees are reminded of these restrictions in writing before the start of each such period.

3.6 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 operational control aspects of the Group’s financial functions are decentralized, with a structure that parallels that of its Business Units (BUs). However, in order to safeguard the impartiality required in determining accounting results, the financial controllers of the Strategic Business Units (SBUs) report to the Chief Financial Officer. They are responsible for ensuring that high quality financial and accounting information for the SBU is reported to the parent company on a timely basis. Each BU has a dedicated financial controller (reporting to the corresponding SBU’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

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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. The various Group regions have a Legal Financial Director whose duties and responsibilities include the following: ensuring that all financial staff in the region are well-versed in the Group's accounting policies and methods; checking for compliance with local taxation and statutory reporting requirements; helping to 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 are 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.

b. Budgets, forecasting, financial reporting and consolidation

In order to exercise effective control over their operations, the Group requires BUs 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 the SBUs and their component BUs. 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 create a substantial link between the variable portion of the compensation paid to BU managers and the attainment of BU and corresponding SBU budgetary targets. A forecast income statement (for the current month, the following six months and the full year) is prepared monthly by each BU 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 organized by Business Unit and by discipline. This allows revenues and costs to be analyzed on a monthly basis either by type or function, and performance indicators to be updated

and measured against budget (R/B), the latest forecasts (R/F) and prior-year figures (R/R'). Balance sheet items are analyzed on a quarterly basis. A monthly management report is prepared for each SBU 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 perfectly 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 intragroup 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, 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**: the interim and annual financial statements are subject to specific controls regarding financial information and its presentation. 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 function and the Statutory Auditors.

- **Internal Audit**: based on its program covering the Group's Business Units, drawn up in agreement with the Chairman and

its Chief Executive Officer (as it reports to both directly), the Internal Audit function 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 BU in accordance with the rules and methods established by the Group. In particular, the Internal Audit function 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 BU concerned to ensure the security and validity of transactions and accounting entries;

- Statutory Auditors carry out attest engagements that involve an ongoing review of internal control procedures with an impact on the preparation and quality of the financial statements.

- **Communicating financial information:** this is subject to rigorous internal control, with a particular focus on three key media used to report financial information:
 - the Annual Report ;
 - financial press releases;
 - analysts and investors meetings.
- **The Annual Report** has been the cornerstone of the Group's financial communications strategy for the past 34 years (the first edition contained the 1975 financial statements). 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 Registration Document, which is appended to 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.
- **Analysts and investors 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 and/or the Chief Financial Officer during the meetings.

REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

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, 2008

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of 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 Cap Gemini S.A., and in accordance with article L.225B 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, 2008.

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 procedures relating to the preparation and processing of financial and accounting information; and
- to attest that the 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 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 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 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's report sets out the other information required by article L.225-37 of the French Commercial Code.

The Statutory Auditors

Neuilly-sur-Seine, February 11, 2009

PricewaterhouseCoopers Audit

Edouard Sattler Serge Villepelet

Paris La Défense, February 11, 2009

KPMG Audit

Division of KPMG S.A.

Jean-Luc Decornoy Jacques Pierre
Partner Partner

MANAGEMENT REPORT

PRESENTED BY THE BOARD OF DIRECTORS TO THE ORDINARY
AND EXTRAORDINARY SHAREHOLDERS' MEETING OF APRIL 30, 2009

I – GENERAL COMMENTS ON THE GROUP'S ACTIVITY OVER THE PAST YEAR

The Capgemini Group continued on an upward trend in 2008, posting like-for-like growth of 5.0% (based on a comparable Group structure and exchange rates). Although this performance was satisfactory – particularly given the unsettled economic climate – the pace of growth has nevertheless slowed compared with previous years. Thanks to continuing initiatives under its i.cube transformation program launched in 2007, the Group recorded a rise of more than one percentage point in its operating margin, which came in at 8.5% of revenues.

The crisis that began in the banking sector in summer 2007 gradually spread throughout 2008, prompting a full-scale collapse in the financial markets. The effects subsequently started feeding through into the real economy, with a host of countries entering into recession. However, the crisis only had a belated impact on demand for consulting and IT services in 2008, and objective signs of a slowdown are still limited despite being more evident since the beginning of 2009.

1.1 Operations by region

Despite a 5.0% rise in revenues on a like-for-like basis, the Group's reported figures remained almost unchanged from 2007 (€8,710 million versus €8,703 million) as the impact of the few acquisitions carried out in the period was overshadowed by the slide in several major currencies against the euro. These include the US dollar, which dropped more than 6% over the year, and pound sterling which shed close to 14%. Together, North America and the United Kingdom account for over 40% of total consolidated revenues and 80% of the Group's revenues are generated by the main geographic regions, i.e., France, the United Kingdom, North America and the Benelux countries, by order of proportional revenue contribution.

- **France** (including Morocco) reclaimed its number one spot among the Group's regions in 2008, accounting for 23.8% of consolidated revenues. While this achievement was driven by France's revenue growth, which at 5.4% was slightly higher than the Group's overall revenue rise, the main explanatory factor was the weak pound sterling which reduced the United Kingdom and Ireland's proportionate revenue contribution. Technology Services and Local Professional Services led business momentum during the year. At the same time, Outsourcing Services reported numerous successes in the third-party application management segment but was adversely affected by the revised terms of a major contract. Meanwhile, Consulting Services was penalized by the fact that a higher proportion of its revenues were generated through support services provided

to the Group's other businesses as the revenues from these services are ultimately recognized by the business that invoices the client. France was the region that reported the largest rise in profitability, both in percentage terms (operating margin representing 7.3% of revenues versus 4.4% in 2007) and in terms of absolute value (up €65 million). All of Capgemini France's businesses contributed to this improvement, particularly Outsourcing Services which reported a significant decrease in losses on a key contract. Sogeti posted a one-point rise in profitability, while all Consulting and Technology Services businesses returned to double-digit operating margins.

- **the United Kingdom and Ireland** only accounted for 22.1% of the Group's revenues in 2008, reflecting the steep fall in the pound sterling over the period which pushed down reported revenues by 13.8%. Stripping out the currency effect, the region's revenues edged down 0.5% on a like-for-like basis, reflecting a decrease in revenues generated under the contract with the UK tax authorities to which the Group granted significant cost reductions in return for an extension of the initial contract through 2017. In 2007 this contract accounted for almost half of the Group's business in the region, and although the cost reductions were planned and controlled, their impact could not be fully offset by new business. Excluding this contract for the purpose of year-on-year comparisons, the region delivered growth of approximately 7%. The rest of the Outsourcing Services business turned in a very robust showing, posting a double-digit rise in revenues, and Consulting Services performed even better, buoyed by continuing strong demand from public sector clients. Taking into account revenues on internal services provided to other Group entities, Technology Services' performance held more or less firm, having picked up pace significantly in the second half of the year. The picture for the whole region was more encouraging in the second six months of the year, with organic growth for the period representing close to 3%. Profitability edged up nearly one percentage point to 7.8%. All businesses contributed to this increase but the biggest improvements were in Technology Services, where operating margin almost doubled as a percentage of revenues, and Consulting Services, where it almost tripled. This performance helped to more or less offset the sharp drop in the region's main currency, as once converted into euros, operating margin for the United Kingdom and Ireland as a whole came in at €149 million, practically unchanged from the €152 million recorded for 2007.
- **North America**, (the Group's third largest revenue contributor, accounting for 19.2% of the consolidated total in 2008) posted a 3.4% increase in revenues on a like-for-like basis compared with 2007. However, taking into account the fall in the US and Canadian dollars the region's revenues were down 3.1% year-on-year. Outsourcing Services advanced more than 7%

on the back of brisk business with existing clients as well as the development of the Business Process Outsourcing (BPO) activity, which won a number of major contracts in 2008 on which it began work in the second half of the year. Consulting Services returned to growth, confirming the success of the new North American business unit set up at the beginning of 2008. Meanwhile, Sogeti reported revenue growth of above 6% despite a pronounced slowdown in the last six months of the year. Revenues for Technology Services retreated, due mostly to the impact of replacing local sub-contractors by Group employees based in India, but also to the troubles experienced by the financial services sector. Operating margin as a percentage of revenues contracted slightly from 6.5% to 5.8% for the North America region as a whole, with the decrease mainly stemming from Outsourcing Services. Consulting Services also suffered a modest decline in profitability, which was squeezed by large-scale investments in sales infrastructure to launch the new organization. However, this was largely offset by the advances reported by Technology Services and Sogeti. More than half of the employees who contributed to North America's revenues (excluding Consulting Services and Local Professional Services) are based in India. Consequently, a portion of profits is recognized in India, while the full amount of revenues is allocated to North America which thereby reduces the region's profitability.

- **Benelux** (the Group's fourth largest revenue contributor accounting for 15.0% of the consolidated total in 2008) is the only one of the Group's major regions to have reported like-for-like growth on a par with 2007 (11.6% versus 11.7%). This growth was primarily fuelled by a stellar performance from Outsourcing Services which added almost 50% to its revenues following the start of business on contracts signed in 2007. Revenues were also boosted by solid results delivered by the Consulting Services business in the first half of the year and by Sogeti. Conversely, Technology Services underperformed the Group average, partly due to the resources allocated to assisting internal businesses with certain outsourcing contracts, but also because of the difficult start to the year experienced by the financial services sector. At 14.2%, the region's profitability level remained excellent, despite being slightly down on the 15.0% recorded for 2007 primarily on account of weaker earnings performances by Belgium and Luxembourg. However, with operating margin of €185 million, Benelux is still indisputably the Group's main contributor to profitability
- **Germany and Central Europe** (Switzerland, Austria and Eastern European countries) make up the largest of the Group's smaller revenue regions, accounting for 6.8% of the consolidated total in 2008. Revenues for this region rose 5.3% like-for-like and 6.0% on a reported basis, mainly spurred by

Outsourcing Services which returned to growth after several difficult years. Technology Services and Local Professional Services (Sogeti) also reported revenue increases, while Consulting Services registered a fall-off of just under 5%. The region's profitability climbed 0.7 points year-on-year to 14.0%, almost reaching the same level as Benelux.

- **Growth in the Nordic countries** (which accounted for 6.6% of consolidated revenues in 2008) was slower than in 2007 but was still brisk, coming in at 9.8% like-for-like and 7.2% on a reported basis. Sogeti was once again the main driver, with revenues climbing by more than 20%. In Technology Services, Norway recorded similar growth followed by Sweden and Finland that both reported like-for-like increases in revenues. Denmark was the only one of the four countries to suffer a decline in business due to the completion of contracts which had boosted growth in 2007. Profitability for the region continued to widen, reaching 9.5% powered by strong business momentum in Sweden.
- **Southern Europe and Latin America** (Italy, Portugal and Spain, as well as Argentina, Brazil and Chile) represented 5.2% of total consolidated revenues in 2008 and also delivered strong growth (up 10.3% like-for-like and 15.1% on a reported basis). Overall profitability edged down to 5.2%, however, with the significant advances recorded in Italy unable to counter the impact of investments needed to support the Spanish launch of a production model based partly on offshoring in Latin America.
- Like-for-like revenue growth in the **Asia-Pacific** region came to a modest 2.5% and on a reported basis the region registered a 4.0% decline. However, revenue figures for this region only comprise sales to external clients, whereas most of the region's activity involves internal sub-contracting projects for clients in other countries where the Group operates. The number of Group employees based in Asia-Pacific as a proportion of total employees is a better indicator of the region's weighting than its 1.4% contribution to total consolidated revenues. At December 31, 2008, these employees represented 24% of total headcount, with India alone accounting for 20,554 of the total 91,621 people employed by the Group. As regards profitability, the Asia-Pacific region only recognizes a portion of profits generated from services carried out on behalf of clients located in the North America, United Kingdom or other Group regions which are billed by local units rather than by the Asia-Pacific entities concerned. Consequently, operating margin as a percentage of revenues is not a meaningful indicator, although the fact that it rose from €32 million to €58 million in absolute value terms underlines the importance of the offshoring model in improving the Group's profitability performance.

1.2 Operations by business segment

In 2008, the Group's two main businesses once again accounted for three quarters of total consolidated revenues.

- **Technology Services** remained the Group's powerhouse, representing 39.0% of total consolidated revenues. Like-for-like revenues for the business climbed 4.1% over the year, just under the Group average. However, this growth figure does not take into account the increasing volume of activity with other Group businesses, particularly Outsourcing Services. As a result, actual revenue growth is understated by more than two percentage points. The volume of hours worked jumped 9.6%, in step with the ramp-up of offshore production solutions for which prices are lower for equivalent skills sets. As the utilization rate was close to the 2007 figure and other management indicators improved only slightly, the over one-point increase in operating margin as a percentage of revenues – which stood at 10.2% – was primarily achieved thanks to the tight rein kept on administrative costs.
- **Outsourcing Services** represented 35.3% of total Group revenues in 2008, up 4.6% on 2007 on a like-for-like basis. This performance was achieved despite the negative impact of the decline in revenues from the contract with the UK tax authorities, which accounted for more than one third of business in 2007. All of the Group's regions enjoyed strong momentum in this business, but particularly Benelux and Germany. This momentum looks set to continue for some time, buoyed by a sharp increase in new orders and commercial opportunities that should result in numerous contract wins in 2009. Profitability for Outsourcing Services once again came in below the Group average which is normal as this business's higher visibility means that risk premiums factored into its remuneration are lower. However, operating margin as a percentage of revenues amounted to 5.4% for the year, peaking at 6.2% in the last six months.
- **Local Professional Services (Sogeti)** accounted for 17.7% of total consolidated revenues and turned in the best growth performance (9.1% like-for-like), despite running out of steam towards the end of the year. Several factors drove growth, in particular the success of "application testing" solutions and the revenues generated from two key partnerships with Microsoft and IBM which required significant investments in sales infrastructure. In addition, thanks to renewed improvements in contribution rates (direct margin) and tightly controlled administrative costs, Sogeti's profitability level further increased year-on-year and once again represented the Group's top performance, coming in at 12.9% of revenues.
- **Consulting Services** (accounting for 8.0% of total Group revenues) reported more subdued 2.4% growth on a like-for-like basis, in spite of a good start to the year. Understandably, Consulting Services was the first of the Group's businesses to be affected by the financial crisis which has now hit all economies across the globe. This impact trimmed 2.9% off the business's revenues in the second half of the year. It did not have a significant impact on profitability however, as Consulting Services posted an excellent operating margin representing 12.8% of revenues.

1.3 Headcount

At December 31, 2008, total Group headcount had risen 9.7% to 91,621 from 83,508 one year earlier. This 8,113 increase in employee numbers reflects:

- 25,885 additions resulting from
 - 22,527 new hires (including 7,251 in India, 4,587 for Sogeti, and 1,506 in Poland)
 - 3,358 transfers in connection with (i) Group acquisitions (including 2,166 from the Dutch company BAS B.V. and 408 from Unilever's service centers in South America) and (ii) Outsourcing Services contracts signed with certain clients.
- As the BAS B.V. acquisition was only completed in December 2008, the 2,166 employees transferred to the Group at that date did not contribute to consolidated revenues for the year.
- 17,772 departures, breaking down as
 - 15,136 resignations
 - 232 transfers outside the Group following divestments of businesses or the expiry of Outsourcing Services contracts
 - 2,404 contract terminations and unsuccessful trial periods.

1.4 Order book

As new orders are a useful gauge of the future business outlook, it is particularly interesting to consider the order book for Consulting Services, Technology Services and Sogeti, which are in theory the Group's most volatile and cyclical businesses. Thanks to the broad client diversification in these activities, no new orders (or order cancelations) can have a material impact on business. New orders taken in 2008 for Consulting Services, Technology Services and Sogeti totaled €6,221 million. On a comparable data basis (i.e. restated using the 2008 budgeted Group structure and exchange rates), new orders for 2007 stood at €5,714 million, giving a year-on-year increase of almost 9% in 2008.

Total orders taken during the year (i.e. including Outsourcing Services orders) represented €8,110 million compared with €9,958 million in 2007 (or €9,750 million calculated based on 2008 Group structure and budgeted exchange rates). However, the year-on-year comparison is skewed by two factors with contrasting effects:

- in 2007, Outsourcing Services had to revise the terms of two major contracts which led to a net non-recurring positive impact of €858 million,
- in 2008, the same business had to renegotiate another key contract in application of a change of control clause which reduced the order book by €1,149 million.

Excluding the impact of these contract renegotiations – and neutralizing the sharp fluctuations in US dollar and pound sterling exchange rates in 2008 – total new orders increased by more than 4% year-on-year.

1.5 Other significant events

- on **May 2, 2008**, the Group acquired from Unilever two companies based in Chile and Brazil, which acted as administrative and financial service centers for Unilever in Latin America. Through this transaction – which is similar to one already carried out between Capgemini and Unilever in India in 2006 – the Group's

Business Process Outsourcing (BPO) unit has been able to gain a foothold in Latin America and integrate over 400 highly skilled people;

- on **July 25, 2008** the Group signed a memorandum of understanding with Getronics PinkRocade (GPR) to acquire its subsidiary Getronics Pinkroccade Business Application Services BV (BAS B.V.) which brings together GPR's applications services activities (applications development, maintenance and management) in the Netherlands. BAS B.V. offers services connected to the whole applications lifecycle, from applications management consulting (support and maintenance) to project development, integration and implementation. BAS B.V. counts some of the leading names in the Dutch public sector among its main clients, such as local authorities, large State administration and social security bodies and major players in the insurance and banking world. BAS B.V. posted revenues of close to €300 million in 2008 and employed 2,200 professionals working on more than 600 projects. The acquisition was completed on December 1, 2008 at a total cost of €249 million;
- between **October 1 and 4, 2008**, the Group held its 22nd management convention at its university in Gouvieux, near Chantilly in France. This event gave Capgemini's 450 key managers the opportunity to work together on innovation and holding firm during times of economic crisis.

II. COMMENTS ON THE CAPGEMINI GROUP'S CONSOLIDATED FINANCIAL STATEMENTS

2.1 Consolidated statement of income

Consolidated revenues amounted to €8,710 million for the year ended December 31, 2008, climbing 5.0% like-for-like but remaining on a par with 2007 on a reported basis.

Operating expenses fell 1.2% to €7,966 million from €8,063 million in 2007.

An **analysis of costs by nature** reveals that:

- personnel costs edged up €30 million, or 0.6%, to €5,329 million. The impact of the 9.2% increase in the Group's average headcount was almost entirely offset by the sharp rise in the number of Group employees based in countries with low production costs, particularly India. Personnel costs represented 61.2% of consolidated revenues against 60.9% one year earlier, including travel expenses which remained stable at 4.5% of revenues;
- rental expenses remained flat at 3.3% of revenues, despite the significant increase in employee numbers. This testifies to the success of the Group's real estate streamlining measures.

An **analysis of costs by function** reveals that:

- the cost of services rendered dipped in 2008, representing 74.4% of revenues compared with 74.9% in 2007 despite a largely unchanged utilization rate. This decrease therefore mainly reflects the relative improvement in the sale price of resources used due to the growing number of offshore staff;
- gross margin consequently edged up 0.5 points to 25.6%;
- selling expenses climbed by an average of 4.1% – with Sogeti reporting a higher-than-average increase – reflecting the Group's decision to invest in strengthening its sales force;
- these investments were more than offset by benefits from measures taken by the Group over the past several years to scale back administrative expenses, which dropped 8.7% in 2008 and represented 9.8% of revenues, compared with 10.7% in 2007.

Operating margin amounted to €744 million compared with €640 million in 2007, representing 8.5% of revenues (7.4% in 2007).

Other operating income and expense represented an overall net expense of €158 million in 2008 versus €147 million the previous year. This increase was primarily attributable to the combined impact of an €18 million writedown of goodwill relating to a Sogeti subsidiary in Germany and a €13 million year-on-year rise in restructuring costs, partially offset by a €20 million fall in integration costs relating to Kanbay, which was acquired at the beginning of 2007. Restructuring costs – which totaled €103 million and related mainly to ongoing organizational streamlining measures in connection with the i.cube project – can be analyzed as follows:

- €68 million in costs related to workforce reduction measures, mainly in France, the Netherlands and Germany;
- €21 million in expenses arising from measures taken to streamline the Group's real estate assets, essentially in France;
- €14 million in industrialization and migration costs incurred in connection with the implementation of rightshoring solutions, mainly in the United Kingdom and United States.

Operating profit came in at €586 million for 2008, up 18.9% on the year-earlier figure of €493 million.

Net finance expense for the year amounted to €19 million, compared with €7 million in 2007. This increase reflects an €18 million rise in net other financial expense (including €13 million relating to obligations linked to defined benefit pension plans in the United Kingdom). However, this rise was partly offset by a €4 million fall in gross finance costs and a €2 million increase in income from cash investments.

Income tax expense was €116 million in 2008, compared with €48 million in 2007. The 2008 figure includes €87 million in current tax expense (versus €78 million in 2007), breaking down as €69 million in income taxes on profits in the Netherlands, Germany, Canada, the United Kingdom and India; and €18 million in taxes not based on taxable income and other taxes, mainly concerning North America and Italy. The remaining €29 million, corresponding to the net deferred tax expense for 2008 (versus net deferred tax income of €30 million in 2007) primarily relates to:

- the utilization of tax loss carry-forwards against 2008 taxable income (€69 million), mainly in France (€55 million) and the Nordic countries;
- the recognition of €25 million in net deferred tax expense relating to temporary differences and changes in tax rates, essentially in the United Kingdom and Germany;
- a €65 million tax benefit arising on the remeasurement of deferred tax assets, mainly in France and the United Kingdom, as a result of adjustments to deductible research and development expenses.

Profit for the year edged up 2.5% to €451 million from €440 million in 2007. Basic earnings per share amounted to €3.14, compared with €3.04 a year earlier. Diluted earnings per share came to €2.97 based on 156,466,779 shares, versus €2.84 in 2007 based on 159,292,070 shares.

2.2 Consolidated balance sheet

Consolidated shareholders' equity totaled €3,939 million at December 31, 2008, representing an €88 million increase on end-2007, chiefly attributable to:

- profit for the year of €451 million;
- capital increases carried out in connection with the exercise of stock options, representing €10 million (including issuance premiums) and the counterpart to the stock option and share grant expense amounting to €22 million;
- the elimination of treasury shares held under the share buyback program for €75 million;
- the recognition in equity of actuarial losses arising on provisions for pensions and other post-employment benefits and the negative change in the fair value of cash flow hedges, totaling €70 million net of the deferred tax effect;
- the payment of the 2007 dividend corresponding to €143 million;
- a decrease in translation and other reserves amounting to €107 million.

Fixed assets totaled €3,288 million at December 31, 2008, representing a rise of €98 million on December 31, 2007. The increase stems from:

- a €149 million net increase in goodwill arising primarily on corporate acquisitions carried out during the year for €261 million (including €221 million for BAS B.V. in the Netherlands), as well as goodwill impairment losses recorded in Germany and the United States for €24 million, and a negative translation impact of €87 million resulting from the strong rise in the euro against the pound sterling;
- a net decrease of €31 million in intangible assets due chiefly to (i) acquisitions and changes in Group structure over the period for €65 million; and (ii) the €88 million amortization

expense for the year (including €36 million in accelerated tax amortization due to the early termination of an outsourcing agreement);

- a €20 million net decrease in property, plant and equipment, with the overall €145 million positive impact from acquisitions being more than offset by (i) the depreciation expense for the year (€125 million); (ii) the effect of disposals (€20 million); and (iii) translation losses (€26 million).

Accounts and notes receivable totaled €2,396 million at December 31, 2008 versus €2,318 million the previous year. Net of advances from customers and amounts billed in advance (and excluding work-in-progress) the figure came to €1,682 million against €1,479 million at end-2007, representing 67 days' worth of 2008 revenues (61 days at end-2007). The six-day increase versus end-2007 results mainly from (i) the lower weighting of the United Kingdom (where invoices are traditionally settled quickly) in the Group's overall accounts and notes receivable, due to the sharp fall in value of the pound sterling; and (ii) a particularly strong deterioration in the collection ratio in the Benelux countries.

Accounts and notes payable, consisting mainly of trade payables, amounts due to personnel and accrued taxes (other than on income), stood at €2,096 million at December 31, 2008, compared with €2,120 million at December 31, 2007.

Provisions for pensions and other post-employment benefits amounted to €503 million at December 31, 2008 versus €621 million at end-2007. This €118 million decrease was primarily due to:

- actuarial losses of €56 million, mainly recorded in the United Kingdom and North America and stemming from the impact of negative experience adjustments on the value of plan assets which was partially offset by a rise in the discount rates applied to the related benefit obligations;
- the fact that total benefits and contributions to plan assets were €42 million higher than service cost and the effect of curtailments and settlements during the year;
- negative translation losses of €124 million, arising mainly in the United Kingdom.

In the United Kingdom, the accrual of pensionable service under the defined benefit section of the Capgemini UK Plc pension plan ceased on March 31, 2008 for the majority of the plan's beneficiaries (around 2,600 people). As an alternative, the individuals concerned were offered membership in the defined contribution section. The defined benefit section is still fully operational for the 160 "protected" active members and the above-mentioned 2,600 former beneficiaries will become in service deferred members. Following the UK Pension regulator's recommendations, Capgemini UK has committed to fund the deficit assessed as of March 31, 2006 over a 10-year period.

Consolidated cash and cash equivalents contracted to €1,805 million at December 31, 2008 from €2,137 million at end-2007. The €332 million decrease – which was recorded despite €548 million in net cash from operating activities – mainly reflects the following:

- payments made for corporate acquisitions (€267 million net of cash acquired), in particular for BAS B.V. in the Netherlands;

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- acquisitions of property, plant and equipment and intangible assets net of disposals (€114 million);
- dividend payments (€143 million);
- share buybacks (€75 million);
- early termination of an outsourcing agreement which led to the repayment of amounts owed under the contract (€65 million);
- a negative exchange rate impact – arising mainly on the pound sterling – from the translation of foreign currency cash items into euros (€185 million).

Financial debt fell to €1,032 million at December 31, 2008 from €1,245 million one year earlier. This €213 million decrease chiefly resulted from (i) the settlement of the financial debt corresponding to the sale of carry-back tax credits on the French Treasury in 2003 and 2004 following their reimbursement (the receivables sold were previously recorded within “Other receivables” and were not therefore included in net cash and cash equivalents); and (ii) the repayment of financial debt in respect of the above-mentioned terminated outsourcing agreement.

At December 31, 2008, consolidated net cash and cash equivalents totaled €774 million, compared with €889 million at end-2007.

III. OUTLOOK FOR 2009

In a climate of high uncertainty, the Group considers that it does not have sufficient visibility for 2009 to comment on its outlook beyond the first half of the year. For the first six months of 2009 revenues could see a modest decline of around 2 % on a like-for-like basis. This would only have a limited impact on operating margin, which should remain above 6.5% (operating margin for the first half of 2008 being 7.6%).

IV. COMMENTS ON THE CAP GEMINI S.A. FINANCIAL STATEMENTS

4.1 Statement of income

The Company's operating income for the year ended December 31, 2008 amounted to €202 million (including €201 million in royalties received from subsidiaries), compared with €204 million for 2007 (including €203 million in royalties).

Operating profit edged down to €163 million in 2008 compared with the year-earlier figure of €165 million, as a result of the fall in royalties received from subsidiaries.

Net finance income amounted to €84 million, reflecting:

- €180 million in income relating mainly to dividends received from subsidiaries (€67 million), interest income on cash and

cash equivalents (€48 million), and reversals of provisions for investments in subsidiaries in Italy and Ireland (€32 million);

- €96 million in expenses corresponding primarily to €18 million in provisions for impairment in value of treasury shares, a €6 million provision for a French subsidiary, €30 million in interest expense on “OCEANE 2003” and “OCEANE 2005” bonds, and €17 million in interest expense on loans granted to the Company by certain subsidiaries.

The total €330 million net finance income figure for 2007 included €281 million in reversals of provisions for investments in subsidiaries.

Net non-recurring expense came to €17 million for the year (€31 million in 2007), consisting mainly of (i) a €28 million capital loss on the liquidation of Capgemini Old Ireland Ltd and Cap Gemini Telecom Media & Networks Italia, which was partially offset by a €21 million capital gain on investments in German and Dutch subsidiaries; (ii) withholding taxes of around €3 million; and (iii) a €2 million net loss on sales of treasury shares.

Including a tax benefit of €29 million, the Company posted a profit of €260 million in 2008, compared with €497 million a year earlier.

4.2 Balance sheet

Net investments rose from €7,709 million at December 31, 2007 to €8,128 million at end-2008. This €419 million increase is mainly attributable to:

- two capital increases for subsidiaries, totaling €176 million (€170 million in France and €6 million in Italy);
- the May 2, 2008 acquisition from Unilever of 100% of the share capital of two firms acting as the holding companies for Asesorias Latin America Shared Services, Ltda. (renamed Capgemini Business Services Chile) and ARD – Prestação de Serviços Administrativos, Lda. (renamed Capgemini Business Services Brazil) for €22 million;
- a €240 million loan granted to Capgemini Nederland B.V. in November 2008 to enable it to pay the agreed price for the acquisition of Getronics Pinkroccade Business Application Services B.V. (BAS B.V.) on December 1, 2008. This loan was partially repaid in December 2008 in the amount of €40 million.

Shareholders' equity stood at €7,827 million, representing a €128 million increase on the previous year-end. This rise essentially corresponds to the difference between (i) profit for 2008 (€260 million) and cash inflows of €10 million arising on the exercise of 419,428 stock options by Group employees; and (ii) the April 24, 2008 dividend payment of €1 per share on the 145,425,510 shares making up the Company's share capital at

December 31, 2007, representing a total payout of €143 million (taking into account the 2 million treasury shares held by the Company at the dividend payment date).

Financial debt came to €1,458 million, down €76 million on end-2007 due chiefly to the decrease in bank overdrafts resulting from the Group's cash pooling arrangements (for which the Company acts as the centralizing entity).

Cash and cash equivalents net of financial debt came to a negative €358 million at December 31, 2008, versus a negative balance of €102 million a year earlier. Changes in cash and cash equivalents net of financial debt mainly derived from the €240 million loan granted to Capgemini Nederland B.V. to help fund its acquisition of Getronics Pinkroccade Business Application Services B.V., as well as €176 million in payments made in respect of capital increases carried out by various subsidiaries in 2008.

4.3 Results appropriation

At the Shareholders' Meeting of April 17, 2008, the Board of Directors recommended maintaining its policy of distributing one-third of consolidated profit for the year. In line with this policy and based on consolidated profit of €451 million (i.e. €3.09 per share outstanding at December 31, 2008) the Board is recommending the payment of a €1 dividend for 2008 on each of the 145,844,938 shares carrying dividend rights at January 1, 2008, the same as the dividend paid for 2007.

The Board of Directors recommends the following appropriation of 2008 profit:

Parent company profit:	€259,605,166.47
Allocation to the legal reserve, which would then be entirely funded	€-335,542.40
Retained earnings brought forward from prior years	€537,846,405.48
	<hr/>
Giving rise to distributable profit of:	€797,116,029.55
Allocated to:	
dividends (€1 per share)	€145,844,938.00
other reserves	€350,000,000.00
retained earnings	€301,271,091.55
	<hr/>
Making a total of	€ 797,116,029.55

After reviewing the "earliest dates" in the timetable published by Euronext Paris, the Board of Directors recommends setting May 5, 2009 as the ex-dividend date and May 11, 2009 as the date on which the dividends will become payable. This dividend will be fully eligible for the 40% tax rebate referred to in article 158.3.2 of the French Tax Code for individuals subject to personal income tax in France.

Pursuant to the disclosure requirements set out in article 243 bis of the French Tax Code, dividends paid over the past three fiscal years were as follows: €145,425,510 for 2007 (€1 per share); €100,857,266.30 for 2006 (€0.70 per share); and €65,790,989 for 2005 (€0.50 per share). All of these dividends were fully eligible for the above-mentioned 40% tax rebate.

4.4 Share capital and ownership structure

In 2008, the Company's share capital increased from €1,163,404,080 to €1,166,759,504 following the creation of

419,428 shares upon exercise of stock options granted in prior years to Group employees.

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 during the year, only FMR (Fidelity Investment) LLC held more than 5% of the Company's share capital and voting rights at year-end.

During the year, FMR LLC and FIL (Fidelity International) Limited, acting on behalf of joint funds managed by their subsidiaries, informed the Company:

- on February 21, 2008, that they had exceeded the disclosure threshold of 5% of share capital and voting rights on May 14, 2007;
- on February 25, 2008, that they had exceeded the disclosure threshold of 10% of share capital and voting rights on February 19, 2008.

In a press release provided to the Company, FIL Limited and FMR LLC announced a change in their legal disclosure policy. Within the scope of the transposition of the Transparency Directive, these companies have decided to cease aggregating their respective interests in listed French companies, and the interests of FIL Limited and FMR LLC are now disclosed separately. Accordingly, all legal disclosure announcements concerning FIL and FMR are also handled separately. Hence, on April 24, 2008:

- FMR LLC announced that it had gone below the legal disclosure threshold of 10% of share capital and voting rights;
- FIL Limited announced that it had gone below the legal disclosure threshold of 5% of share capital and voting rights.

Morgan Stanley & Co International Plc informed the Company on April 16, 2008 that it had indirectly exceeded the disclosure threshold of 5% of the Company's share capital and voting rights, and on April 24, 2008 informed the Company that it had indirectly fallen below this 5% threshold.

A breakdown of the Company's share capital at December 31, 2008 is provided on page 176 of the Registration Document.

4.5 Stock options

The Extraordinary Shareholders' Meeting of May 12, 2005 authorized the Board of Directors to grant stock options to certain employees of the Company and its French and non-French subsidiaries. The authorization was given for a period of 38 months commencing May 12, 2005 and consequently expiring on July 12, 2008, and the number of shares to be subscribed on exercise of the options was limited to six million. The Board of Directors used this authorization to set up the Sixth Stock Option Plan, and on June 1, 2008 granted options on 219,000 shares to 63 Group employees. The option exercise price was set at €40.50 per share (i.e., the average share price over the 20 days preceding the grant date).

In the event of a notice of authorization of a tender offer or public exchange offer for the Company's shares published by the Eurolist market of Euronext Paris S.A., option holders would be entitled to exercise all of their remaining unexercised options immediately without waiting for the end of the vesting period specified at the time of grant.

During 2008, 389,218 shares were subscribed on exercise of options granted under the Fifth Plan and 30,210 shares were subscribed on exercise of options granted under the Sixth Plan,

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representing a total of 419,428 shares. No further shares could be subscribed under the first four plans, for which the subscription periods expired on November 1, 1995, April 1, 1999, April 1, 2002, and December 1, 2006 respectively.

4.6 Employee shareholdings

Pursuant to article L. 225-102 of the French Commercial Code, the Board of Directors informs the shareholders that as of December 31, 2008, the Capgemini – Sogeti investment fund (formerly the Transiciel investment fund) held 0.05% of the Company's share capital following the contribution of all of its shares to the public exchange offer launched by Cap Gemini on Transiciel's shares in December 2003.

4.7 Authorization to buy back the Company's shares

The shareholders are reminded that the 2008 Ordinary Shareholders' Meeting renewed the authorization granted to the Company to buy back its shares under certain conditions. This authorization was used in 2008 in connection with the ongoing liquidity agreement set up with Crédit Agricole Cheuvreux (CA Cheuvreux) on September 30, 2005 with a view to improving the liquidity of the Cap Gemini share and stabilizing the share price. In 2008, CA Cheuvreux acquired 2,269,680 Cap Gemini shares on behalf of Cap Gemini S.A., at an average price of €34.40 per share. These shares represented 1.56% of Cap Gemini S.A.'s capital at December 31, 2008. During the same period, CA Cheuvreux also sold 2,019,720 Cap Gemini shares at an average price of €35.43 per share equivalent to 1.38% of Cap Gemini S.A.'s capital at December 31, 2008. At December 31, 2008, the liquidity account balance comprised 377,000 treasury shares, representing 0.26% of Cap Gemini's capital at that date, and approximately €2 million of cash available (out of a total liquidity line of €10 million allocated to the agreement).

Cap Gemini also used this authorization to purchase 2,000,000 of its own shares through CA Cheuvreux between January 17 and January 25, 2008, at an average price of €34.48 per share. These share buy-backs, representing 1.4% of the Company's capital at December 31, 2008, are aimed at neutralizing part of the potential dilution relating to financial instruments giving access to the Company's share capital, particularly employee share-based incentive instruments.

The 2,377,000 shares were worth €78,099,989 on the basis of their average acquisition price and €65,367,500 on the basis of the closing price for Cap Gemini shares on December 31, 2008.

As this authorization is only valid for 18 months, we are asking shareholders to replace the 2008 authorization with a similar authorization to allow the Company to:

- provide liquidity for the Cap Gemini share within the scope of a liquidity agreement;
- award shares to employees and corporate officers (on the terms and by the methods provided for by law), in particular in connection with a plan involving the allocation of performance shares, the company savings plan or an international employee stock ownership plan;
- remit the shares thus purchased to holders of securities convertible, redeemable, exchangeable or otherwise exercisable for Cap Gemini S.A. shares upon exercise of the rights attached thereto in accordance with the applicable regulations (including the possibility of exercising the call options purchased on June 27, 2005, for the purpose of neutralizing the potential dilutive impact of the "OCEANE 2003" bonds);
- purchase shares to be retained with a view to remitting them in future in exchange or payment for potential external growth transactions;
- cancel the shares thus purchased subject to adoption of the related resolution by the Extraordinary Shareholders' Meeting.

To this end, the Board of Directors is seeking a maximum 18-month authorization for the Company to buy back shares representing up to 10% of its capital, at a maximum price of €51 per share, these purchases taking place within the scope of:

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

4.8 Compensation of corporate officers

Compensation and benefits in kind awarded executive corporate officers

	Compensation in respect of 2007			Compensation in respect of 2008		
	Paid in 2007	Paid in 2008	Total	Paid in 2008	Paid in 2009	Total
Serge Kampf: Chairman						
Gross fixed compensation	780,000	-	780,000	840,000	-	840,000
Variable compensation	-	620,100	620,100	-	617,000	617,000
Exceptional compensation	n/a	n/a	n/a	n/a	n/a	n/a
Attendance fees	32,000	35,000	67,000	35,000	35,000	70,000
Benefits in kind	n/a	n/a	n/a	n/a	n/a	n/a
Value of options awarded	n/a	n/a	n/a	n/a	n/a	n/a
Value of performance shares awarded	n/a	n/a	n/a	n/a	n/a	n/a
TOTAL	812,000	655,100	1,467,100	875,000	652,000	1,527,000
Paul Hermelin: Chief Executive Officer						
Gross fixed compensation	1,200,000	-	1,200,000	1,320,000	-	1,320,000
Variable compensation	-	966,000	966,000	-	982,800	982,800
Exceptional compensation	n/a	n/a	n/a	n/a	n/a	n/a
Attendance fees	18,000	18,000	36,000	24,000	24,000	48,000
Benefits in kind	3,600	-	3,600	3,600	-	3,600
Value of options awarded	n/a	n/a	n/a	n/a	n/a	n/a
Value of performance shares awarded	n/a	n/a	n/a	n/a	n/a	n/a
TOTAL	1,221,600	984,000	2,205,600	1,347,600	1,006,800	2,354,400

Variable compensation

As is the case for all the Group's managers and in accordance with a formula that has been applied in Cap Gemini for more than 30 years, the variable portion of the two executive corporate officers' compensation consists of two equal halves: V1 calculated based on the Group's consolidated results and V2 calculated based on the percentage of achievement of certain personal objectives set at the beginning of the fiscal year in question:

- the V1 portion is calculated based on a comparison of budgeted and actual consolidated results for 2008. The comparison is based on gross operating margin, revenues and costs of shared services. These are then assigned a points weighting resulting in a total of 100.

As for all Group managers, the V1 portion can be between 0% to 200% of theoretical variable compensation (e.g. the amount paid if the objectives are exactly met): the V1 portion is zero when the above calculation corresponds to a weighted result of less than 70% of the objectives. It is limited to twice the theoretical variable compensation when the performance is equal to or more than 130% of the Group's objectives. Between these two amounts, the V1 portion varies on a linear basis;

- the V2 portion is calculated based on the percentage of attainment of a number of qualitative personal objectives (in 2008: seven for Serge Kampf and six for Paul Hermelin). These are then assigned a points weighting resulting in a total of 100. For each objective, individual performance is graded from 0% to 200%, and the total weighted number of points determines the actual V2 amount

payable with respect to theoretical variable compensation (e.g. the amount paid if objectives are exactly met).

For 2008, the results of these calculations were as follows:

1) Theoretical variable compensation for Serge Kampf was €560,000, divided into V1 and V2 portions each amounting to €280,000.

- for the V1 portion, the calculation of the percentage of attainment of the Group's main consolidated financial objectives resulted in a combined total of 110.4/100, corresponding to a V1 portion for Serge Kampf of €280,000 x 1.104 = €309,000;
- for the V2 portion, the calculation of the degree of attainment of each of the seven personal objectives that had been set for him for the fiscal year resulted in a total of 110/100, corresponding to a V2 portion of €280,000 x 1.10 = €308,000.

Serge Kampf's 2008 variable compensation therefore came to €617,000, or 110.2% of his theoretical variable compensation (€560,000), while his total 2008 compensation was €1,457,000, or 104.1% of his theoretical total compensation (€1,400,000).

2) Theoretical variable compensation for Paul Hermelin was €880,000, divided into V1 and V2 portions each amounting to €440,000.

- for the V1 portion, the calculation of the percentage of attainment of the Group's main consolidated financial objectives resulted in a combined total of 110.4/100 by applying the formula, and represented a V1 portion for Paul Hermelin of €440,000 x 1.104 = €485,600.

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- for the V2 portion, the calculation of the degree of attainment of each of the six personal objectives that had been set for him for the fiscal year resulted in a total of 113/100, corresponding to a V2 portion of €440,000 x 1.13 = €497,200.

Paul Hermelin's 2008 variable compensation therefore came to €982,800, or 111.7% of his theoretical variable compensation (€880,000), while his total compensation was €2,302,800, or 104.7% of his theoretical total compensation (€2,200,000).

It should also be noted that:

- as in previous years, Serge Kampf and Paul Hermelin's performance appraisals for 2008 were discussed at the Selection & Compensation Committee, which submitted its recommendations to the Board of Directors where they were debated, approved and adopted;
- as has always been the case, Serge Kampf and Paul Hermelin did not receive any benefits in kind (medical assistance, housing, private use of company car, cell phone, products or services free of charge, etc.) during 2008, nor did they benefit from any specific provision related to minimum indemnities for termination for any reason whatsoever (removal from office, retirement, etc.). The only exception was the contributions paid by the Company for Paul Hermelin's unemployment insurance for entrepreneurs and business owners (these contributions totaling €3,600 are presented on page 67 and are classified as benefits in kind);
- for the 20th consecutive year, Serge Kampf decided not to ask the Company to reimburse the expenses he incurred in 2008 in

the performance of his duties (business travel, entertainment, etc.), with the exception of the high-speed TGV train travel between Paris and Grenoble, the historical headquarters of Cap Gemini, where he has kept his main office and where a part of the Group's corporate functions are still located;

- Serge Kampf has never requested and has never been awarded any stock options or performance shares;
- Paul Hermelin did not receive any stock options under the June 1, 2008 award (in which 219,000 options were awarded at a price of €40.50 and which concluded the Sixth Stock Option Plan);
- Paul Hermelin did not exercise any of the options received in prior years during 2008;
- since Paul Hermelin joined the Group 16 years ago (in March 1993), he has had an employment contract. This contract was suspended on May 24, 1996 (date on which he was offered and accepted his first term of office as member of the Directoire). As this contract will once again become binding on the day that Paul Hermelin ceases to be a corporate officer, it is not the Company's prerogative to unilaterally break it. However, mindful of the need to comply as closely as possible with the recently issued AFED-MEDEF recommendations on this matter, the Board of Directors has decided to review the situation with Paul Hermelin before the expiration of his current term of office (May 2010);
- the General Shareholders' Meeting of April 17, 2008 authorized the Board of Directors to issue performance shares. However, this authorization was not used in 2008.

Executive corporate officers: position regarding employment contract and deferred compensation	Employment contract	Supplementary pension scheme	Indemnities and benefits payable following appointment, termination or change in function	Indemnities in respect of non-compete clause
Serge Kampf Chairman Term of office renewed on May 11, 2006 and ending at the 2010 Shareholders' Meeting called to approve the 2009 accounts	No	Yes	No	No
Paul Hermelin Chief Executive Officer Term of office renewed on May 11, 2006 and ending at the 2010 Shareholders' Meeting called to approve the 2009 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. A review was carried out of this scheme to ensure that it complied with AFEP-MEDEF's subsequent recommendations.

The beneficiaries of this scheme are persons deemed to have contributed to the Group's development over a long period of at least ten years. To be eligible for this scheme, beneficiaries must have ended their career within the Company. The scheme stipulates certain limits: 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 a number of years capped at 60 times the annual ceiling for social security. 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 the scheme and confirmed that it complied with the recommendations published by AFEP-MEDEF on October 6, 2008 concerning the compensation of executive corporate officers of publicly listed companies. It should be noted that based on corporate officers' number of years' service upon retirement, the projected replacement rate will be between 34% and 40% of their final salary and that the estimated cost of one year of service for all corporate officers of the Company is €0.8 million for 2008.

Attendance fees and other compensation received by corporate officers

<i>in euros</i>	Amount awarded in respect of 2007	Amount awarded in respect of 2008
Daniel BERNARD	45,000	45,000
Yann DELABRIERE	56,000	59,000
Jean-René FOURTOU	50,000	50,000
Paul HERMELIN	42,000	48,000
Michel JALABERT	57,000	54,000
Serge KAMPF	57,000	70,000
Phil LASKAWY*	36,000	45,000
Thierry de MONTBRIAL	42,000	51,000
Ruud van OMMEREN*	68,000	65,000
Terry OZAN*	45,000	45,000
Bruno ROGER	36,000	45,000
TOTAL	534,000	577,000

Other than the attendance fees indicated above the nine non executive corporate officers received no additional compensation.

The Board of Directors decided to pay attendance fees to the three non-voting directors for 2008 (as in previous years), as follows:

Pierre HESSLER	45,000	45,000
Marcel ROULET	45,000	39,000
Geoff UNWIN*	36,000	33,000
TOTAL	126,000	117,000

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

Attendance fees paid to directors and non-voting directors for 2008 amount to €694,000 (or €647,000 after deduction of withholding tax on the amounts paid to non-resident beneficiaries).

The guidelines for allocating attendance fees are contained in Section A, paragraph 4 of the Report of the Chairman of the Board of Directors.

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Stock subscription options, stock purchase options and performance shares

The tables below provide an overview of stock options exercised and/or performance shares that became available to executive corporate officers during the year:

Stock purchase and subscription options exercised during the year by executive corporate officers	Plan date and number	Number of options exercised during the year	Exercise price	Exercise period
Serge KAMPF	n/a	0	n/a	n/a
Paul HERMELIN	n/a	0	n/a	n/a
TOTAL	n/a	0	n/a	n/a

Performance shares available during the year to executive corporate officers	Plan number and date	Number of shares available during the year	Vesting conditions	Year of award
Serge KAMPF	n/a	0	0	0
Paul HERMELIN	n/a	0	0	0
TOTAL	n/a	0	0	0

Historical information concerning stock options awarded to corporate officers*

Date of Shareholders' Meeting	05/23/00	05/23/00	05/23/00	05/12/05	05/12/05	05/12/05	05/12/05	05/12/05
Grant date	04/01/04	10/01/04	04/01/05	10/01/05	10/01/06	04/01/07	10/01/07	06/01/08
Plan number	5 th plan	5 th plan	5 th plan	6 th plan	6 th plan	6 th plan	6 th plan	6 th plan
Total number of shares awarded	566,000	3,634,500	1,623,000	1,915,500	2,067,000	400,000	1,932,500	219,000
<i>o/w awarded to Serge Kampf</i>	0	0	0	0	0	0	0	0
<i>o/w awarded to Paul Hermelin</i>	0	70,000	0	50,000	50,000	0	0	0
<i>o/w awarded to the ten employees receiving the greatest number of shares</i>	302,000	243,500	220,000	109,000	200,000	86,000	114,000	60,000
Start of exercise period	04/01/06	10/01/05	04/01/06	10/01/06	10/01/07	04/01/08	10/01/08	06/01/09
Expiration date	04/01/09	09/30/09	04/01/10	09/30/10	09/30/11	04/01/12	10/01/12	06/01/13
Subscription price (in euros)	31	21	27	30	43	55	44	40.5
Conditions for exercising stock options	10% after 1 year; 30% after 2 years; 60% after 3 years; 100% after 4 years							

* Complete historical information concerning stock options granted and share buy-backs is provided on pages 96 and 97 of the Registration Document.

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:

Share subscription or purchase options awarded to the ten employees (non-corporate officers) having received/exercised the greatest number of options	Total number of options awarded	Weighted average exercise price	Plan number
Options awarded during the year by Capgemini S.A. to the ten employees of all eligible companies having received the greatest number of options	60,000	40.50	6 th plan
Options exercised (held previously by Capgemini S.A.) by the ten employees having exercised the greatest number of options	121,845	23.97	5 th and 6 th plans

4.9 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 178 to 182 of the Registration Document.

4.10 Renewal of the terms of office of two directors

The Board of Directors is asking shareholders to renew for a four-year period the terms of office of two of the eleven directors currently in office, namely Daniel Bernard and Thierry de Montbrial, which expire at the close of this General Shareholders' Meeting.

4.11 Appointment of two new directors

The Board of Directors is asking shareholders to appoint the following directors for a four-year period:

- Bernard Liautaud (co-founder of Business Objects in 1990 and member of the Supervisory Board of SAP),
- Pierre Pringuet (appointed Chief Executive Officer of Pernod Ricard Group on November 5, 2008 after over 20 years of service).

4.12 Amendment of the bylaws

In order to distinguish the age limit applicable to the Chairman of the Board of Directors depending on whether he also holds the positions of Chief Executive Officer or whether the positions of Chairman of the Board of Directors and Chief Executive Officer are dissociated, the Board of Directors proposes that shareholders:

- reduce the age limit of the Chairman of the Board of Directors from 75 to 70 if he also holds the position of Chief Executive Officer (P.D.G.),
- increase this age limit from 75 to 79 if the positions of Chairman of the Board of Directors and Chief Executive Officer are dissociated (non-executive Chairman),

- reduce the age limit of the Chief Executive Officer from 75 to 70, whether or not he is a director of the Company, and amend articles 14 and 15 of the bylaws accordingly.

4.13 Transactions carried out in 2008 by members of the Board of Directors and other senior managers involving Cap Gemini shares

Transactions carried out in 2008 by directors and senior managers involving the Company's shares, based on AMF disclosures and on article 223-26 of the AMF's General Regulations, may be summarized as follows:

- on February 29, 2008, Yann Delabrière, director, **purchased** 650 shares at a price of €36.69 each;
- on October 8, 2008, Nicolas Dufourcq, Deputy Chief Executive Officer and Chief Financial Officer, **purchased** 1,590 shares at a price of €25.19 each;
- on October 13, 2008, Paul Hermelin, Chief Executive Officer, **purchased** 2,000 shares at a price of €24.94 each;
- on October 24, 2008, Serge Kampf, Chairman of the Board of Directors, **purchased** 50,000 shares at a price of €22.30 each.

V. ENVIRONMENTAL AND SOCIAL IMPACT OF THE GROUP'S OPERATIONS

A specific section of the Registration Document (see pages 20 to 44), entitled "Corporate responsibility and sustainability", explains the Group's policy with regard to human resources (changes in headcount, career development, role of the Capgemini University), the environment, and its relations with external business partners, namely customers, suppliers and the general public at large.

VI. FINANCING POLICY AND MARKET RISKS

6.1. Financing policy

Cap Gemini'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 has strived to maintain a limited level of net debt (and even a positive net cash position) including the manner in which it finances its external growth. By paying for the bulk of its acquisitions in shares, the Group has pursued the dual aim of maintaining a solid financial structure and allowing the employees transferred to the Group as a result of these acquisitions to share in their success.
- a high degree of financial flexibility: Capgemini aims to ensure a good level of liquidity as well as durable financial resources, which means maintaining:
 - a high level of available funds (€1,805 million at December 31, 2008), which could be expanded further by a €500 million undrawn multi currency syndicated line of credit (expiring on November 14, 2011) backed by a €550 commercial paper program;
 - durable financial resources: at December 31, 2008, only 17% of the Group's financial liabilities (excluding accounts payable) fall due within twelve months.

Diversified financing sources adapted to the Group's financial profile: Capgemini seeks to maintain a balance between bank financing (including the above-mentioned syndicated credit line, use of leasing to finance property and IT equipment in particular) and market financing (issue of OCEANE bonds convertible and/or exchangeable for new or existing shares for €460 million in June 2003 and €437 million in June 2005 (see Note 16.II to the consolidated financial statements)). Lastly, the appropriate balance between the cash cost of financing and the return on cash investments, including the corresponding tax treatment, as well as the potential dilutive impact for Cap Gemini shareholders, are determining factors for the Group in its choice of financing sources.

6.2. Market risks

Currency risk, interest rate risk, equity risk, liquidity risk and credit risk are analyzed in Note 22 and Note 16 to the consolidated financial statements for the year ended December 31, 2008 of this Registration Document.

VII. FINANCIAL AUTHORIZATIONS

7.1 Authorization to cancel shares acquired 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 4.7 of this report), for up to 10% of its capital by 24-month period.

7.2 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 April 17, 2008, the Board was granted a 26-month authorization to:

- increase the share capital by capitalizing reserves;
- issue new shares and/or securities convertible, redeemable, exchangeable or otherwise exercisable for new shares of the Company or granting a right to allocation of debt instruments, with or without pre-emptive subscription rights;
- 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 at the same price as for the initial issue ("Greenshoe" options);
- issue shares and/or securities convertible, redeemable, exchangeable or otherwise exercisable for new shares of the Company, 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 convertible, redeemable, exchangeable or otherwise exercisable for new shares of the Company.

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 nominal amount of €1.5 billion for capital increases paid up by capitalizing reserves;
- a maximum nominal amount of €465 million for capital increases with pre-emptive subscription rights, enabling the share capital to be increased to a maximum nominal amount of approximately €1.6 billion, and a maximum of €3.5 billion in total issuance amounts;
- a maximum nominal amount of €200 million for capital increases without pre-emptive subscription rights, enabling the share capital to be increased to a maximum nominal amount of approximately €1.35 billion, and a maximum of €1.5 billion in total issuance amounts;
- a maximum aggregate nominal amount of €465 million and an aggregate issuance amount of
- 3.5 billion for securities convertible, redeemable, exchangeable or otherwise exercisable for new shares of the Company, or granting a right to allocation of debt instruments.

In 2008, the Board of Directors did not use any of these delegations of authority. As they expire on June 17, 2010, the Board of Directors has decided not to request shareholder approval to renew the delegations.

A table summarizing the delegations of authority and powers granted by the General Shareholders' Meeting to the Board of Directors with regard to share issues is provided on pages 171 to 173 of the Registration Document.

VIII. COMMENTS REGARDING EMPLOYEE SHARE OWNERSHIP

8.1 Allocation of performance shares

The Extraordinary Shareholders' Meeting of April 17, 2008 authorized the Board of Directors to allocate "performance" shares to employees of the Company and its French and non-French subsidiaries. The number of existing or new shares to be issued pursuant to this authorization may not exceed 1% of the share capital as of the date of the Board of Directors' decision to issue the shares. Up to 5% of this total number of performance shares (i.e., 0.05% of the share capital) may also be allocated to corporate officers of the Company, it being specified that in this case, the shares may not be sold by their beneficiary until the end of their term of office. These performance shares will only vest at the end of:

- a period of two years, in which case the beneficiary will be required to hold the shares for an additional period of at least two years from the date on which they vest, or,
- a period of 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. The exact number of shares vesting at the end of the two- or four-year period following the date of notification of the allocation, will be equal to the number of shares indicated on the allocation notice, multiplied by the percentage of achievement of the chosen performance measurement criteria, it being specified that: unless the Board of Directors subsequently makes a duly reasoned decision to the contrary, the performance of the Cap Gemini share compared to the average performance of a basket of ten securities of listed companies operating in the same sector as the Group in at least five countries in which the Group is firmly established (France, the United States, India, etc.) will ultimately condition the vesting of the shares. By derogation, shares not subject to performance conditions may be allocated to certain employees, excluding members of the Group Management Board, subject to a maximum of 15% of the total number of shares allocated and to 1,000 shares per beneficiary.

The Board of Directors has used this authorization to grant 1,148,250 shares, i.e., 0.79% of the capital on the date of the Board of Directors' meeting. This percentage is below the maximum percentage of 1% set pursuant to the authorization. There will be no further allocations of shares pursuant to the authorization.

Out of this total:

- 1,083,500 performance shares were allocated to 440 Group employees; and
- 64,750 shares (i.e., 5.67% of the total amount of shares allocated) not subject to performance conditions were allocated to 69 Group employees. This percentage is below the 15% maximum threshold set pursuant to the authorization. No members of the Group Management Board are entitled to such shares not subject to performance conditions and the maximum number of shares not subject to performance conditions allocated to each beneficiary is less than or equal to 1,000.

Out of the total of 1,083,500 performance shares, 50,000 shares were allocated to Paul Hermelin, Chief Executive Officer of the Company, i.e., below the threshold of 5% of the total amount of the shares allocated set by the Shareholders' Meeting. The performance shares may not be sold by Paul Hermelin until the expiration of his term as corporate officer.

As part of the Group's policy of motivating Group employees and aligning their interests with those of the shareholders, the Board of Directors is requesting shareholders to grant a new authorization to allow the Company to allocate, within the next 18 months, performance shares for the same amounts and subject to the same conditions:

- the number of existing or new shares to be issued pursuant to this authorization may not exceed 1% of the share capital as of the date of the Board of Directors' decision;
- up to 5% of this total number of performance shares may also be allocated to corporate officers of the Company, it being specified that in this case, the shares may not be sold by their beneficiary until the end of their term of office within the Group;
- these performance shares will only vest at the end of: a) a period of two years, in which case the beneficiary will be required to hold the shares for an additional period of at least two years from the date on which they vest, or, b) a period of 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;
- the exact number of shares vesting at the end of the two- or four-year period following the date of notification of the allocation, will be equal to the number of shares indicated on the allocation notice, multiplied by the percentage of achievement of the chosen performance measurement criteria, it being specified that: unless

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the Board of Directors subsequently makes a duly reasoned decision to the contrary, the performance of the Cap Gemini share, measured over a period of at least one year, compared to the average performance of a basket of at least five securities of listed companies, measured over the same period, and operating in the same sector as the Group in at least five countries in which the Group is firmly established (France, the United States, India, etc.) will ultimately condition the vesting of the shares;

- this performance will be measured by comparing the market capitalization of Cap Gemini with the average market capitalization (expressed in euros and based on constant exchange rates) of the companies composing the basket;
 - no shares will vest if, during the reference performance period, the performance of the Cap Gemini share is less than 90% of said average performance;
 - the number of shares to vest shall ultimately be equal to:
 - 60% of the number of shares initially allocated if the performance of the Cap Gemini share is at least equal to 90% of said average performance;
 - 100% of the number of shares initially allocated if the performance of the Cap Gemini share is higher than or equal to 110% of said average performance;
 - and where the performance of Cap Gemini is in between 90% and 110% of said average performance, the percentage of shares to vest will be increased by 2% for each tenth of a percentage point within said range.
- This system should protect the interests of shareholders (minimum performance threshold to be attained, progressive allocation) and provide incentive for beneficiaries (performance measured based on average stock market performance and not on the basis of changes in the intrinsic stock price, which is highly dependent on external factors).
- by derogation, shares not subject to performance conditions may be allocated to certain employees, excluding members of the Group Management Board, subject to a maximum of 15% of the total number of shares allocated and to 1,000 shares per beneficiary.

This authorization would be given for a period of 18 months.

8.2 International employee stock ownership plan

On April 17, 2008, the Extraordinary Shareholders' Meeting granted an authorization to the Company's Board of Directors to carry out a cash capital increase via a share issue reserved for members of a Capgemini Group company savings plan. The authorization concerned a maximum of 6,000,000 million shares and was addressed in two resolutions. The first resolution granted a 26-month authorization, while the second was given for a period of 18 months with the aim of allowing employees of non-French Group companies having their registered office in a

country where it would be difficult to implement the plan due to legal or tax constraints, to participate in an employee savings plan under similar financial conditions to those available to other Group employees. To date, the Group has not made use of the authorizations granted under these two resolutions.

As part of the Group's policy of motivating employees and aligning their interests with those of Company shareholders, the Board of Directors continued to study the legal and tax feasibility of an employee stock ownership plan accessible to the majority of the Group's employees and compatible with legislation in all countries where the Group is established.

In view of the time constraints associated with the authorizations granted by the Extraordinary Shareholders' Meeting of April 17, 2008, and the time required to set up such plans in certain countries, the Board of Directors recommends that you replace its existing authorizations with several new similar authorizations but with adjusted dates in accordance with legal provisions relating to employee savings plans. As in previous years, shareholders are asked to approve two separate resolutions regarding these delegations of authority, which have been amended to reflect any recent changes in legal and tax legislation.

The general terms and conditions of the plan available to employees will be the same as those already approved at the previous Shareholders' Meeting. In view of the complexity and cost of implementing such a plan, it would be available to all employees in countries having a sufficient workforce. To give a rough idea, the plan could be implemented in some 20 countries, representing nearly 95% of the Group's employees.

The plan could either take the form of (i) a traditional employee share plan, enabling employees to subscribe for shares at a discounted price, (ii) a leveraged plan embedding a bank financing arrangement aimed at making it more accessible to all employees or (iii) a combination of both types of plan, in which case Group employees could opt for one type of plan or a mixture of the two. The amount invested by employees in the plan would be capped at 25% of their gross annual salary or any lower amount set by the Board of Directors.

Under the first delegation of authority, the Board of Directors would be authorized to issue not only shares, but also other securities convertible, redeemable, exchangeable or otherwise exercisable for new shares and, where appropriate, to allocate shares without consideration or other securities convertible, redeemable, exchangeable or otherwise exercisable for new shares in total or partial substitution for the discount. The purpose of such arrangements would be to make it possible to adapt the terms and conditions of the plan in certain countries where it would be

difficult or costly to implement due to legal or tax constraints. The objective is to enable employees in all countries to participate in the plan under similar financial conditions, insofar as possible.

The specific authorization would enable the Board to increase the share capital over a period of 26 months as of the date of this Meeting, by issuing new shares or other securities convertible, redeemable, exchangeable or otherwise exercisable for new shares. The maximum number of new shares that may be issued pursuant to this authorization is 6,000,000, representing around 4.12% of share capital at December 31, 2008. Subscriptions would be reserved for employees of the Company and its non-French subsidiaries, provided that they participate in a Capgemini Group company savings plan. The issue price of the new shares would not be lower than 80% of the average price quoted for the Company's shares over the 20 trading days preceding the decision setting the start date of the subscription period. Full powers would be granted to the Board of Directors to define the other terms and conditions of subscription.

The Board of Directors is asking for a second authorization to supplement this specific delegation of authority. The purpose of this second authorization is to enable the employees of certain non-French Group companies having their registered office in countries where it would be difficult to implement the type of employee stock ownership plan described above due to local legal and tax constraints, to participate in an employee savings plan under similar financial conditions to those available to other Group employees.

Accordingly, and in order to take into account local legal and tax constraints, shareholders are asked to approve this second authorization, which concerns the issue of up to 2,000,000 new shares. The shares will be reserved for (i) employees and corporate officers of the Group's non-French subsidiaries and/or (ii) mutual funds or other employee stock ownership structures investing in Company shares with the beneficiaries defined in (i), and/or (iii) any banking institution or subsidiary of such an institution acting on behalf of the Company to set up a structured offer under similar financial conditions for the same category of beneficiaries.

The issue price of the new shares would not be lower than 80% of the average price quoted for the Company's shares over the 20 trading days preceding the decision setting the start date of the subscription period. The Board of Directors would be given full powers to define the other terms and conditions of subscription, and to reduce or eliminate the discount granted to certain non-French countries where appropriate.

The total number of shares which may be issued pursuant to the first and second authorizations would be capped at six million (6,000,000) shares, representing the maximum number of shares under the resolution relating to the first authorization.

CAPGEMINI CONSOLIDATED FINANCIAL STATEMENTS

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STATUTORY AUDITORS' REPORT

YEAR ENDED DECEMBER 31, 2008

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, 2008, 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.

I. 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 our audit provides a reasonable basis for our 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, 2008, and of the results of its operations for the year then ended in accordance with IFRS as adopted by the European Union.

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 matters:

- Note 1-F 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 above-mentioned accounting rules and principles 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.
- Net intangible assets carried in the consolidated balance sheet include €2,726 million in unamortized goodwill. 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-I and 10 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 €863 million are recorded in the consolidated balance sheet. Note 12 to the consolidated financial statements describes 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.

III. Specific verification

In accordance with the law, we have also verified the specific information 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, February 11, 2009

PricewaterhouseCoopers Audit

Serge Villepelet Edouard Sattler

Paris La Défense, February 11, 2009

KPMG Audit

Division of KPMG S.A.

Jean-Luc Decornoy Jacques Pierre
Partner Partner

CAPGEMINI CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2006, 2007 AND 2008

	Notes	2006		2007		2008	
<i>in millions of euros</i>		Amount	%	Amount	%	Amount	%
Revenues	3	7,700	100	8,703	100	8,710	100
Cost of services rendered	4	5,920	76.9	6,518	74.9	6,478	74.4
Selling expenses	4	508	6.6	607	7.0	632	7.3
General and administrative expenses	4	825	10.7	938	10.7	856	9.8
Operating margin		447	5.8	640	7.4	744	8.5
Other operating income and expense	5	(113)	(1.5)	(147)	(1.7)	(158)	1.8
Operating profit		334	4.3	493	5.7	586	6.7
Finance costs, net	6	(10)	(0.1)	(4)	-	2	-
Other financial income and expense	7	(18)	(0.2)	(3)	-	(21)	(0.2)
Finance expense, net		(28)	(0.3)	(7)	(0.1)	(19)	(0.2)
Income tax expense	8	(13)	(0.2)	(48)	(0.6)	(116)	(1.3)
Share in profit of equity-accounted companies		-	-	2	-	-	-
Profit for the year		293	3.8	440	5.1	451	5.2
Attributable to:							
Equity holders of the parent		293	3.8	440	5.1	451	5.2
Minority interests		-	-	-	-	-	-

	Note	2006	2007	2008
Weighted average number of ordinary shares		132,782,723	144,744,128	143,424,188
Basic earnings per share (in euros)	9	2.21	3.04	3.14
Weighted average number of ordinary shares (diluted)		147,241,326	159,292,070	156,466,779
Diluted earnings per share (in euros)	9	2.07	2.84	2.97

CONSOLIDATED BALANCE SHEETS

AT DECEMBER 31, 2006, 2007 AND 2008

<i>in millions of euros</i>	<i>Notes</i>	December 31, 2006	December 31, 2007	December 31, 2008
ASSETS				
Goodwill	10	1,849	2,577	2,726
Intangible assets	10	122	171	140
Property, plant and equipment	11	375	442	422
Total fixed assets		2,346	3,190	3,288
Deferred taxes	12	888	907	863
Other non-current assets	13	295	96	91
TOTAL NON-CURRENT ASSETS		3,529	4,193	4,242
Accounts and notes receivable	14	2,063	2,318	2,396
Other receivables and income taxes	15	214	374	223
Short-term investments	16	2,460	1,594	1,290
Cash at bank	16	442	648	578
TOTAL CURRENT ASSETS		5,179	4,934	4,487
TOTAL ASSETS		8,708	9,127	8,729

<i>in millions of euros</i>	<i>Notes</i>	December 31, 2006	December 31, 2007	December 31, 2008
EQUITY AND LIABILITIES				
Share capital		1,153	1,164	1,167
Additional paid-in capital		2,659	2,682	2,689
Retained earnings and other reserves		(408)	(435)	(368)
Profit for the year		293	440	451
Capital and reserves attributable to equity holders of the parent		3,697	3,851	3,939
Minority interests		-	-	-
TOTAL EQUITY		3,697	3,851	3,939
Long-term financial debt	16	1,160	1,059	987
Deferred taxes	12	118	138	138
Provisions for pensions and other post-employment benefits	17	591	621	503
Non-current provisions	18	74	57	45
Other non-current liabilities	19	122	146	112
TOTAL NON-CURRENT LIABILITIES		2,065	2,021	1,785
Short-term financial debt and bank overdrafts	16	107	277	47
Accounts and notes payable	20	2,019	2,120	2,096
Advances from customers and billed in advance	14	683	743	639
Current provisions	18	24	28	20
Other payables and income taxes	21	113	87	203
TOTAL CURRENT LIABILITIES		2,946	3,255	3,005
TOTAL EQUITY AND LIABILITIES		8,708	9,127	8,729

CAPGEMINI CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2006, 2007 AND 2008

<i>in millions of euros</i>	<i>Notes</i>	2006	2007	2008
Profit for the year		293	440	451
Impairment of goodwill	10	-	-	24
Depreciation, amortization and write-downs of fixed assets	10-11	167	192	213
Net additions to provisions and other net non-cash items (excluding current assets)		97	(27)	(62)
Gains and losses on disposals of assets		6	5	3
Expense relating to stock options and share grants	5	17	22	22
Finance costs, net	6	10	4	(2)
Income tax expense	8	13	48	116
Unrealized gains and losses on changes in fair value and other		8	1	(17)
Cash flows from operations before finance costs, net and income tax (A)		611	685	748
Income tax paid (B)		(31)	(79)	(94)
Change in accounts and notes receivable, advances from customers and billed in advance		(181)	(159)	(153)
Change in accounts and notes payable		59	70	12
Change in other receivables/payables		120	(20)	35
Change in operating working capital (C)		(2)	(109)	(106)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES (D=A+B+C)		578	497	548
Acquisitions of property, plant and equipment and intangible assets	10-11	(101)	(149)	(134)
Proceeds from disposals of property, plant and equipment and intangible assets		27	5	20
		(74)	(144)	(114)
Acquisitions of consolidated companies		(33)	(900)	(274)
Cash and cash equivalents of companies acquired		6	72	7
Net proceeds/payments on disposals/acquisitions of non-consolidated companies		(136)	1	-
Net proceeds/payments relating to other investing activities		19	(10)	(16)
Dividends received from equity-accounted companies		-	-	1
		(144)	(837)	(282)
NET CASH FROM/(USED IN) INVESTING ACTIVITIES (E)		(218)	(981)	(396)
Increase in share capital		517	34	10
Dividends paid		(66)	(101)	(143)
Net proceeds/payments relating to treasury stock transactions		2	1	(75)
Increase in financial debt	16	45	37	37
Repayments of financial debt	16	(108)	(132)	(130)
Finance costs, net	6	(10)	(4)	2
NET CASH FROM/(USED IN) FINANCING ACTIVITIES (F)		380	(165)	(299)
CHANGE IN CASH AND CASH EQUIVALENTS (G=D+E+F)		740	(649)	(147)
Effect of exchange rate movements on cash and cash equivalents (H) (1)		(15)	(75)	(185)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (I) (1)	16	2,136	2,861	2,137
CASH AND CASH EQUIVALENTS AT END OF YEAR (G+H+I) (1)	16	2,861	2,137	1,805

(1) To provide a more meaningful presentation of financial information, derivative instruments relating to cash and cash equivalents have been reclassified with the underlying (see Note 16 – Net cash and cash equivalents).

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2006, 2007 AND 2008

<i>in millions of euros</i>	Number of shares	Share capital	Additional paid-in capital	Treasury stock (1)	Consolidated retained earnings and other reserves	Translation reserves	Total equity (2)
AT JANUARY 1, 2006	131,581,978	1,053	2,229	(18)	(530)	16	2,750
Increase in share capital upon exercise of options (3)	790,393	7	12	-	-	-	19
Dividends paid out for 2005	-	-	-	-	(66)	-	(66)
Issue of 312,127 shares in connection with the Transiciel earn-out mechanism	312,127	2	9	-	-	-	11
Reversal of provisions for the Transiciel earn-out mechanism	-	-	-	-	(11)	-	(11)
Issue of 11,397,310 new shares in connection with the increase in share capital of December 6, 2006	11,397,310	91	407	-	-	-	498
Disposal of 84,779 treasury shares returned to the Company	-	-	2	-	1	-	3
Adjustment to the number and value of treasury shares held under the share buyback program (4)	-	-	-	(1)	2	-	1
Remeasurement and elimination of shares attributed or attributable to employees of the Capgemini Group (3)	-	-	-	6	(3)	-	3
Valuation of stock options (3)	-	-	-	-	15	-	15
Income and expense recognized directly in equity	-	-	-	-	198	(17)	181
Profit for the year	-	-	-	-	293	-	293
AT DECEMBER 31, 2006	144,081,808	1,153	2,659	(13)	(101)	(1)	3,697
Increase in share capital upon exercise of options (3)	1,343,701	11	23	-	-	-	34
"OCEANE 2005" bonds converted into shares	1	-	-	-	-	-	-
Valuation of stock options (3)	-	-	-	-	19	-	19
Dividends paid out for 2006	-	-	-	-	(101)	-	(101)
Adjustment to the number and value of treasury shares held under the share buyback program (4)	-	-	-	(1)	-	-	(1)
Remeasurement and elimination of shares attributed or attributable to employees of the Capgemini Group (3)	-	-	-	4	(1)	-	3
Income and expense recognized directly in equity	-	-	-	-	(69)	(171)	(240)
Profit for the year	-	-	-	-	440	-	440
AT DECEMBER 31, 2007	145,425,510	1,164	2,682	(10)	187	(172)	3,851
Increase in share capital upon exercise of options (3)	419,428	3	7	-	-	-	10
Valuation of stock options (3)	-	-	-	-	20	-	20
Dividends paid out for 2007	-	-	-	-	(143)	-	(143)
Adjustment to the number and value of treasury shares held under the share buyback program (4)	-	-	-	(73)	(2)	-	(75)
Remeasurement and elimination of shares attributed or attributable to employees of the Capgemini Group (3)	-	-	-	(1)	3	-	2
Income and expense recognized directly in equity	-	-	-	-	(72)	(105)	(177)
Profit for the year	-	-	-	-	451	-	451
AT DECEMBER 31, 2008	145,844,938	1,167	2,689	(84)	444	(277)	3,939

(1) See Note 1.K) – Treasury stock.

(2) There were no minority interests at December 31, 2006, 2007 or 2008 (see Note 2 – Changes in Group structure and Note 29 – List of the main consolidated companies by country).

(3) The method for recognizing and measuring stock options is described in Note 9.A) – Stock option plans.

(4) See Note 9.B) – Share buyback program.

CONSOLIDATED STATEMENTS OF RECOGNIZED INCOME AND EXPENSE

FOR THE YEARS ENDED DECEMBER 31, 2006, 2007 AND 2008

<i>in millions of euros</i>	2006	2007	2008
Profit for the year	293	440	451
Actuarial gains and losses related to provisions for pensions and other post-employment benefits (1)	150	(84)	(56)
Deferred taxes recognized in equity (2)	43	15	17
Translation adjustments	(17)	(171)	(105)
Other (3)	5	-	(33)
Income and expense recognized directly in equity	181	(240)	(177)
Total recognized income and expense	474	200	274

(1) See Note 17 – Provisions for pensions and other post-employment benefits. Actuarial gains and losses related to provisions for pensions and other post-employment benefits in the table above are based on the average exchange rate for each corresponding accounting period.

(2) Deferred taxes mainly relate to actuarial gains and losses arising on provisions for pensions (1) and to currency hedging contracts (3) recognized in equity. Deferred tax assets for 2006 include the deferred tax asset recognized in the United Kingdom in an amount of €52 million. This concerns items recognized directly in equity between 2004 and 2006 in respect of provisions for pensions and other post-employment benefits.

(3) “Other” relates mainly to currency hedging contracts designated as hedges for accounting purposes (see Note 22 – Financial risk management).

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – ACCOUNTING POLICIES

Pursuant to European Commission Regulation No.1606/2002 of July 19, 2002, the 2008 consolidated financial statements have been prepared in accordance with the international accounting standards issued by the International Accounting Standards Board (IASB). These international accounting standards comprise the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and the related interpretations endorsed by the European Union at December 31, 2008 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 IFRSs.

The Group has not opted for early application of certain standards and interpretations issued by the IASB or the International Financial Reporting Interpretations Committee (IFRIC) and endorsed by the European Union at December 31, 2008. This essentially concerns IFRS 8 – “Operating segments”. Early adoption of this standard in 2008 would not have substantially altered the presentation of segment information.

The Group has not opted for early application of certain standards and interpretations issued by the IASB or IFRIC but not yet endorsed by the European Union at December 31, 2008. This concerns mainly the revised IAS 1 – “Presentation of Financial Statements”. Early adoption of this revised standard in 2008 would not have had a material impact on the presentation of the consolidated financial statements for 2008, due mainly to the Group’s adoption of the amended version of IAS 19 in 2006 resulting in the inclusion of a consolidated statement of recognized income and expense.

The 2008 consolidated financial statements and accompanying notes were approved by the Board of Directors of Cap Gemini S.A. (hereafter, the Company) on February 11, 2009.

The principal accounting policies applied in the preparation of the consolidated financial statements are described below:

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, 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 associated companies 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 replacing the cost of the shares with an amount corresponding to the Group’s share in net assets under “Other non-current assets” and recording in the income statement the Group’s share in net income.

Details of the scope of consolidation are provided in Note 29 – List of the main consolidated companies by country.

All consolidated companies prepared their accounts at December 31, 2008 in accordance with the accounting policies and methods applied by the Group.

Intragroup transactions are eliminated on consolidation, as well as intercompany profits.

The Group does not control any special purpose entities that have not been consolidated.

B) 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 balance sheet date or on certain items of income and expense 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.

C) Foreign currency translation

The consolidated financial statements presented in this report have been prepared in euros.

Balance sheets 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 the translation at different rates are recognized directly in equity under “Translation reserves” and have no impact on profit.

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 within operating income or expense or financial income or expense, depending on the type of transaction concerned.

CAPGEMINI CONSOLIDATED FINANCIAL STATEMENTS

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		
	2006	2007	2008	2006	2007	2008
US dollar	0.79710	0.73072	0.68361	0.75930	0.68064	0.70077
Pound sterling	1.46681	1.46177	1.25885	1.48920	1.36091	1.02192
Canadian dollar	0.70258	0.68154	0.64214	0.65441	0.69498	0.57445
Swedish krona	0.10808	0.10809	0.10418	0.11061	0.10584	0.09108
Australian dollar	0.60016	0.61179	0.57736	0.59913	0.59769	0.48555
Norwegian krona	0.12434	0.12476	0.12196	0.12139	0.12541	0.10055
Indian rupee	0.01760	0.01767	0.01573	0.01716	0.01733	0.01446
Polish zloty	0.25682	0.26447	0.28543	0.26103	0.27766	0.24155

D) Statement of income

Income and expenses are presented in the consolidated statement of income by function to reflect the specific nature of the Group's business more accurately. Under the line item presenting revenues, 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 together 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 expense from operating margin. Other operating income and expense includes 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 main features of which have been announced to those affected by it, the cost of integrating companies recently acquired by the Group, and the effects of curtailments and settlements relating to defined benefit pension plans.

Profit for the year is subsequently obtained by taking into account the following items:

- finance costs, net, which includes interest on borrowings calculated based on the effective interest rate, less income from cash and cash equivalents;
- other financial income and expense, which primarily corresponds 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 method;

- current and deferred income tax expense;
- share in profit of equity-accounted companies.

E) Earnings per share

Earnings per share are measured as follows:

- basic earnings per share are calculated by dividing profit or loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period, excluding treasury stock. 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 ordinary equity holders of the parent 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 options and (ii) bonds convertible/exchangeable into new or existing Cap Gemini shares.

F) 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 costs relating to time and materials contracts are recognized as services are rendered.

B. Long-term fixed-price contracts

Revenues from long-term fixed-price contracts, including systems development and integration contracts, are recognized under the “percentage-of-completion” method.

Costs related to long-term fixed price contracts are recognized as they are incurred.

C. Outsourcing contracts

Revenues from outsourcing agreements are recognized over the life 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 life 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 of the costs incurred.

When the projected cost of the contract exceeds contract revenues, an expense is recognized for the amount of the difference.

Revenues receivable from these contracts are recognized in assets under “Accounts and notes receivable” when invoiced to customers or “Accrued income” when they are not yet invoiced. Advances from customers and billed in advance are included in current liabilities.

G) Goodwill and intangible assets

A. Goodwill

Business combinations are accounted for using the purchase method. Under this method, the identifiable assets, liabilities and contingent liabilities of the acquiree are recognized at their fair values at the acquisition date and may be adjusted after completion of the provisional accounting at the latest within 12 months of the combination.

Goodwill represents the excess of the cost of a business combination over the Group’s interest in the net fair value of the assets, liabilities and contingent liabilities of the acquiree. 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 statement of income.

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 directly relate to its production, i.e., the salary costs of the staff who developed the software concerned.

H) Property, plant and equipment

The carrying amount of property, plant and equipment corresponds to the historical cost of these items, less accumulated depreciation and 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 assets concerned. Ongoing maintenance costs are expensed as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets concerned. 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 balance sheet date.

The sale of property, plant and equipment gives rise to disposal gains and losses corresponding to the difference between the selling price and carrying amount of the asset concerned.

I) Impairment of goodwill, intangible assets, and property, plant and equipment

Intangible assets and property, plant and equipment are tested for impairment when there is an indication at the balance sheet date 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 – CGUs). The CGUs identified by the Group represent geographic areas as well as Sogeti’s Local Professional Services business.

The assessment is notably performed using the discounted cash flows method and the recoverable amount of each CGU is calculated based on various parameters used in the budget procedure and

three-year strategic plan generally 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 CGUs. These rates are determined based on analyses of the business segments in which the Group operates. When the recoverable amount of a CGU 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 income and expense".

J) Leases

Contracts and agreements entered into by the Group are analyzed to determine if they are, or contain, 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 financial debt. 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.

K) Treasury stock

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 stock are taken directly to equity, net of the tax effect, so that the gain or loss on the sale has no impact on profit for the period.

L) Deferred taxes

Deferred taxes are recorded to take into account temporary differences between the carrying amounts of certain assets and liabilities and their tax basis.

Deferred tax is recognized in profit or loss for the period when the related transaction or other event is recognized in profit or loss, except to the extent that the tax arises from a transaction or event which is charged or credited directly to equity, in which case the related deferred tax is also recognized directly in equity (see the consolidated statement of recognized income and expense).

Deferred taxes are accounted for using the balance sheet liability method and are measured at the tax rates that are expected to be applied to the period when the asset is realized or the liability is

settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Adjustments to deferred taxes for changes in tax rates (or tax laws) previously recognized in the statement of income or in equity are recognized in the statement of income or in equity, respectively, for 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 deferred tax asset can be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date. This amount is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of all or part of that 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 set off current tax assets against current tax liabilities, and when the deferred taxes relate to income taxes levied simultaneously by the same taxation authority.

M) Financial instruments

Financial instruments consist of:

- financial assets, which include certain other non-current assets, accounts receivable, certain other receivables, cash at bank and short-term investments;
- financial liabilities, which include long- and short-term financial debt and bank overdrafts, certain accounts payable, and certain other payables and non-current liabilities.

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 life 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. This rate is also designated as the notional interest rate, and the corresponding financial expense, the notional financial expense;
- 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 balance sheet at their 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 balance sheet. Financial assets measured at amortized cost are subject to tests to assess their recoverable amount as soon as there are indicators of a loss in value, and at least at each balance sheet date. Any loss in value is recognized in the statement of income.

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.

a. Recognition and measurement of financial assets

Financial assets classified under "Other non-current assets" include:

- (i) shares in non-consolidated companies. The Group holds shares in certain companies over whose management it does not exercise significant influence or control. These shares mainly represent long-term investments supporting strategic alliances with the companies concerned;
- (ii) *aides à la construction* (building aid program) loans in France, security deposits and guarantees, and other long-term loans;
- (iii) at December 31, 2006 and 2007, receivables due from the French Treasury resulting from an election to carry back tax losses (see below section b. – Recognition and measurement of financial liabilities);
- (iv) receivables which are expected to be settled beyond the normal operating cycle of the business to which they relate;
- (v) non-current derivative instruments.

These other non-current assets are carried at amortized cost, with the exception of:

- Shares in non-consolidated companies, which are recognized at fair value if they are classified as available for sale. For listed shares, fair value corresponds to the share price. If the fair value cannot be determined reliably, the shares are recognized at cost. Shares in non-consolidated companies are recorded as follows:
 - any change in the fair value of shares in non-consolidated companies after initial recognition is recorded through equity until disposal or impairment;
 - in the event of an objective indication of a decrease in fair value (in particular, a significant or prolonged decline in the asset's value), an impairment loss is recognized in profit or loss;

- when the impact of a change in fair value has previously been recognized in equity and there is objective evidence that the shares are impaired, or in the event of their disposal, the impairment loss or impact of derecognition of the shares is dealt with through financial income and expense, and offset where appropriate by writing back the amount recorded in equity.
- Non-current derivative instruments, which are recognized at fair value (see below section c. – Derivative instruments).

Accounts and notes receivable

Accounts and notes receivable correspond to the fair value of the expected consideration to be received. Where payment is deferred beyond the usual periods applied by the Group, and this has a material impact on the fair value measurement, the future payments concerned are discounted.

Short-term investments and cash at bank

These items are carried in assets at their fair value at the balance sheet date. The effects of changes in fair value are recognized in finance expense, net.

b. Recognition and measurement of financial liabilities

Financial debt

Financial debt mainly consists of bond debt, loans granted by credit institutions, obligations under finance leases, and at end-2006 and 2007, liabilities recognized in respect of amounts receivable under the option to carry back tax losses (see section a. Recognition and measurement of financial assets (iii)).

All financial debt is initially recognized at fair value in the balance sheet, and subsequently measured at amortized cost up to maturity.

Fair value corresponds to the present value of future cash outflows discounted at the market interest rate, minus transaction costs and any issue premiums.

Regarding convertible bonds, the difference between the nominal amount of the bonds and the fair value of the liability component as calculated above is recorded under equity.

In each subsequent period, the interest expense recorded in the statement of income corresponds to the theoretical interest charge calculated by applying the effective interest rate to the carrying amount of the loan. The effective interest rate is calculated when the loan is taken out and corresponds to the rate that exactly discounts estimated future cash payments through the expected life of the loan to the initial fair value of the liability component of the loan.

The difference between interest expense thus calculated and the nominal amount of interest is recorded in financial expense, with the corresponding adjustment posted to liabilities.

Other financial liabilities

With the exception of derivative instruments carried at fair value (see below section c. – Derivative instruments), other financial liabilities consist primarily of accounts and notes payable measured at amortized cost in accordance with the principles set out above.

c. Derivative instruments

Derivative instruments comprise mainly 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 the bank counterparties, are recognized in profit or loss at the balance sheet date.

When cash flow hedges are eligible for hedge accounting, changes in the fair value of the hedging instruments are recognized firstly in equity and subsequently taken to operating profit when the hedged item itself affects profit or loss.

N) 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 as defined above, less short- and long-term financial debt. Net cash and cash equivalents also take into account the impact of hedging instruments when these relate to financial debt.

O) 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 parameters. These unfunded plans correspond mainly to retirement gratuities 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 deficit is covered by a provision.

Current and past service costs – corresponding to an increase in the obligation – are recorded within operating expense, respectively on an as-incurred basis in the period and over the residual vesting period of the rights concerned.

Gains or losses on the curtailment or settlement of defined benefit pension plans are recognized in "Other operating income and expense".

The impact of discounting pension benefit obligations as well as the expected return on plan assets is recorded in "Other financial income and 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 within equity in the year in which they arise.

P) 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 an exercise 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 on the grant date. The amount is recognized in "Other operating income and expense" in the statement of income on a straight-line basis over the option vesting period, with a corresponding adjustment to equity.

The fair value of stock options is calculated using the Black and Scholes option pricing model which incorporates assumptions concerning the option exercise price and option life, the share price at the date of grant, implicit share price volatility, and the risk-free interest rate. The expense recognized also takes into account staff attrition rates for eligible employee categories. These assumptions are reviewed each year.

Q) Provisions

A provision is recognized in the balance sheet at 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.

R) 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 converted into euros at the average exchange rate for the year. Exchange gains or losses resulting from the conversion 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. Consequently, the amounts shown in the balance sheet are not representative of movements in cash flows.

S) Segment information

The Group analyzes its business activities by geographic area, business segment and client business line. Geographic entities constitute profit centers for which comprehensive performance measurements exist, including the components of working capital and operating cash flows. The primary reporting segment corresponds to the geographic areas hosting the Group's operations. The secondary reporting format corresponds to the Group's business segments.

Costs relating to operations and incurred by Group holding companies on behalf of geographic areas and business lines are allocated to the segments concerned either directly or on the basis of an allocation key. Items that have not been allocated correspond to headquarters' expenses.

Inter-segment transactions are carried out on an arm's length basis.

T) Exchange gains and losses on intragroup transactions

The results and financial position of a foreign subsidiary are included in the Group's consolidated financial statements using normal consolidation procedures, such as the elimination of intragroup balances and intragroup transactions. However, an intragroup short- or long-term monetary asset (or liability) cannot be eliminated against the corresponding intragroup 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 profit or loss or are classified in equity if the underlying forms an integral part of the net investment in the foreign operation.

NOTE 2 – Changes in Group structure

A) 2006 and 2007

The main changes in Group structure in 2006 and 2007 were as follows:

On September 30, 2006, the Group acquired 100% of the capital of German group FuE, which had around 250 employees at that date.

On October 11, 2006, the Group purchased 51% of Unilever Shared Services Limited (renamed Capgemini Business Services India Ltd.), a subsidiary of Hindustan Lever Limited (Unilever group). The purchase agreement includes a call/put option for Capgemini/Hindustan Lever Limited on the remaining 49% of Cap Gemini Business Services India Ltd. This India-based company was an administrative, financial and control service center for Unilever, and employed almost 600 people at the acquisition date. Capgemini Business Services India Ltd. is fully consolidated.

On February 8, 2007, the Group acquired 100% of Kanbay International Inc. ("Kanbay") pursuant to the terms of the agreement dated October 26, 2006. This followed its end-2006 purchase of a 14.7% stake in Kanbay for a total of USD 170 million. In 2007, the Group acquired the remaining 85.3% of Kanbay's capital for a total amount of USD 1,090 million. In January 2007, Kanbay had a worldwide headcount of approximately 6,900.

On March 1, 2007, the Group purchased 100% of the capital of US company Software Architects Inc., which had more than 500 employees at the acquisition date.

B) 2008

The main changes in Group structure in 2008 were as follows:

- On May 2, 2008, the Group acquired from the Unilever group 100% of the share capital of Chile-based Asesorias Latin America Shared Services Ltda. (renamed Capgemini Business Services Chile) and Brazil-based ARD-Prestação de Serviços Administrativos Lda. (renamed Capgemini Business Services Brazil). Previous to the acquisition, the companies were administrative and financial service centers for Unilever in South America.

The total cost of the acquisition amounts to €22 million.

At the acquisition date, the two companies had almost 400 employees (175 in Chile and 225 in Brazil). Both companies are fully consolidated.

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At December 31, 2008, the provisional allocation of the acquisition price can be summarized as follows:

<i>in millions of euros</i>	
Net assets acquired (1)	3
Amortizable intangible assets, net of deferred tax liabilities	3
Goodwill	16
TOTAL ACQUISITION PRICE	22

(1) Of which €2 million in cash and cash equivalents.

The contribution of these companies to the Group's revenues for 2008 is €9 million (estimated at €14 million had the acquisition taken place on January 1, 2008).

- On December 1, 2008, the Group completed its acquisition of Getronics Pinkroccade Business Application Services B.V. ("BAS B.V.") further to an initial agreement entered into on July 25, 2008 with Getronics PinkRocade ("GPR") for the acquisition of its subsidiary. This division brings together GPR's applications services activities (applications development, maintenance and management) in the Netherlands.

The total cost of the transaction amounts to €249 million, including €6 million in fees directly attributable to the acquisition. BAS B.V. had around 2,200 employees at the acquisition date and is fully consolidated.

At December 31, 2008, the provisional allocation of the acquisition price can be summarized as follows:

<i>in millions of euros</i>	
Net assets acquired	3
Amortizable intangible assets	25
Goodwill	221
TOTAL ACQUISITION PRICE	249

As BAS B.V. was acquired at the end of the year, its contribution to the Group's revenues and profit for 2008 was not material (estimated at €309 million and €16 million, respectively, had the acquisition taken place on January 1, 2008).

Net assets acquired break down as follows:

<i>in millions of euros</i>	
Property, plant and equipment and intangible assets	5
Accounts and notes receivable and payable	11
Provisions for pensions	(14)
Provisions	(3)
Cash and cash equivalents	4
TOTAL NET ASSETS ACQUIRED, EXCLUDING EXISTING GOODWILL	3

- The Group also acquired a number of other companies in 2008, in the United States, France, Ireland, the United Kingdom and the Czech Republic. The total cost of these transactions amounts to €28 million, including €1 million in fees directly attributable to the acquisitions.

The companies had around 290 employees at the acquisition date and are fully consolidated.

At December 31, 2008, the provisional allocation of the acquisition price can be summarized as follows:

in millions of euros

Net assets acquired (1)	3
Amortizable intangible assets	1
Goodwill	24
TOTAL ACQUISITION PRICE	28

(1) Of which €1 million in cash and cash equivalents.

The contribution of these companies to the Group's revenues for 2008 was €10 million (estimated at €27 million had the acquisitions taken place on January 1, 2008).

- Moreover, in the Netherlands, as part of an outsourcing services agreement, Capgemini Outsourcing B.V. took over an IT division

on February 1, 2008 through Maxeda IT Services B.V. (renamed Capgemini Retail Solutions B.V.). The cost of the net assets was allocated to the individual identifiable assets and liabilities based on their relative fair values at the date of takeover.

NOTE 3 – REVENUES

Revenues break down as follows by geographic area:

<i>in millions of euros</i>	2006		2007		2008	
	Amount	%	Amount	%	Amount	%
North America	1,341	17	1,721	20	1,668	19
France and Morocco	1,816	23	1,971	23	2,077	24
United Kingdom and Ireland	2,126	28	2,230	26	1,922	22
Benelux	1,046	14	1,168	13	1,303	15
Nordic countries	441	6	539	6	578	7
Germany and Central Europe	514	7	558	6	592	7
Southern Europe and Latin America	339	4	390	5	449	5
Asia-Pacific	77	1	126	1	121	1
TOTAL	7,700	100	8,703	100	8,710	100

The year-on-year increase in revenues in 2008 is 5.0% on a like-for-like basis (constant Group structure and exchange rates) and 0.1% taking into account changes in Group structure and exchange rates.

NOTE 4 – OPERATING EXPENSES BY NATURE

The analysis of operating expenses by nature is as follows:

<i>in millions of euros</i>	2006		2007		2008	
	Amount	% of revenues	Amount	% of revenues	Amount	% of revenues
Personnel costs	4,336	56.3	4,906	56.4	4,940	56.7
Travel expenses	340	4.4	393	4.5	389	4.5
	4,676	60.7	5,299	60.9	5,329	61.2
Purchases and sub-contracting expenses	2,068	26.9	2,268	26.0	2,138	24.6
Rent and local taxes	268	3.5	285	3.3	286	3.3
Depreciation, amortization and provisions	241	3.1	211	2.4	213	2.4
TOTAL	7,253	94.2	8,063	92.6	7,966	91.5

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Personnel costs break down as follows:

<i>in millions of euros</i>	2006	2007	2008
Wages and salaries (1)	3,410	3,914	3,958
Payroll taxes (1)	837	896	931
Pension costs related to defined benefit pension plans and other post-employment benefit expenses (2)	89	96	51
TOTAL	4,336	4,906	4,940

(1) To provide a more meaningful presentation of financial information, these items have been reclassified from their initial classification in the previous published annual reports.

(2) See Note 17 – Provisions for pensions and other post-employment benefits.

The fall in pension costs in 2008 is chiefly due to the termination of the accrual of pensionable service for most members of the defined benefit section of the main Capgemini UK Plc pension plan, effective March 31, 2008 (see Note 17 – Provisions for pensions and other post-employment benefits). This closure also led to a non-recurring

expense of €18 million recorded under “Other operating income and expense” (see Note 5 – Other operating income and expense). As an alternative, the individuals concerned were offered membership of the defined contribution section.

NOTE 5 – OTHER OPERATING INCOME AND EXPENSE

<i>in millions of euros</i>		2006	2007	2008
Restructuring costs	I	(94)	(90)	(103)
Integration costs relating to acquired companies	II	-	(27)	(7)
Expenses relating to stock options and share grants (1)		(17)	(22)	(22)
Impairment of goodwill	III	-	-	(18)
Other	IV	(2)	(8)	(8)
TOTAL		(113)	(147)	(158)

(1) These expenses are calculated as described in Note 9.A) – Stock option plans.

I. RESTRUCTURING COSTS

In 2006, this caption primarily related to restructuring costs incurred within the scope of the Margin Acceleration Program (MAP) for streamlining the Group’s outsourcing activities.

In 2007, this caption essentially consisted of restructuring costs incurred within the scope of the MAP, as well as €35 million in costs related to reducing the workforce assigned to the HM Revenue & Customs contract in the United Kingdom in line with the expected fall in business under the contract.

In 2008, restructuring costs related mainly to further measures taken to streamline the Group’s organizational structure within the scope of the I³ plan. Restructuring costs by nature comprise:

- costs related to workforce reduction measures (€68 million), mainly in France, the Netherlands and Germany;

- expenses related to measures taken to streamline the Group’s real estate assets (€21 million), essentially in France;
- industrialization and migration costs incurred in connection with the implementation of rightshoring solutions (€14 million), mainly in the United Kingdom and United States.

II. INTEGRATION COSTS RELATING TO ACQUIRED COMPANIES

In 2007, the integration costs of acquisitions totaled €27 million and mainly concerned Kanbay (€25 million) which was purchased at the beginning of the period.

In 2008, these costs related mainly to the completion of Kanbay’s integration within the Group.

III. IMPAIRMENT OF GOODWILL

In 2008, impairment losses were taken on goodwill relating to a German subsidiary of the Sogeti group (see Note 10 – Goodwill and intangible assets).

IV. OTHER

Other operating income and expense mainly consists of:

- €18 million in expenses due to the closure as of March 31, 2008 of the accrual of pensionable service under the defined benefit section of Capgemini UK Plc's main pension plan (see Note 17 – Provisions for pensions and other post-employment benefits);

- €15 million in income following the transfer of responsibility for the defined benefit pension plan available to Canadian employees who joined the Group in the context of the outsourcing agreement signed with Hydro One in 2002. The approval for the transfer by the Financial Services Commission of Ontario (Canada) was obtained in March 2008 (see Note 17 – Provisions for pensions and other post-employment benefits);
- €5 million in net expenses reflecting accelerated amortization, impairment of assets and the discharge of the liabilities relating to the TXU (now EFH) outsourcing agreement signed in May 2004 for a period of 10 years, and the obligations arising as a result of the early termination of this agreement on December 19, 2008.

NOTE 6 – FINANCE COSTS, NET

Finance costs, net, can be analyzed as follows:

<i>in millions of euros</i>		2006	2007	2008
Gross finance costs	I	(67)	(70)	(66)
Income from cash and cash equivalents	II	57	66	68
FINANCE COSTS, NET		(10)	(4)	2

I. GROSS FINANCE COSTS

Gross finance costs can be broken down as follows:

<i>in millions of euros</i>	2006	2007	2008
Interest on convertible bonds	(43)	(44)	(46)
Other interest expense	(24)	(26)	(20)
TOTAL	(67)	(70)	(66)

Interest on convertible bonds relates to interest expense on the "OCEANE 2003" and "OCEANE 2005" bonds convertible/exchangeable into new or existing Cap Gemini shares, issued on June 24, 2003 and June 16, 2005, respectively. This includes €43 million in notional interest (of which €16 million relates to interest paid on bonds) and €3 million in interest due under the interest rate swap linked to the "OCEANE 2003" bonds.

In 2008, other interest expense mainly includes:

- €10 million in notional interest related to finance leases (mainly concerning France, the United Kingdom and Canada);
- €5 million in notional interest relating to the put option granted to TXU (now EFH) as described in Note 16 – Net cash and cash equivalents. This put option was cancelled following the early

termination of the agreement on December 19, 2008;

- €3 million in notional interest related to the financial debt recognized following the reinstatement in the balance sheet of carry-back tax credits sold in 2003 and 2004. The tax credits were derecognized in the June 30, 2008 balance sheet, and account for most of the year-on-year change in this caption in 2008.

II. INCOME FROM CASH AND CASH EQUIVALENTS

The year-on-year increase in income from cash and cash equivalents in 2008 essentially results from higher returns on short-term investments, mainly in Cap Gemini S.A., despite lower levels of surplus cash (see Note 16 – Net cash and cash equivalents).

NOTE 7 – OTHER FINANCIAL INCOME AND EXPENSE

<i>in millions of euros</i>	2006	2007	2008
Interest rate hedging instruments at fair value (A)	1	2	6
Ineffective portion of currency hedging instruments classified as cash flow hedges	-	5	-
Currency hedging instruments at fair value (B)	3	1	14
Exchange gains on financial transactions (C)	4	25	63
Other (E)	5	2	3
TOTAL OTHER FINANCIAL INCOME	13	35	86
Interest rate hedging instruments at fair value (A')	(5)	-	(1)
Currency hedging instruments at fair value (B')	(4)	(17)	(62)
Exchange losses on financial transactions (C')	(7)	(7)	(14)
Expenses related to financial liabilities at amortized cost	(3)	(3)	(3)
Net interest cost on defined benefit pension plans (D) (1)	(9)	(6)	(19)
Other (E)	(3)	(5)	(8)
TOTAL OTHER FINANCIAL EXPENSES	(31)	(38)	(107)
TOTAL OTHER FINANCIAL INCOME AND EXPENSE	(18)	(3)	(21)

(1) See Note 17 – Provisions for pensions and other post-employment benefits.

This caption showed a negative balance of €21 million in 2008, breaking down as:

- Interest rate hedging instruments at fair value (A/A'): these consist of derivative instruments contracted to hedge interest rate risks on financial transactions. In 2008, these instruments generated net income of €5 million (see (A)-(A')), largely due to changes in the fair value of the interest rate swap relating to the "OCEANE 2003" bonds. Changes in the fair value of this swap – income of €6 million in 2008, compared with income of €1 million in 2007 and an expense of €5 million in 2006 (see (A')) – account for the bulk of year-on-year movements in the "Interest rate hedging instruments at fair value" line.
- Currency hedging instruments at fair value (B/B'): these consist of derivative instruments contracted to hedge currency risks on financial transactions. Currency hedges at fair value generated a net financial expense of €48 million in the year (see (B)-(B')), essentially due to changes in the fair value of a currency swap hedging an intragroup loan granted by Capgemini UK Plc. to Cap Gemini S.A. This expense, which results from the rise in the value of the euro against the pound sterling over 2008, was largely offset by a €47 million unrealized exchange gain on the said intragroup loan. This gain was included in "Exchange gains on financial transactions (C)" at year-end. Other exchange gains and losses on financial transactions (net gains of €2 million) stem primarily from the impact of fluctuations in exchange rates in 2008 on items of cash and cash equivalents carried at fair value.
- Net interest cost amounting to €19 million (€6 million in 2007) on defined benefit pension plans (D), mainly in the United Kingdom.

- Other items (E), primarily including an expense of €3 million concerning a debt owed to Hydro One that was recognized following the transfer of responsibility for the defined benefit pension plan for Canadian employees who joined the Group in the context of the outsourcing agreement signed with Hydro One in 2002. The approval for the transfer by the Financial Services Commission of Ontario (Canada) was obtained in March 2008 (see Note 17 – Provisions for pensions and other post-employment benefits).

The net change in other financial income and expense compared to 2007 is essentially attributable to:

- a €5 million increase in the fair value of the interest rate swap relating to the "OCEANE 2003" bonds ;
- a €5 million decrease in income from currency instruments classified as cash flow hedges as a result of the change in the accounting treatment of the effective portion during the period. In view of the nature of the hedging transactions, the full impact of changes in the fair value of these currency instruments designated as operating cash flow hedges is now recorded within operating profit. In 2007, a portion of these changes (corresponding to an income of €5 million) was recorded in finance expense, net;
- a €13 million increase in the interest cost of defined benefit pension plan liabilities, mainly in the United Kingdom due to the increase in the discount rate and the stability of expected returns on plan assets (see Note 17 – Provisions for pensions and other post-employment benefits).

NOTE 8 – INCOME TAX EXPENSE

Income tax expense can be analyzed as follows:

<i>in millions of euros</i>	2006	2007	2008
Current income taxes	(49)	(78)	(87)
Deferred taxes	36	30	(29)
TOTAL	(13)	(48)	(116)

Current income tax expense for 2008 includes:

- €69 million in income taxes on profits, notably in the Netherlands, Germany, Canada, the United Kingdom and India;
- €18 million in taxes not based on taxable income and other taxes, mainly related to North America and Italy.

Net deferred tax expense for 2008 primarily reflects:

- the utilization against 2008 taxable profits of tax loss carry-forwards previously recognized in the balance sheet for €69 million, mainly in France (€55 million) and Nordic countries (€9 million);

- the write-back of a provision for deferred tax assets recognized on tax loss carry-forwards arising in previous years in France (€45 million), in accordance with the model described in Note 12 – Deferred taxes;
- the recognition of €20 million in deferred tax income in the United Kingdom following adjustments concerning mainly deductible research and development costs relating to the period 2002 through 2007;
- the recognition of €25 million in net deferred tax expense related to temporary differences and changes in the tax rate, mainly in the United Kingdom and Germany.

The difference between the French standard rate of income tax and the effective tax rate of the Group can be analyzed as follows:

<i>in millions of euros</i>	2006	2007	2008
INCOME BEFORE TAX	306	486	567
STANDARD TAX RATE IN FRANCE (%)	34.4	34.4	34.4
Tax (expense)/income at the standard rate	(105)	(168)	(195)
Impact of:			
Deferred tax assets not recognized on temporary differences and tax loss carry-forwards arising in the period	(11)	5	8
Revaluation of deferred tax assets generated in France (1)	40	81	45
Net recognition of deferred tax assets on temporary differences and tax loss carry-forwards arising prior to January 1	53	19	42
Utilization of previously unrecognized tax loss carry-forwards	41	7	2
Difference in tax rates between countries	6	11	18
Permanent differences and other items	(37)	(3)	(36)
Tax (expense)/income at the effective rate	(13)	(48)	(116)
EFFECTIVE RATE OF INCOME TAX (%)	4.2	9.8	20.5

(1) Calculated based on the parameters set out in Note 12 – Deferred taxes.

During 2008 and in previous financial 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 balance sheet date. Substantially no provisions have been set aside for these disputes in the consolidated financial statements.

NOTE 9 – Shareholders' equity

A) Stock option plans

At the May 23, 2000 and May 12, 2005 Annual General 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 several occasions.

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The main features of these plans and their bases of calculation are set out in the table below:

	2000 Plan	2005 Plan	Total
Date of shareholders' meeting	May 23, 2000	May 12, 2005	
Maximum number of shares to be issued on exercise of options	12,000,000	6,000,000	
Date options first granted under the plan	September 1, 2000	October 1, 2005	
Deadline for exercising stock options after their grant date (based on progressive tranches)	5 years	5 years	
Exercise price as a % of the average share price over the 20 stock market trading days preceding the grant date	100%	100%	
Exercise price (per share and in euros) of the various stock option grants:			
<i>Low</i>	21.00	30.00	
<i>High</i>	31.00	55.00	
Maximum number of shares to be issued on exercise of outstanding options at December 31, 2007	4,518,003	5,773,170	10,291,173
Number of new stock options granted during the year	Plan expired	219,000	219,000
Number of options forfeited or canceled in 2008	910,458	483,650	1,394,108
Number of options exercised in 2008	389,218 (1)	30,210 (2)	419,428
Maximum number of shares to be issued on exercise of outstanding options at December 31, 2008	3,218,327 (3)	5,478,310 (4)	8,696,637
Residual weighted average life (in years)	0.87	2.90	-

(1) Representing the exercise of 7,200 stock options granted at a price of €40; 20,268 stock options granted at €31; 260,300 stock options granted at €21; and 101,450 stock options granted at €27.

(2) Representing the exercise of 30,210 stock options granted at a price of €30.

(3) Representing 180,768 shares purchased at a price of €31; 2,078,359 shares at €21; and 959,200 shares at €27.

(4) Representing 1,430,510 shares purchased at a price of €30; 1,825,300 shares at €43; 215,500 shares at €55; 1,799,000 shares at €44; and 208,000 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 tender offer or public exchange offer 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.

Fair value of options granted and impact on the financial statements

Based on the calculation parameters used to determine fair value under the Black & Scholes option pricing model (described in the table below) and on revised beneficiary turnover assumptions, the expense to be recorded in "Other operating income and expense" amounts to €20 million. The total expense to be amortized between 2009 and 2012 in respect of the eight option grants presented hereafter is €17 million.

Summary	2000 Plan				2005 Plan			
	April 1, 2004	October 1, 2004	April 1, 2005	October 1, 2005	October 1, 2006	April 1, 2007	October 1, 2007	June 1, 2008
Grant dates								
Number of shares initially granted	566,000	3,634,500	1,623,000	1,915,500	2,067,000	400,000	1,932,500	219,000
Exercise price (per share and in euros) of the various stock option grants	31	21	27	30	43	55	44	40.5
Share price at the grant date	31.19	19.09	27.06	32.59	41.84	57.00	42.98	43.37
Number of shares subscribed at December 31, 2008	72,944	727,839	229,799	92,590	1,100	-	-	-
Principal market conditions at the grant date:								
<i>Volatility</i>	38.1-38.8%	37.5-38.5%	32.4-33.8%	27.4-29.4%	32.4-35.9%	31.7-32.7%	34.8-35.7%	41.2-42.3%
<i>Average length of the option exercise period (in years)</i>	3.5-4.25	3-4.25	3-4.25	3-4.25	3-4.25	3-4.25	3-4.25	3-4.25
<i>Risk-free interest rate</i>	2.8-3%	3-3.3%	2.2-2.9%	2.3-2.7%	3.5-3.6%	4.1-4.2%	4.1%	4.3-4.4%
<i>Expected dividend rate</i>	1%	1%	1%	1%	1%	1.5%	1.5%	2.3%
Off-market conditions:								
<i>Employee presence within the Group at the exercise date</i>	yes	yes	yes	yes	yes	yes	yes	yes
<i>Other</i>	yes (1)	no	no	no	no	no	no	no
Pricing model used to calculate stock option fair values	Black & Scholes model							
Range of fair values in euros	9.2-10.3	4.5-5.7	6.2-7.8	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, 2008	180,768	2,078,359	959,200	1,430,510	1,825,300	215,500	1,799,000	208,000

(1) The final number of stock options was based on the percentage of target adjusted gross operating profit achieved by Sogeti.

Share grants made in connection with agreements signed on the May 2000 acquisition of Ernst & Young's consulting business

These agreements included an employee-retention scheme applicable over a maximum five-year period for the key employees of Ernst & Young's consulting business who joined the Group. This scheme was based on the gradual vesting of shares granted to the sellers of Ernst & Young's consulting business. If a person covered by this scheme left the Group, he or she could be required to return a portion of the shares received in May 2000. The agreements also provided that ownership of a portion of the shares returned would automatically be transferred to Cap Gemini S.A. (to be subsequently canceled or sold), with the balance to be held within the local entities to which employees having left the Group were attached (trusts and bank accounts) as part of the employee-retention scheme, in order to be subsequently reallocated to other employees in the countries concerned. As certain shares were sold, in accordance with the provisions of the agreements cash amounts were also paid to these entities before the ownership of the shares fully vested in the beneficiaries concerned who subsequently left the Group. These cash amounts corresponded to the disposal gain on the shares returned, which

could, where appropriate, be granted to employees in the countries concerned in the form of exceptional remuneration.

The reallocations of Cap Gemini S.A. shares under this scheme are subject to gradual vesting rules covering a similar period as that applicable to the stock options granted by Cap Gemini S.A.

In 2008, the above-mentioned entities granted 7,500 Cap Gemini S.A. shares to their respective employees (primarily in North America). The related expense for 2008 amounts to €2.2 million and is recorded in "Other operating income and expense". The total expense to be amortized between 2009 and 2012 amounts to €2.9 million.

B) Share buyback program

The liquidity agreement was described in a prospectus published on March 22, 2007. At December 31, 2008, 377,000 shares were held under the share buyback program.

Cap Gemini S.A. also holds 2,000,000 treasury shares (representing 1.4% of share capital at December 31, 2008), acquired through CA Chevreux between January 17 and January 25, 2008 at an average

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price of €34.48. These share buybacks relate to equity instruments issued by the Company and are aimed in particular at neutralizing part of the dilutive effect of employee share-based incentive instruments.

At December 31, 2008, the value of these treasury shares held under the share buyback program is recognized as a deduction from consolidated equity in a total amount of €84 million, representing a change of €74 million for the period.

C) Earnings per share

Basic earnings per share

Basic earnings per share are calculated by dividing profit or loss for the year by the weighted average number of ordinary shares outstanding during the period, excluding treasury stock. The weighted average number of ordinary shares is adjusted by the number of ordinary shares bought back or issued during the year.

	2006	2007	2008
Profit for the year (in millions of euros)	293	440	451
Weighted average number of ordinary shares	132,782,723	144,744,128	143,424,188
BASIC EARNINGS PER SHARE (in euros)	2.21	3.04	3.14

The year-on-year fall in the average number of shares between 2007 and 2008 chiefly reflects the Group's purchase of 2,000,000 of its own shares at the beginning of 2008 in connection with equity instruments issued by the Company. The decrease was only partly offset by shares issued upon the exercise of stock options held by employees.

Diluted earnings per share

Diluted earnings per share are calculated by assuming conversion into ordinary shares of all dilutive instruments outstanding at the balance sheet date.

The average share price in 2008 was €34.86.

At December 31, 2008, instruments considered dilutive for the purpose of calculating diluted earnings per share include:

- employee stock options, which are considered to be potentially dilutive when the average price of ordinary shares during the period exceeds the exercise price of the options including fair value;
- the June 16, 2005 convertible/exchangeable bonds ("OCEANE 2005"), as the €13 million interest expense recorded (net of taxes) on the bonds is lower than basic earnings per share (see Note 16 – Net cash and cash equivalents).

	2006	2007	2008
Profit for the year (in millions of euros)	293	440	451
Interest expense on "OCEANE 2005" bonds (net of taxes)	12	13	13
Diluted profit for the year (in millions of euros)	305	453	464
Weighted average number of ordinary shares (diluted)			
Weighted average number of ordinary shares	132,782,723	144,744,128	143,424,188
Adjusted for:			
- "OCEANE 2003" convertible/exchangeable bonds (1)	-	-	-
- "OCEANE 2005" convertible/exchangeable bonds (weighted average)	11,810,810	11,810,809	11,810,809
- employee stock options	2,647,793	2,737,133	1,231,782
Weighted average number of ordinary shares (diluted)	147,241,326	159,292,070	156,466,779
DILUTED EARNINGS PER SHARE (in euros)	2.07	2.84	2.97

(1) The June 24, 2003 convertible/exchangeable bond issue ("OCEANE 2003") is not considered dilutive at December 31, 2006, 2007 or 2008 – even though the respective interest expense recognized on the bonds net of taxes (€14 million in 2006 and 2007 and €15 million in 2008) is less than basic earnings per share (see Note 16 – Net cash and cash equivalents). This is because in June 2005 the Group acquired a call option on an equivalent number of shares to those underlying the "OCEANE 2003" bond issue (approximately 9 million shares), designed to neutralize in full the potential dilutive impact of the bonds. Accordingly, neither profit for the year nor the weighted average number of shares have been restated for the net-of-tax interest expense and the number of "OCEANE 2003" convertible/exchangeable bonds. For information purposes, had the "OCEANE 2003" convertible/exchangeable bond issue been considered dilutive for the calculation of diluted earnings per share, the weighted average number of ordinary shares would have been 165,486,386 at December 31, 2008 (156,260,933 at December 31, 2006 and 168,311,677 at December 31, 2007), while diluted earnings per share would have totaled €2.89 in 2008 (€2.04 in 2006 and €2.78 in 2007).

NOTE 10 – GOODWILL AND INTANGIBLE ASSETS

Changes in goodwill and intangible assets can be analyzed as follows by type of asset:

<i>in millions of euros</i>	Goodwill	Software	Internally generated intangible assets	Other intangible assets	Total
GROSS VALUE					
AT JANUARY 1, 2006	1,827	185	41	141	2,194
Translation adjustments	(13)	(3)	-	(9)	(25)
Acquisitions/Increase	-	13	9	8	30
Disposals/Decrease	-	(59)	(1)	(15)	(75)
Changes in Group structure	56	-	-	6	62
Other movements	-	(16)	12	1	(3)
AT DECEMBER 31, 2006	1,870	120	61	132	2,183
Translation adjustments	(149)	(7)	-	(16)	(172)
Acquisitions/Increase	-	24	2	13	39
Disposals/Decrease	-	(19)	-	-	(19)
Changes in Group structure	878	8	-	74	960
Other movements	-	4	1	(2)	3
AT DECEMBER 31, 2007	2,599	130	64	201	2,994
Translation adjustments	(89)	(15)	-	(2)	(106)
Acquisitions/Increase	-	19	-	13	32
Disposals/Decrease	-	(5)	(1)	(4)	(10)
Changes in Group structure	261	1	-	32	294
Other movements	-	(1)	10	(15)	(6)
AT DECEMBER 31, 2008	2,771	129	73	225	3,198
<i>o/w finance leases</i>				8	8
ACCUMULATED AMORTIZATION					
AT JANUARY 1, 2006		141	35	38	214
Translation adjustments		(3)	-	(2)	(5)
Additions		13	6	18	37
Disposals		(56)	(1)	(8)	(65)
Changes in Group structure		-	-	-	-
Other movements		-	-	-	-
AT DECEMBER 31, 2006		95	40	46	181
Translation adjustments		(5)	-	(4)	(9)
Additions		18	5	31	54
Disposals		(17)	-	-	(17)
Changes in Group structure		4	-	-	4
Other movements		2	-	(1)	1
AT DECEMBER 31, 2007		97	45	72	214
Translation adjustments		(12)	-	(2)	(14)
Additions		19	5	62	86
Disposals		(4)	-	(3)	(7)
Changes in Group structure		-	-	-	-
Other movements		1	-	(2)	(1)
AT DECEMBER 31, 2008		101	50	127	278
<i>o/w finance leases</i>				6	6
IMPAIRMENT					
AT JANUARY 1, 2006	18	11	-	-	29
Translation adjustments	-	-	-	-	-
Additions	3	-	(2)	1	2
Changes in Group structure	-	-	-	-	-
Other movements	-	(7)	7	-	-
AT DECEMBER 31, 2006	21	4	5	1	31
Translation adjustments	(1)	-	-	-	(1)
Additions	2	-	-	-	2
Changes in Group structure	-	-	-	-	-
Other movements	-	-	-	-	-
AT DECEMBER 31, 2007	22	4	5	1	32
Translation adjustments	(2)	-	-	-	(2)
Additions	24	-	2	-	26
Changes in Group structure	-	-	-	-	-
Other movements	1	(3)	-	-	(2)
AT DECEMBER 31, 2008	45	1	7	1	54
NET					
AT DECEMBER 31, 2006	1,849	21	16	85	1,971
AT DECEMBER 31, 2007	2,577	29	14	128	2,748
AT DECEMBER 31, 2008	2,726	27	16	97	2,866
<i>o/w finance leases</i>				2	2

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Goodwill

- The carrying amount of goodwill per cash-generating unit (geographic areas and Sogeti's "Local Professional Services" business) breaks down as follows:

in millions of euros	December 31, 2006			December 31, 2007			December 31, 2008		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
North America	199	-	199	454	-	454	466	(6)	460
United Kingdom	483	(6)	477	525	(7)	518	424	(7)	417
Benelux	319	(12)	307	394	(12)	382	617	(12)	605
France	136	(1)	135	291	(1)	290	296	(1)	295
Other geographic areas (1)	228	(2)	226	339	(2)	337	357	(1)	356
Sogeti	505	-	505	596	-	596	611	(18)	593
TOTAL	1,870	(21)	1,849	2,599	(22)	2,577	2,771	(45)	2,726

(1) Other geographic areas comprises Germany and Central Europe (€178 million), Nordic countries (€126 million), Southern Europe and Latin America and Asia-Pacific

Analysis of changes in goodwill over the period

The increase in the net value of goodwill in 2008 primarily reflects:

- acquisitions carried out in the year, as described in Note 2 – Changes in Group structure:
 - BAS B.V. in the Netherlands (€221 million);
 - various acquisitions in other regions (€40 million), mainly Capgemini Business Services Chile and Capgemini Business Services Brazil;
- translation losses of €87 million resulting from the sharp appreciation of the euro against the pound sterling in 2008;
- impairment losses taken on goodwill, amounting to €18 million in Germany (Sogeti group subsidiary) and €6 million in the United States due to the early termination of the agreement with TXU, now EFH (see Note 5 – Other operating income and expense).

Measurement of the recoverable amount of goodwill at December 31, 2008

Goodwill was tested for impairment at December 31, 2008 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 and extrapolated indefinitely: mainly five years;
- long-term growth rate: 2.5% (3% in 2007);

- discount rate: 10.0% for North America and 10.6% for other cash-generating units (respectively 10.2% and 10.1% in 2007).

The 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. The sample of projections by financial analysts used to calculate the long-term growth and discount rates changed between 2007 and 2008. This change did not have a material impact on the resulting calculations.

Except for the impairment losses disclosed above, no writedowns were taken at December 31, 2008 as a result of these impairment tests.

Based on an analysis of the calculation's sensitivity to changes in the key parameters (operating margin, discount rate and long-term growth rate), there was no probable scenario where the CGU's recoverable amount would fall below its carrying amount.

Intangible assets

Acquisitions during the year for €32 million essentially concern software acquired (€19 million) within the scope of client projects or for internal use, mainly in the United Kingdom, the Netherlands, France and India.

The increase in the amortization charge for intangible assets is mainly attributable to the accelerated amortization (€36 million) of assets linked to the agreement with TXU (now EFH), due to its early termination.

The acquisition cost of these intangible assets reported in the balance sheet is different from the figure provided in the cash flow statement (€30 million in 2008), as it excludes acquisitions of assets held under finance leases (€2 million in 2008).

NOTE 11 – Property, plant and equipment

Changes in property, plant and equipment can be analyzed as follows by type of asset:

<i>in millions of euros</i>	Land, buildings, fixtures and fittings	Computer equipment	Other property, plant and equipment	Total
GROSS VALUE				
AT JANUARY 1, 2006	428	439	116	983
Translation adjustments	(2)	(5)	(1)	(8)
Acquisitions/Increase	18	100	13	131
Disposals/Decrease	(41)	(145)	(5)	(191)
Changes in Group structure	1	-	-	1
Other movements	3	(9)	(4)	(10)
AT DECEMBER 31, 2006	407	380	119	906
Translation adjustments	(16)	(15)	(2)	(33)
Acquisitions/Increase	35	111	23	169
Disposals/Decrease	(35)	(63)	(9)	(107)
Changes in Group structure	49	24	4	77
Other movements	7	(4)	(3)	-
AT DECEMBER 31, 2007	447	433	132	1,012
Translation adjustments	(27)	(34)	(9)	(70)
Acquisitions/Increase	42	87	16	145
Disposals/Decrease	(27)	(84)	(7)	(118)
Changes in Group structure	5	1	-	6
Other movements	(10)	(10)	(3)	(23)
AT DECEMBER 31, 2008	430	393	129	952
<i>o/w finance leases</i>	108	132	5	245
ACCUMULATED DEPRECIATION				
AT JANUARY 1, 2006	195	297	89	581
Translation adjustments	(1)	(2)	(1)	(4)
Additions	36	86	9	131
Disposals	(28)	(136)	(5)	(169)
Changes in Group structure	-	-	-	-
Other movements	(10)	-	(1)	(11)
AT DECEMBER 31, 2006	192	245	91	528
Translation adjustments	(9)	(10)	-	(19)
Additions	37	91	10	138
Disposals	(31)	(59)	(8)	(98)
Changes in Group structure	6	11	1	18
Other movements	3	(2)	(1)	-
AT DECEMBER 31, 2007	198	276	93	567
Translation adjustments	(17)	(21)	(6)	(44)
Additions	34	82	9	125
Disposals	(25)	(68)	(5)	(98)
Changes in Group structure	1	-	-	1
Other movements	(16)	(8)	-	(24)
AT DECEMBER 31, 2008	175	261	91	527
<i>o/w finance leases</i>	24	76	5	105
IMPAIRMENT				
AT DECEMBER 31, 2006	3	-	-	3
AT DECEMBER 31, 2007	3	-	-	3
AT DECEMBER 31, 2008	3	-	-	3
NET				
AT DECEMBER 31, 2006	212	135	28	375
AT DECEMBER 31, 2007	246	157	39	442
AT DECEMBER 31, 2008	252	132	38	422
<i>o/w finance leases</i>	84	56	-	140

Acquisitions during the year for €145 million essentially concern (i) the renewal of computer equipment in North America, France, the United Kingdom and Germany; (ii) the expansion of Outsourcing Services in the Netherlands; (iii) the renovation of existing premises in the United Kingdom and (iv) the increase in office space in India.

The acquisition cost of this property, plant and equipment reported in the balance sheet is different from the figure provided in the cash flow statement (€104 million in 2008), as it excludes acquisitions of assets held under finance leases (€41 million in 2008).

NOTE 12 – DEFERRED TAXES

I. RECOGNIZED DEFERRED TAX ASSETS AND LIABILITIES

A) Analysis by recovery date

At December 31 (in millions of euros)	2006	2007	2008
<i>Deferred tax assets:</i>			
Deferred tax assets recoverable in more than one year	761	791	739
Deferred tax assets recoverable within one year	127	116	124
TOTAL DEFERRED TAX ASSETS	888	907	863
<i>Deferred tax liabilities:</i>			
Deferred tax liabilities payable in more than one year	108	128	123
Deferred tax liabilities within one year	10	10	15
TOTAL DEFERRED TAX LIABILITIES	118	138	138

B) Change in deferred tax assets and liabilities

<i>in millions of euros</i>	Deferred tax assets arising from tax loss carry-forwards	Deferred tax assets arising from the acquisition of Ernst & Young's consulting business	Deferred tax assets arising from temporary differences	Total deferred tax assets	Total deferred tax liabilities
AT JANUARY 1, 2006	583	140	105	828	(121)
Translation adjustments	-	(15)	(3)	(18)	5
Deferred taxes recognized in profit or loss	5	-	31	36	-
Deferred taxes recognized in equity	-	-	45	45	(2)
Other movements	(5)	-	2	(3)	-
AT DECEMBER 31, 2006	583	125	180	888	(118)
Changes in Group structure	-	-	1	1	(33)
Translation adjustments	-	(13)	(7)	(20)	6
Deferred taxes recognized in profit or loss	18	-	7	25	5
Deferred taxes recognized in equity	-	-	13	13	2
AT DECEMBER 31, 2007	601	112	194	907	(138)
Changes in Group structure	-	-	-	-	(1)
Translation adjustments	(6)	3	(28)	(31)	-
Deferred taxes recognized in profit or loss	(4)	-	(27)	(31)	2
Deferred taxes recognized in equity	-	-	18	18	(1)
AT DECEMBER 31, 2008	591	115	157	863	(138)

The deferred tax expense recognized in the statement of income amounted to €29 million (see Note 8 – Income tax expense).

Deferred tax income recognized in equity for €17 million chiefly relates to actuarial gains and losses arising on provisions for pensions and cash flow hedging instruments also carried in equity (see the consolidated statement of recognized income and expense).

Deferred tax assets arising from tax loss carry-forwards in France

In 2002, Cap Gemini S.A. recognized a €2.8 billion net short-term capital loss for tax purposes, further to the reorganization of the Group's North American operations. Since December 31, 2003, the corresponding tax loss may be carried forward indefinitely against future taxable profit generated in France.

At each balance sheet date, this deferred tax asset is adjusted to reflect the estimated taxable profit of the Group's operations over the next 15 years. The calculation is based on growth and profitability assumptions considered reasonable, using the following visibility parameters:

- 100% utilization in the first five years ;
- as from the sixth year, a provision is set aside for probable recoveries based on a standard rate of 35%, which is increased by five points per year up to 70% in the fifteenth year and to 100% beyond the fifteenth year.

This calculation model is based on a progressive decline in visibility as regards the future realization of estimates.

At December 31, 2008, the deferred tax asset on tax loss carry-forwards was recognized in full in an amount of €535 million (€545 million at end-2007), representing a revaluation of €45 million and a utilization of €55 million during the period.

Other deferred tax assets recognized on tax loss carry-forwards

Deferred tax assets recognized on tax loss carry-forwards at Group level (excluding deferred tax assets recognized in France) total €56 million and relate to Germany and other Eastern European countries (€19 million); Sweden, Denmark and Norway (€17 million); the United Kingdom (€15 million); and other countries (€5 million).

Deferred tax assets arising from the acquisition of Ernst & Young's consulting business in North America

The difference between the price at which Ernst & Young's North American consulting business was purchased in 2000, and the tax base of the assets and liabilities acquired (€2,793 million at December 31, 2008) is amortized over 15 years for tax purposes, representing an income tax saving of around €1,090 million based on current tax rates. Over the last few fiscal years, some or all of these amortization charges have led to an increase in tax losses that may be carried forward over a period of 20 years.

The value of the related deferred tax assets is assessed based on estimated taxable profit of the Group's North American operations over the next five years, using growth and profitability rates considered reasonable. At December 31, 2007, the deferred tax asset amounted to USD 164 million. At December 31, 2008, after taking account of taxable profit (before the fiscal amortization of goodwill), and in view of the prevailing economic climate, it was considered preferable to maintain the amount of deferred tax assets recognized at USD 164 million (€115 million).

Accordingly, unrecognized deferred tax assets relating to the acquisition of Ernst & Young's consulting business amount to €975 million at December 31, 2008.

C) Analysis by type

Deferred tax assets recognized at December 31, 2008 can be analyzed as follows:

At December 31 (in millions of euros)	2006	2007	2008
Tax loss carry-forwards	583	601	591
Acquisition of Ernst & Young's consulting business	125	112	115
Temporary differences	180	194	157
TOTAL RECOGNIZED DEFERRED TAX ASSETS	888	907	863

Recognized deferred tax assets at December 31, 2008 can be analyzed as follows by type and expiry date:

At December 31 (in millions of euros)	2006	2007	2008
Tax loss carry-forwards	513	539	505
Acquisition of Ernst & Young's consulting business	125	112	115
Provisions for pensions and other post-employment benefits	92	100	87
Other	31	40	32
TOTAL DEFERRED TAX ASSETS RECOVERABLE IN MORE THAN ONE YEAR	761	791	739
Tax loss carry-forwards	70	62	86
Provisions for pensions and other post-employment benefits	10	16	11
Amortization adjustments	20	9	8
Other	27	29	19
TOTAL DEFERRED TAX ASSETS RECOVERABLE WITHIN ONE YEAR	127	116	124
TOTAL RECOGNIZED DEFERRED TAX ASSETS	888	907	863

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Deferred tax liabilities at December 31, 2008 can be analyzed as follows by type and expiry date:

At December 31 (in millions of euros)	2006	2007	2008
Restatement of tax-deductible goodwill amortization	51	50	45
Restatement of amortization taken on customer relationships	-	23	25
Equity component of "OCEANE 2003" and "OCEANE 2005" convertible/exchangeable bonds	21	16	11
Restatement of finance leases	10	13	9
Provisions	10	13	26
Other	16	13	7
TOTAL DEFERRED TAX LIABILITIES PAYABLE IN MORE THAN ONE YEAR	108	128	123
Revaluation of work-in-progress	9	9	11
Other	1	1	4
TOTAL DEFERRED TAX LIABILITIES PAYABLE WITHIN ONE YEAR	10	10	15
TOTAL DEFERRED TAX LIABILITIES	118	138	138

II. UNRECOGNIZED DEFERRED TAX ASSETS

Unrecognized deferred tax assets can be analyzed as follows:

At December 31 (in millions of euros)	2006	2007	2008
Tax loss carry-forwards	437	369	267
Acquisition of Ernst & Young's consulting business	1,058	948	975
Temporary differences	188	183	138
TOTAL	1,683	1,500	1,380

At December 31, 2008, unrecognized deferred tax assets (€1,380 million) are essentially attributable to North America (€1,210 million). Of this amount, €148 million relates to deferred taxes on tax loss carry-forwards, €975 million to Ernst & Young's consulting business, and €87 million to deferred taxes on temporary differences.

At year-end, unrecognized deferred tax assets arising on tax loss carry-forwards (€267 million), excluding those relating to North America (€148 million), chiefly concern Spain for €39 million and Italy for €12 million.

At December 31, 2008, unrecognized deferred tax assets arising on temporary differences (€138 million) relate to:

- provisions for pensions and other post-employment benefits (€45 million), essentially in the United Kingdom;
- differences in the methods used for capitalizing and depreciating/amortizing fixed assets in the statutory company accounts and consolidated accounts (€9 million);
- provisions (€10 million), restructuring operations (€9 million) and other miscellaneous items (€65 million).

III. EXPIRY DATES OF TAX LOSS CARRY-FORWARDS

The taxable bases for recognized and unrecognized tax loss carry-forwards can be analyzed as follows:

At December 31 (in millions of euros)	2006		2007		2008	
	Amount	%	Amount	%	Amount	%
Y+1	62	2	82	2	79	2
Y+2	57	1	69	2	31	1
Y+3	64	2	9	-	16	-
Y+4	8	-	14	-	7	-
Y+5	16	-	5	-	11	-
Beyond 5 years	4,202	95	4,033	96	3,964	97
TOTAL	4,409	100	4,212	100	4,108	100

Tax loss carry-forwards do not include tax-deductible amortization charges recorded against goodwill arising from the acquisition of Ernst & Young's consulting business, amounting to €1,133 million at December 31, 2008.

NOTE 13 – OTHER NON-CURRENT ASSETS

Other non-current assets can be analyzed as follows:

At December 31 (in millions of euros)	2006	2007	2008
Shares in equity-accounted companies	-	23	21
Shares in non-consolidated companies	140	3	2
Carry-back tax credits	121	-	-
Deposits and other long-term investments	23	35	48
Derivative instruments (1)	3	3	1
Other	8	32	19
TOTAL	295	96	91

(1) See Note 22 – Financial risk management, section I. – Market risk.

Shares in equity-accounted companies

Shares in equity-accounted companies primarily include the 48.6% interest in SSS Holding Corporation Ltd., acquired as a result of the Kanbay International Inc. acquisition.

Shares in non-consolidated companies

Changes in this item between 2006 and 2007 reflect the completion of the acquisition and first-time consolidation of Kanbay in 2007. The Group had already acquired 14.7% of Kanbay in October 2006 and then classified its investment within "Shares in non-consolidated companies" under other non-current assets in an amount of €132 million (see Note 2 – Changes in Group structure).

Carry-back tax credits

Movements in this caption between 2006 and 2007 are due to the 2007 reclassification within "Other receivables and income taxes" of carry-back tax credits due from the French Treasury, which matured in June 2008. The receivables were sold by Cap Gemini S.A. to a credit institution in 2003 and 2004 (see Note 15 – Other receivables and income taxes).

Deposits and other long-term investments

Deposits and other long-term investments consist mainly of *aides à la construction* (building aid program) loans in France, defined benefit pension plans with funding surpluses (see Note 17 – Provisions for pensions and other post-employment benefits) and security deposits and guarantees relating to leases.

NOTE 14 – Accounts and notes receivable

Trade accounts and notes receivable can be analyzed as follows:

At December 31 (in millions of euros)	2006	2007	2008
Accounts receivable	1,459	1,542	1,590
Provisions for doubtful accounts	(25)	(14)	(14)
Accrued income	530	694	745
Work-in-progress	99	96	75
TOTAL	2,063	2,318	2,396

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Total accounts receivable and accrued income net of advances from customers and billed in advance, can be analyzed as follows in number of days' annual revenues:

At December 31 (in millions of euros)	2006	2007	2008
Accounts and notes receivable (excluding work-in-progress)	1,964	2,222	2,321
Advances from customers and billed in advance	(683)	(743)	(639)
Total accounts receivable net of advances from customers and billed in advance	1,281	1,479	1,682
In number of days' annual revenues ⁽¹⁾	60	61	67

(1) In 2008, this ratio was adjusted in order to eliminate receivables due from companies acquired during December.

An aged analysis of accounts and notes receivable is provided in Note 22 – Financial risk management, section III. – “Credit risk”.

NOTE 15 – OTHER RECEIVABLES AND INCOME TAXES

Other receivables and income taxes can be analyzed as follows:

At December 31 (in millions of euros)	2006	2007	2008
Current income taxes receivable	20	31	39
Social security and tax related receivables	55	56	62
Prepaid expenses	118	134	108
Carry-back tax credits	-	127	-
Derivative instruments ⁽¹⁾	5	10	2
Other	16	16	12
TOTAL	214	374	223

(1) See Note 22 – Financial risk management, section I. – Market risk.

Carry-back tax credits

The increase in this caption between 2006 and 2007 is due to the reclassification in 2007 of carry-back tax credits maturing on June 30, 2008 to current items (see Note 13 – Other non-current assets).

The decrease in other receivables and income taxes between 2007

and 2008 reflects the derecognition of these carry-back tax credits at June 30, 2008 (equivalent value of €129 million at that date), after the Treasury had reimbursed the transferee. The matching entry for these carry-back tax credits was recognized in financial debt (see Note 16 – Net cash and cash equivalents).

NOTE 16 – NET CASH AND CASH EQUIVALENTS

This caption comprises cash and cash equivalents (I) less short- and long-term financial debt (II). Net cash and cash equivalents also take into account the impact of derivative instruments when these relate to financial debt (III).

At December 31 (in millions of euros)		2006	2007	2008
Cash and cash equivalents ⁽¹⁾	I	2,861	2,137	1,805
Financial debt	II	(1,224)	(1,245)	(1,032)
Derivative instruments ⁽¹⁾	III	(5)	(3)	1
NET CASH AND CASH EQUIVALENTS		1,632	889	774

(1) To provide a more meaningful presentation of financial information, derivative instruments relating to cash and cash equivalents have been reclassified with the underlying.

I. CASH AND CASH EQUIVALENTS

At December 31 (in millions of euros)	2006	2007	2008
Short-term investments	2,460	1,594	1,290
Cash at bank	442	648	578
Derivative instruments (1)	2	(14)	(61)
Bank overdrafts	(43)	(91)	(2)
CASH AND CASH EQUIVALENTS (1)	2,861	2,137	1,805

(1) To provide a more meaningful presentation of financial information, derivative instruments relating to cash and cash equivalents have been reclassified with the underlying.

At December 31, 2008, short-term investments mainly consist of money market mutual funds (FCP and SICAV), certificates of deposit, commercial papers and term bank deposits.

Derivative instruments relating to cash and cash equivalents represent a liability of €61 million at December 31, 2008, corresponding to the fair value of hedging instruments taken out in connection with intragroup financing transactions at the level of Cap Gemini S.A. This debt is classified under "Other payables and income taxes" in the balance sheet (end-2007: €14 million recorded under "Other non-current liabilities"). The change in the fair value of derivative instruments generated financial expense of €47 million, offset by an unrealized exchange gain on the hedged item in an equivalent amount (see Note 7 – Other financial income and expense).

The year-on-year €332 million decrease in net cash and cash equivalents at end-2008 reflects mainly:

- cash flows generated by operations in 2008 totaling €548 million;
- cash outflows of €267 million relating to acquisitions (net of cash and cash equivalents acquired), concerning mainly BAS B.V., Capgemini Business Services Chile and Capgemini Business Services Brazil;
- €143 million in dividends paid;
- net cash outflows of €75 million relating to treasury stock transactions;
- cash outflows of €114 million relating to acquisitions of fixed assets (net of disposals);
- cash outflows of €65 million following the early termination of the agreement with TXU (now EFH), which resulted in payment of the put option granted to TXU and the repayment of a debt linked to the outsourcing contract (see part II. below – Financial debt, section c) – Other short-and long-term financial debt);
- the negative €185 million impact of changes in exchange rates resulting from the conversion into euros of foreign currency assets and liabilities classified under cash and cash equivalents.

II. FINANCIAL DEBT

A. Analysis of financial debt

Financial debt breaks down into short-and long-term debt, as follows:

At December 31 (in millions of euros)		2006	2007	2008
"OCEANE 2003" and "OCEANE 2005" convertible/exchangeable bonds	(a)	838	864	891
Obligations under finance leases	(b)	107	105	85
Other long-term financial debt	(c)	215	90	11
Long-term financial debt		1,160	1,059	987
Obligations under finance leases	(b)	49	45	34
Drawdowns on bank and similar facilities	(d)	6	6	3
Other short-term financial debt	(c)	9	135	8
Short-term financial debt (1)		64	186	45
TOTAL FINANCIAL DEBT		1,224	1,245	1,032

(1) Short-term financial debt includes the current portion of long-term debt and all other financial debt due within one year.

a) Bonds convertible/exchangeable into new or existing Cap Gemini S.A. shares ("OCEANE")

"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"). The issuance and settlement date of the bonds was 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.

SUMMARY OF THE MAIN TERMS AND CONDITIONS OF THE “OCEANE 2005” BOND ISSUE

Conversion and/or exchange of the bonds for shares

At any time between June 24, 2005 and the seventh business day preceding January 1, 2012.

Redemption at maturity

January 1, 2012 at a price of €41.90 per bond, representing 113.2% of the bonds’ nominal value.

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 June 24, 2009 and December 31, 2011, all outstanding bonds may be redeemed at an early redemption price calculated in such a way that the resulting yield to maturity is equal to that which would have been obtained at maturity, i.e., a rate of 2.875%, plus accrued interest, 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 of 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.

RECOGNITION OF “OCEANE 2005” BONDS

At December 31, 2008, the liability component of the “OCEANE 2005” convertible/exchangeable bonds amounted to €442 million (€426 million at December 31, 2007).

The annual notional interest expense recognized on “OCEANE 2005” bonds was €21 million, compared with a paid coupon of €4 million based on the bonds’ nominal interest rate (1%). The notional interest expense is calculated based on an effective interest rate of 4.8%, which represents the market interest rate for an equivalent bond issue at the same date without the conversion option (4.5%), after taking into account the issuance costs.

“OCEANE 2003” CONVERTIBLE/ EXCHANGEABLE BONDS ISSUED ON JUNE 24, 2003

On June 24, 2003, Cap Gemini S.A. issued bonds convertible/exchangeable into new or existing Cap Gemini shares, maturing on January 1, 2010 (“OCEANE 2003”). The issuance and settlement date of the bonds was July 2, 2003.

The total amount of the issue was €460 million, represented by 9,019,607 bonds with a nominal value of €51 each. The bonds bear interest at 2.5% per year.

The terms and conditions of this issue were set out in the prospectus approved by the AMF on June 24, 2003 under reference number 03-607.

An interest rate swap was contracted in connection with these OCEANE bonds in 2004, and was subsequently amended in 2006. The terms and conditions of this contract, under which Cap Gemini S.A. has swapped the 2.5% fixed rate payable on the bonds for a variable rate indexed to the 3-month post-fixed Euribor, are detailed below in Note 22 – Financial risk management.

SUMMARY OF THE MAIN TERMS AND CONDITIONS OF THE “OCEANE 2003” BOND ISSUE

Conversion and/or exchange of the bonds for shares

At any time between August 11, 2003 and the seventh business day preceding January 1, 2010.

Redemption at maturity

The bonds will be redeemed in full at par in cash on January 1, 2010.

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;
- from July 2, 2007 and until the seventh business day preceding January 1, 2010, at an early redemption price equal to par plus accrued interest, if (i) the then current conversion/exchange ratio multiplied by (ii) the arithmetic average of the opening quoted

prices of the Company's ordinary shares on the Eurolist market of Euronext Paris S.A. calculated over a period of 20 consecutive trading days, exceeds 125% 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.

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 of 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.

RECOGNITION OF "OCEANE 2003" BONDS

At December 31, 2008, the liability component of the "OCEANE 2003" convertible/exchangeable bonds amounted to €449 million (€438 million at December 31, 2007).

The annual notional interest expense recognized on "OCEANE 2003" bonds was €22 million, compared with a paid coupon of €11.5 million based on the bonds' nominal interest rate (2.5%). The notional interest expense is calculated based on an effective interest rate of 5.1%, which represents the market interest rate for an equivalent bond issue at the same date without the conversion option (4.8%), after taking into account the issuance costs.

b) Obligations under finance leases

The amount reported under this caption at December 31, 2008 corresponds mainly to the finance lease regarding the "Les Fontaines" site of the Group University located at Gouvieux (France) and investments in computer equipment made by Capgemini UK Plc. and New Horizons Systems Solutions LP (Canada).

<i>in millions of euros</i>	Earliest date of leases	Latest expiry date	Effective interest rate	December 31, 2008
Capgemini University (Les Fontaines)	October 2002	July 2014	3-month Euribor +0.75%	51
Capgemini UK Plc.	October 2000	September 2014	Fixed rate (9.6%)	24
New Horizons System Solutions L.P.	July 2003	January 2012	Fixed rate (6.0%)	11
Other	January 2001	June 2014	-	33
TOTAL SHORT- AND LONG-TERM OBLIGATIONS UNDER FINANCE LEASES				119

c) Other short- and long-term financial debt

At December 31, 2008, other financial debt of €19 million mainly consists of:

- €10 million corresponding to the present value of the put option granted to Hindustan Lever Limited in connection with the acquisition of Capgemini Business Services India Ltd.;
- accrued interest on "OCEANE 2003" and "OCEANE 2005" bonds (€8 million at December 31, 2008).

The €206 million decrease in other financial debt compared with end-2007 is essentially linked to:

- the derecognition at June 30, 2008 of the carry-back tax credits sold in 2003 and 2004 to a credit institution (equivalent value of €129 million at June 30, 2008), after the French Treasury had reimbursed the transferee (see Note 15 – Other receivables and income taxes). The counterpart for these carry-back tax credits was recognized in financial debt in the same amount ;
- the termination on December 19, 2008 of the outsourcing agreement signed in May 2004 with TXU. This led to (i) the cancellation of the put option granted to the TXU group (now EFH), resulting in

a payment of €48 million for the €68 million in financial debt existing at that date (see Note 5 – Other operating income and expense); and (ii) the repayment of a debt of €17 million linked to the agreement.

d) Drawdowns on bank and similar facilities

Drawdowns on bank and similar facilities primarily relate to drawdowns by Group operating companies on credit lines. In some circumstances, these credit lines are secured by a guarantee from Cap Gemini S.A.

e) 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, 2010 at the latest. On September 14, 2006, Cap Gemini S.A. exercised the one-year extension option on this facility (approved by the syndicated banks on October 27, 2006), thereby extending its maturity to November 14, 2011.

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Use of this credit facility is subject to the following conditions:

- a margin of 0.50% as of the balance sheet date (above Euribor or Libor 1 to 12 months). An additional utilization fee of between 0.025% and 0.050% also applies for drawdowns in excess of certain amount. The margin may be adjusted according to the Company's credit rating;
- a fee on undrawn amounts initially set at 35% of the margin (i.e., currently 0.175%) that may be reduced to 30% if Cap Gemini S.A.'s rating improves.

An upgrade or downgrade in Cap Gemini S.A.'s credit rating would have no impact on the availability of this credit line.

Cap Gemini S.A. has agreed to comply with the following financial ratios (as defined in IFRS) in respect of this credit line:

- the net debt to consolidated equity ratio must be less than 1 at all times;
- interest coverage (the extent to which net finance costs adjusted for certain items 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, 2008, 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 the date of this report, no drawdowns had been made on this credit facility.

B. Analysis of movements in financial debt in the cash flow statement

The €37 million rise in financial debt reported in the cash flow statement mainly reflects the increase in the liability component of bond debt (€27 million). Increases in debt relating to acquisitions of fixed assets under finance leases – amounting to €43 million – are not taken into account in the cash flow statement.

Repayments of financial debt reported in the cash flow statement (€130 million) relate to the settlement of obligations further to the termination of the outsourcing agreement with TXU, now EFH (€65 million), and to finance lease agreements (€61 million).

C. Interest rates

In 2008, the effective interest rate on the Group's average financial debt was 5.6% (5.4% at end-2007).

At December 31, 2008, 54% of the Group's financial debt is at fixed rates, 43% is at capped variable rates, and the remainder is at variable rates (62% and 35%, respectively, at end-2007).

An analysis charting the sensitivity of net finance costs to a change in interest rates is provided in Note 22 – Financial risk management, section I. - Market risk.

Effective interest rates (EIR) by currency

	At December 31, 2008							
	Euro		US dollar		Pound sterling		Other Amount € millions	Total Amount € millions
	EIR %	Amount € millions	EIR %	Amount € millions	EIR %	Amount € millions		
"OCEANE 2003" bonds	5.1%	449	-	-	-	-	-	449
"OCEANE 2005" bonds	4.8%	442	-	-	-	-	-	442
Drawdowns on bank and similar facilities	-	-	-	-	-	-	3	3
Obligations under finance leases	5.4%	73	6.7%	8	9.6%	24	14	119
Other financial debt	na	18	na	1	-	-	-	19
TOTAL FINANCIAL DEBT	-	982	-	9	-	24	17	1,032

III. DERIVATIVE INSTRUMENTS ON FINANCIAL DEBT

Derivative instruments relating to financial debt comprise interest rate hedges. At year-end, derivative instruments are measured at fair value and included in current or non-current assets or liabilities, as appropriate.

At December 31, 2008, these derivative instruments represent an asset of €1 million corresponding to the fair value of the interest rate swap taken out in connection with “OCEANE 2003” bonds and

recorded under “Other non-current assets” (end-2007: liability of €5 million included under “Other non-current liabilities”), generating income of €6 million as described in Note 7 – Other financial income and expense.

A breakdown of interest rate hedges is provided in Note 22 – Financial risk management, section I. – Market risk.

NOTE 17 – PROVISIONS FOR PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

The change in pension and other post-employment benefit obligations can be analyzed as follows:

<i>in millions of euros</i>	2006	2007	2008
Net obligation at beginning of year	696	588	615
Translation adjustments	3	(42)	(124)
Changes in Group structure	-	1	4
Service cost, effect of curtailments and settlements, and net interest cost	98	100	68
Benefits and contributions	(61)	(117)	(110)
Change in actuarial gains and losses recognized in equity	(150)	84	56
Other movements	2	1	(11)
Net obligation at end of year	588	615	498
Funding surplus recognized in assets (1)	(3)	(6)	(5)
PROVISIONS FOR PENSIONS RECOGNIZED IN LIABILITIES	591	621	503

(1) See Note 13 – Other non-current assets.

In 2008, the net expense of €68 million includes service cost (€47 million), recognized past service cost (€4 million), net interest cost (€19 million), and a gain of €2 million reflecting the impact of curtailments and settlements.

The amounts recognized in the balance sheet in respect of provisions for pensions and other post-employment benefits break down as follows:

At December, 31 (<i>in millions of euros</i>)	2006	2007	2008
Present value of obligations under funded plans	1,957	2,002	1,484
Fair value of plan assets	(1,489)	(1,492)	(1,090)
Funding deficit under funded plans	I 468	510	394
Funding deficit under unfunded plans	II 125	137	132
Total net funding deficit	593	647	526
Unrecognized past service costs	(5)	(32)	(28)
Net provision in the balance sheet	588	615	498
Assets	(3)	(6)	(5)
Liabilities	591	621	503

I. PROVISIONS FOR FUNDED DEFINED BENEFIT PENSION PLANS

These provisions exist mainly in the United Kingdom, Canada, and other countries (the United States, Sweden, France, Germany, Switzerland and India).

In the United Kingdom, the accrual of pensionable service under the defined benefit section of the main Capgemini UK Plc. pension plan terminated on March 31, 2008 for the large majority of beneficiaries. As an alternative, these individuals were offered membership of the defined contribution section (see Note 4 – Operating expenses by

nature). This closure concerns around 2,600 current active service members and led to an expense of €18 million recorded under “Other operating income and expense” (see Note 5). The defined benefit section of the Capgemini UK pension plan continues to be operational for 160 protected active members.

In accordance with the recommendations put forward by the UK Pensions Regulator, Capgemini UK has committed to fund the deficit assessed as of March 31, 2006 over a 10-year period.

A) Analysis of obligation

At December, 31 (in millions of euros)	2006				2007				2008			
	United Kingdom	Canada	Other	Total	United Kingdom	Canada	Other	Total	United Kingdom	Canada	Other	Total
Present value of obligation	1,647	197	113	1,957	1,679	209	114	2,002	1,159	212	113	1,484
Fair value of plan assets	1,212	193	84	1,489	1,216	206	70	1,492	820	197	73	1,090
DEFICIT	435	4	29	468	463	3	44	510	339	15	40	394
o/w actuarial gains and losses recognized in equity	75	9	7	91	148	11	6	165	133	36	18	187
UNRECOGNIZED PAST SERVICE COSTS	-	-	-	-	-	-	(27)	(27)	-	-	(23)	(23)
NET PROVISION IN THE BALANCE SHEET	435	4	29	468	463	3	17	483	339	15	17	371
Assets	-	(3)	-	(3)	-	(6)	-	(6)	-	-	(5)	(5)
Liabilities	435	7	29	471	463	9	17	489	339	15	22	376

At December 31, 2008, the net provision recognized in the balance sheet (excluding the United Kingdom and Canada) amounted to €17 million and concerned the United States (€14 million), Sweden (€5 million), Germany and Switzerland (€2 million) and India (€1 million). The French plan presented a funding surplus of €5 million.

B) Analysis of movements in provisions

Analysis of changes in the present value of pension obligations and plan assets

<i>in millions of euros</i>	Present value of obligation	Fair value of plan assets	Unrecognized past service costs	Net provision in the balance sheet
At January 1, 2006	1,888	(1,303)	-	585
Service cost	91	-	-	91
Interest cost	93	-	-	93
Expected return on plan assets	-	(89)	-	(89)
Effect of curtailments and settlements	(27)	17	-	(10)
Contributions paid by employees	6	(6)	-	-
Benefits paid to employees	(37)	37	-	-
Contributions paid	-	(57)	-	(57)
Changes in actuarial gains and losses	(81)	(73)	-	(154)
Translation adjustments	6	-	-	6
Other movements	18	(15)	-	3
At December 31, 2006	1,957	(1,489)	-	468
Service cost	74	-	-	74
Past service cost	40	-	(27)	13
Interest cost	102	-	-	102
Expected return on plan assets	-	(102)	-	(102)
Effect of curtailments and settlements	(29)	29	-	-
Contributions paid by employees	5	(5)	-	-
Benefits paid to employees	(53)	53	-	-
Contributions paid	-	(111)	-	(111)
Changes in actuarial gains and losses	58	26	-	84
Translation adjustments	(148)	104	-	(44)
Other movements	(4)	3	-	(1)
At December 31, 2007	2,002	(1,492)	(27)	483
Service cost	40	-	-	40
Past service cost	-	-	4	4
Interest cost	110	-	-	110
Expected return on plan assets	-	(97)	-	(97)
Effect of curtailments and settlements	(2)	-	-	(2)
Contributions paid by employees	5	(5)	-	-
Benefits paid to employees	(44)	44	-	-
Contributions paid	-	(104)	-	(104)
Changes in actuarial gains and losses	(283)	347	-	64
Translation adjustments	(435)	319	-	(116)
Other movements	91	(102)	-	(11)
At December 31, 2008	1,484	(1,090)	(23)	371

The operating expense for the year (€44 million) mainly concerns the United Kingdom (€21 million) and Canada (€10 million). The €34 million fall in service cost for 2008 compared with 2007 stems primarily from the United Kingdom (€31 million), where the accrual of pensionable service under the main pension plan ceased on March 31, 2008. The fall in this caption also reflects the gradual increase in discount rates in all geographic areas over recent years.

The net impact of interest costs (discounting of the obligation) and the expected return on plan assets is an expense of €13 million, and mainly concerns the United Kingdom (expense of €15 million) and Canada (income of €4 million). The €13 million increase in the net impact for 2008 compared with 2007 is chiefly attributable

to the United Kingdom, and reflects the rise in the discount rate combined with a stable expected return on plan assets.

These inputs are calculated on the basis of the assumptions detailed below.

Benefits paid to employees, totaling €44 million, mainly relate to the United Kingdom (€25 million) and Canada (€10 million).

Contributions to plan assets totaled €104 million. The main contributors were the United Kingdom (€71 million), France (€12 million), Canada (€11 million), and the United States (€6 million).

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The impact of translation adjustments (€116 million) essentially reflects the depreciation of pound sterling over the year (€113 million).

The “Other movements” line relates to the outsourcing agreement signed in Canada in 2002 by Hydro One and Inergi (a Capgemini Group subsidiary). Under this agreement, 920 Hydro One employees were transferred to Inergi along with their vested pension rights under Hydro One’s defined benefit pension plan. As part of the agreement, Inergi set up a defined benefit pension plan with benefits equal to those previously provided by Hydro One.

In 2002, Hydro One petitioned the Financial Services Commission of Ontario to convey the plan assets and liabilities of the transferred employees to the Inergi pension plan, as required under the agreement. Due to a challenge by certain employees of Hydro One, regulatory approval for the asset and liability transfer was only obtained in March 2008.

The agreement provided for an offsetting payment between the parties to make up for any difference in the amount of assets and liabilities transferred. Accordingly, in 2008 Inergi recorded a net increase of €8 million in plan assets, and a corresponding debt of €10 million owed to Hydro One (the difference reflecting actuarial gains and losses arising between the theoretical and effective dates of the transfer).

In addition, the agreement provided for contingent compensation to be paid for differences between the actual plan performance and the expected plan performance over the period 2002-2004. As a result, Hydro One made a payment of €15 million to Inergi, which was recorded in 2008 as negative goodwill under “Other operating income and expense” (see Note 5). In addition, €3 million in net

interest expense relating to the payments due by the parties was recorded in “Other financial income and expense” (see Note 7).

Analysis of changes 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 impacts of changes in actuarial assumptions (essentially the discount rate and expected rate of return on plan assets), and (ii) the effects of differences between the projected actuarial assumptions and actual outcomes (known as “experience adjustments”, see section III below – Analysis of actuarial gains and losses: experience adjustments).

The €154 million actuarial gain recognized in 2006 reflected changes in actuarial assumptions, mainly in the United Kingdom (€125 million) due to the 50-basis point increase in the discount rate applied.

The €84 million actuarial loss recognized in 2007 is attributable to the adoption of a new mortality table in the United Kingdom and revised inflation and future salary assumptions, partially offset by the increase in the applicable discount rate in the United Kingdom.

The actuarial loss recognized in 2008 for €64 million results chiefly from experience adjustments regarding the value of plan assets (difference between actual and expected returns on the assets) in the United Kingdom and Canada. This loss was partially offset by changes in actuarial assumptions, with discount rates increased by 70 basis points in the United Kingdom and 150/175 basis points in Canada.

C) Analysis of plan assets

The main plan asset categories can be analyzed as follows:

At December, 31 <i>(in millions of euros)</i>	2006		2007		2008	
	Amount	%	Amount	%	Amount	%
Shares	958	64	941	63	481	44
Bonds	456	31	488	33	439	40
Real estate assets	39	3	32	2	22	2
Cash and cash equivalents	16	1	22	1	128	12
Other	20	1	9	1	20	2
TOTAL	1,489	100	1,492	100	1,090	100

The increase in cash and cash equivalents as a percentage of plan assets results from the reallocation of plan assets in the United Kingdom in 2008.

The fall in shares reflects the reallocation to cash and cash equivalents in the United Kingdom as well as the negative impact of experience adjustments.

D) Employees covered by funded defined benefit pension plans

At December, 31	2006	2007	2008			Total
	Total	Total	United Kingdom	Canada	Other	
Current employees – accruing pensionable service	12,183	16,005	1,167	876	13,777	15,820
Former and current employees – not accruing pensionable service	7,419	7,209	8,956	66	887	9,909
Retirees	1,167	1,326	1,353	182	79	1,614
TOTAL	20,769	24,540	11,476	1,124	14,743	27,343

The increase in employees is chiefly attributable to the expansion of Group operations in India. At December 31, 2008, a total of 12,218 employees were eligible for these pension plans in India,

versus 9,955 employees at December 31, 2007 (the present value of the corresponding benefit obligation in India amounts to €1 million).

E) Principal actuarial assumptions

Discount rate and salary inflation rate

	2006	2007	2008		
			United Kingdom	Canada	Other
%					
Discount rate	2.6 - 8.1	3.4 - 8.5	6.5	7.3	3.3 - 8.5
Salary inflation rate	1.5 - 6.0	1.5 - 6.0	4.2	3.3	1.5 - 5.0

In 2008, the benchmark indexes used to calculate discount rates were identical to those used in previous years.

Expected return on plan assets

	2006	2007	2008		
			United Kingdom	Canada	Other
%					
Shares	6.0 - 8.5	3.1 - 8.5	8.0	8.3	1.5 - 8.3
Bonds	2.5 - 7.3	1.1 - 5.8	6.5	4.9	1.5 - 5.5
Real estate assets	5.0 - 6.5	0.2 - 6.5	6.5	-	1.5 - 4.5
Cash and cash equivalents	2.0 - 3.8	3.8 - 4.5	3.8	1.4	2.8 - 3.8

Actual return on plan assets

	2006	2007	2008		
			United Kingdom	Canada	Other
%					
Shares	3.0 - 18.5	(2.7) - 7.6	(25.0) - (26.0)	(24.0) - (27.5)	(46.3) - 2.9
Bonds	0.1 - 5.3	1.1 - 6.5	(2.0) - 3.3	0.2 - 0.4	(6.0) - 4.9
Real estate assets	18.0	(4.9) - 0.2	(23.6)	-	1.0
Cash and cash equivalents	(2.5) - 4.7	1.4 - 4.4	3.4	1.2 - 1.8	1.6

F) Expected contribution to plans in 2009

The Group expects to pay €81 million in contributions into its defined benefit pension plans in 2009.

II. PROVISIONS FOR UNFUNDED DEFINED BENEFIT PENSION PLANS

Unfunded defined benefit pension plans concern France, Canada, Germany, Poland, Austria, Sweden, Italy and India.

A) Analysis of obligation

At December, 31 <i>in millions of euros</i>	2006	2007	2008				Total
	Total	Total	France	Canada	Germany and Central Europe	Other	
Present value of obligation/Deficit	125	137	51	25	23	33	132
o/w actuarial gains and losses recognized in equity	18	17	11	(8)	-	6	9
Unrecognized past service costs	(5)	(5)	(5)	-	-	-	(5)
NET PROVISIONS RECOGNIZED IN LIABILITIES	120	132	46	25	23	33	127

The net benefit obligation for other regions includes unfunded plans operated in Sweden, Italy and India. The pension plan in Italy has been curtailed (pensionable service no longer accrued as of December 31, 2007).

The Canadian plan mainly relates to healthcare insurance.

B) Analysis of movements in obligation

<i>in millions of euros</i>	Present value of obligation	Unrecognized past service costs	Net provision in the balance sheet
At January 1, 2006	116	(5)	111
Changes in Group structure	-	-	-
Service cost	9	-	9
Interest cost	5	-	5
Effect of curtailments and settlements	(1)	-	(1)
Benefits paid to employees	(4)	-	(4)
Changes in actuarial gains and losses	4	-	4
Translation adjustments	(3)	-	(3)
Other movements	(1)	-	(1)
At December 31, 2006	125	(5)	120
Changes in Group structure	1	-	1
Service cost	8	-	8
Past service cost	1	-	1
Interest cost	6	-	6
Effect of curtailments and settlements	(2)	-	(2)
Benefits paid to employees	(6)	-	(6)
Changes in actuarial gains and losses	-	-	-
Translation adjustments	2	-	2
Other movements	2	-	2
At December 31, 2007	137	(5)	132
Changes in Group structure	4	-	4
Service cost	7	-	7
Past service cost	-	-	-
Interest cost	6	-	6
Effect of curtailments and settlements	-	-	-
Benefits paid to employees	(6)	-	(6)
Changes in actuarial gains and losses	(8)	-	(8)
Translation adjustments	(8)	-	(8)
At December 31, 2008	132	(5)	127

Service cost for 2008, amounting to €7 million, relates chiefly to France (€4 million) and Canada (€2 million).

Benefits paid to employees concern France and Italy (€2 million respectively), and Canada and Germany (€1 million respectively).

The €8 million actuarial gain reflects changes in actuarial assumptions, mainly in Canada (€9 million), where the discount rate applied to obligations was raised by 150/175 basis points.

C) Employees covered by unfunded defined benefit pension plans

	2006	2007	2008				
			France	Canada	Germany and Central Europe	Other	Total
At December, 31	Total	Total					
Current employees – accruing pensionable service	23,653	30,293	20,719	1,752	219	6,350	29,040
Former and current employees – not accruing pensionable service	985	1,006	-	132	122	2,233	2,487
Retirees	282	398	-	364	70	14	448
TOTAL	24,920	31,697	20,719	2,248	411	8,597	31,975

Changes in the number of former and current employees mainly reflect the curtailment of the plan in Italy at December 31, 2007.

D) Principal actuarial assumptions

	2006	2007	2008			
			France	Canada	Germany and Central Europe	Other
%						
Discount rate	3.9 - 5.3	4.0 - 8.0	5.3	7.3	6.0	3.3 - 5.5
Salary inflation rate	1.5 - 4.5	1.5 - 8.0	1.8	3.3	2.0 - 2.3	2.0 - 6.0

In 2008, the benchmark indexes used to calculate discount rates were identical to those used in previous years.

III. ANALYSIS OF ACTUARIAL GAINS AND LOSSES: EXPERIENCE ADJUSTMENTS

This analysis concerns both funded and unfunded defined benefit plans. Experience adjustments are the effects of differences between projected actuarial assumptions and what has actually occurred.

The amounts relating to the current year and prior years break down as follows:

<i>in millions of euros</i>	2005	2006	2007	2008
Experience adjustment on liabilities (1)	37	37	1	(1)
Experience adjustment on assets (2)	112	50	3	(299)

(1) +: increase in liabilities/ -: decrease in liabilities

(2) +: increase in assets/ -: decrease in assets

These experience adjustments mainly concern the United Kingdom and Canada, and in 2008 result from the difference between expected and actuarial returns on plan assets due to the prevailing financial climate.

IV. ANALYSIS OF SENSITIVITY TO CHANGES IN HEALTHCARE ASSISTANCE COSTS

Healthcare assistance costs exclusively concern Canada. For 2006, 2007 and 2008, a 1% change in healthcare assistance costs would have an impact of approximately €1 million in the statement of income (service cost and interest cost). The impact of this 1% change would range from a negative €4 million to a positive €5 million in the balance sheet at December 31, 2008, largely unchanged from 2007 and 2006.

NOTE 18 – CURRENT AND NON-CURRENT PROVISIONS

Changes in current and non-current provisions can be analyzed as follows:

<i>in millions of euros</i>	2006	2007	2008
At January 1	34	98	85
Additions	73	48	42
Reversals (utilization of provisions)	(9)	(53)	(27)
Reversals (surplus provisions)	(3)	(7)	(36)
Other	3	(1)	1
At December 31	98	85	65

At December 31, 2008, current provisions (€20 million) and non-current provisions (€45 million) mainly concern risks relating to projects and contracts amounting to €49 million (€75 million at end-2007) and risks relating to tax and labor disputes amounting to €16 million (€10 million at December 31, 2007).

The main changes in 2007 relate to the Schneider Electric contract. Further to the renegotiation of the agreement, the schedule, pricing and scope of the Group's responsibility under the contract will be adjusted over the next few years. As a result, in 2007 the Group recognized (i) expenses that had been previously deferred; (ii) a

provision reflecting the reduced scope of the new contract; and (iii) a write-back of the provision for losses on completion that had been recorded at end-2006, due to forecasts that the contract will generate an operating profit over the 2008-2016 period.

In 2008, additions to provisions mainly concern outsourcing projects. Provision reversals are attributable to costs incurred and savings made as a result of the reduction in scope and finalization of the system under the Schneider contract following its renegotiation in 2007, as well as to the favorable outcomes of customer disputes, notably in the United Kingdom.

NOTE 19 – OTHER NON-CURRENT LIABILITIES

Other non-current liabilities can be analyzed as follows:

At December 31 (in millions of euros)	2006	2007	2008
Special employee profit-sharing reserve	31	54	65
Derivative instruments (1)	6	18	7
Liabilities related to acquisitions of consolidated companies	5	5	6
Other	80	69	34
TOTAL	122	146	112

(1) See Note 22 – Financial risk management, section I. – Market risk.

Other

This caption mainly comprises restructuring liabilities relating to measures taken to streamline the Group's real estate assets, essentially in the United States and the United Kingdom.

The year-on-year decrease in this item in 2008 is chiefly attributable to the settlement of obligations related to the contract entered into with TXU (now EFH) further to its early termination.

NOTE 20 – ACCOUNTS AND NOTES PAYABLE

Total accounts and notes payable excluding advances from customers and billed in advance (presented separately), break down as follows:

At December 31 (in millions of euros)	2006	2007	2008
Accounts payable	817	863	821
Accrued taxes other than on income	306	316	347
Personnel costs	858	910	894
Other	38	31	34
TOTAL	2,019	2,120	2,096

NOTE 21 – OTHER PAYABLES AND INCOME TAXES

At December 31 (in millions of euros)	2006	2007	2008
Income taxes payable	65	71	74
Special employee profit-sharing reserve	20	5	8
Derivative instruments (1)	5	2	90
Liabilities related to acquisitions of consolidated companies	18	1	24
Other	5	8	7
TOTAL	113	87	203

(1) See Note 22 – Financial risk management, section I. – Market risk.

Liabilities related to acquisitions of consolidated companies

At December 31, 2008, this item essentially concerns the balance of the acquisition price for BAS B.V.

NOTE 22 – FINANCIAL RISK MANAGEMENT

I. MARKET RISK

A) 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 risks arising on operating and financial transactions which are not denominated in the entities' functional currency.

Capgemini does not hedge risks arising on the translation of the foreign currency accounts of consolidated subsidiaries whose functional currency is not the euro.

Currency risks and hedges relating to operating transactions

The Group has limited exposure to currency risks on operating items due to the fact that the bulk of its revenue is generated in countries where operating expenses are also incurred. However, the growing use of offshore production centers in India, Poland, Latin America and China exposes Capgemini to currency risk with respect to some of its production costs.

The Group has implemented a policy aimed at minimizing and managing currency risks, resulting in particular from the growing share of Group operations in India, its main offshore production center. Where customer contracts do not contain a price adjustment clause in the event of exchange rate fluctuations, the Group sets up hedges based on the following principles:

- the hedging strategy is defined by the Group Finance Department based on a quarterly report analyzing exposure to currency risks arising on intragroup operations involving India;
- hedging operations mainly take the form of forward foreign exchange contracts;
- hedging operations are recognized in accordance with accounting rules applicable to cash flow hedges.

In 2008, the Group hedged almost 85% of its foreign exchange risk (US dollar, euro and pound sterling) against the Indian rupee. At December 31, 2008, these hedges comprised forward contracts to sell foreign currency maturing between 2009 and 2011 with an aggregate equivalent value of €279 million (€177 million at December 31, 2007). The hedges were chiefly taken out in respect of transactions in euros (€96 million), US dollars (\$278 million) and pounds sterling (£7 million). The maturities of the hedges range from three months to two and a half years.

The Group has also entered into forward contracts to sell foreign currency (pounds sterling) in Poland. These contracts mature in 2009 and have an equivalent value of €8 million.

At December 31, 2008, forward foreign exchange contracts break down 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
Forward foreign exchange contracts	135	103	49	287

In the balance sheet at December 31, 2008, these contracts are measured at fair value, representing total net debt of €34 million. They are included in "Other payables and income taxes" (€29 million), "Other non-current liabilities" (€7 million), and "Other receivables and income taxes" (€2 million). At December 31, 2007, these derivatives represented a net receivable in an amount of €9 million.

A negative amount of €60 million was recorded in equity during the year, representing the fair value of currency hedges. The portion recycled to operating profit amounts to a negative

amount of €29 million, and is partially offset by foreign exchange gains of €10 million arising on hedged items.

Currency risks and hedges relating to financial transactions

In addition to currency risk arising on offshore production centers, Capgemini is exposed to the risk of exchange rate fluctuations in respect of:

- intragroup financing transactions, mainly at the level of Cap Gemini S.A.: as intercompany lending and borrowing is systematically hedged (mainly using currency swaps), the impact of changes in exchange rates on consolidated earnings and equity is negligible.

At December 31, 2008, hedged intragroup loans amounted to €306 million (€312 million at December 31, 2007), and concerned loans denominated in pounds sterling and Australian dollars.

In 2008, derivative instruments used to hedge these currency risks generated a net financial expense of €48 million (€16 million in 2007), almost entirely attributable to changes in the fair value of a euro/pound sterling swap aimed at hedging an intragroup loan granted by Capgemini UK to Cap Gemini S.A. This expense was offset in an amount of €47 million by the unrealized exchange gain recognized at year-end on the same intragroup loan as a result of

the rise in the euro against the pound sterling over the period (see Note 7 – Other financial income and expense).

At December 31, 2008, the fair value of these instruments is reported in “Other payables and income taxes” for an amount of €61 million (€14 million reported in financial debt at December 31, 2007);

- fees paid to Cap Gemini S.A. by subsidiaries whose functional currency is not the euro. Although the Group does not systematically hedge this risk, the impact of changes in exchange rates on earnings and equity is not significant due to the short average period separating the invoicing date and the date payment is received.

Exposure to currency risks on operating and financial items

The Group’s exposure to currency risks arising from internal and external operations recognized by Group subsidiaries at December 31, 2008 and denominated in currencies other than their respective functional currencies, is as follows:

in millions of euros	December 31, 2008				
	Euro	US dollar	Pound sterling	Swedish krona	Other (1)
Total assets	(90)	188	120	16	22
Total liabilities	(55)	(121)	(342)	(13)	(15)
Exposure to currency risks before hedging	35	67	(222)	3	7
Amounts hedged	(35)	(50)	232	-	(6)
Exposure to currency risks after hedging	-	17	10	3	1

(1) Other currencies essentially include the Swiss franc, Canadian dollar, Australian dollar and Norwegian krona.

At December 31, 2008, amounts hedged mainly concern Cap Gemini S.A. for intragroup financing transactions, and Group subsidiary Capgemini India Private Ltd. for subcontracting services it provides to other regions in which the Group has operations.

B) Interest rate risk

Capgemini’s exposure to interest rate risk should be analyzed in light of its cash position: at December 31, 2008, Capgemini had €1,805 million in cash and cash equivalents, mainly invested at variable rates, and €1,032 million in gross financial debt principally at fixed rates (54%) or capped variable rates (43%), see Note 16 – Net cash and cash equivalents, section II. – Financial debt. This is due to (i) the inherent nature of the Group’s financial debt – which mainly comprises two convertible/exchangeable bond issues (OCEANE); and (ii) to the Group’s decision to use funding sources whose cash cost is in line with the expected return on short-term investments and with its fiscal capacity.

Interest rate risk and hedging

At December 31, 2008, two interest rate hedges were outstanding in the form of swaps and options (caps and floors) on a total amount of €490 million for periods ranging from one to six years. The main characteristics of these contracts are as follows:

- an interest rate swap in connection with the “OCEANE 2003” convertible/exchangeable bonds, contracted by Cap Gemini S.A. on October 28, 2004 for a notional amount of €460 million, and maturing in January 2010. The interest rate swap was amended on September 15, 2006.

Under the new terms and conditions of this contract, Cap Gemini S.A. swapped the 2.5% fixed rate payable on the bonds for a variable rate indexed to the 3-month post-fixed Euribor. The variable rate is now capped at 3.07% with a floor of 1.41%. The interest rate swap contract contains a zero-cost automatic deactivation clause in the event that Cap Gemini S.A. exercises its right (under certain conditions) to redeem the bonds early. The terms and conditions of the contract are set out in Note 16 – Net cash and cash equivalents and in the prospectus approved by the AMF on June 24, 2003 under the reference number 03-607.

The measurement of this contract at market value at December 31, 2008 resulted in a gain of €6 million recorded under “Other financial income and expense”, compared with a gain of €1 million at end-2007. In the balance sheet at December 31, 2008, this contract is valued at €1 million and is included within “Other non-current assets”;

- an interest rate swap contract maturing in July 2014, covering 50% of a finance lease taken out by S.A.R.L. Immobilière Les Fontaines (owner of Capgemini University) in 2002 for a notional amount of €30 million. Under the terms of the swap, S.A.R.L. Immobilière Les Fontaines pays a fixed rate of 3.51% and receives 3-month Euribor.

The measurement of this contract at market value at December 31, 2008 resulted in an expense of €0.7 million recorded under “Other financial income and expense”, compared with a gain of €0.3 million at end-2007. In the balance sheet at end-2008, this contract is valued at €0.3 million and is included within “Other non-current assets”.

Analysis of the sensitivity of net finance costs to a change in interest rates

Based on the average levels of cash and cash equivalents and financial debt in 2008, a 100-basis point rise in interest rates would have a positive impact of around €17 million on Capgemini's net finance costs (2007: €17 million; 2006: €19 million). 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 2008.

C) Equity risk

The Group does not hold any shares for financial investment purposes, and does not have any interests in listed companies. However, at December 31, 2008, under the share buyback program Cap Gemini S.A. holds:

- 377,000 treasury shares following the implementation of a liquidity agreement (the associated liquidity line amounts to €10 million);
- 2,000,000 treasury shares purchased to cover equity instruments issued by the Company and aimed in particular at neutralizing part of the dilutive impact arising from employee share-based incentive instruments.

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 statement of income.

II. LIQUIDITY RISK

Financial liabilities, comprising mainly financial debt and certain accounts and notes payable, are presented in Note 23 – Financial instruments (maturity and future associated cash payments). Additionally, a specific detailed analysis of financial debt is provided in Note 16 – Net cash and cash equivalents, section II. – Financial debt.

The financial liabilities whose early repayment could expose the Group to liquidity risk are mainly the two convertible bonds (“OCEANE 2003” and “OCEANE 2005”).

To manage the liquidity risk that may arise on either early or contractual repayments 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 financial debt;
- maintaining a high level of available funds at all times (€1,805 million at December 31, 2008), which could be increased by the multi-currency syndicated line of credit for €500 million (undrawn to this date);

- actively managing the due dates of financial liabilities in order to limit the concentration of debt maturities;
- using diverse sources of financing, allowing the Group to reduce its reliance on certain categories of lenders.

III. CREDIT RISK

Financial assets, comprising mainly cash and cash equivalents and particularly financial investments, as well as accounts and notes receivable, are presented in Note 23 – Financial instruments. Additionally, a specific detailed analysis of cash and cash equivalents is provided in Note 16 – Net cash and cash equivalents, section I. – Cash and cash equivalents.

Financial assets which could expose the Group to a credit or counterparty risk mainly relate to:

- accounts receivable: at December 31, 2008, accounts receivable net of provisions for doubtful accounts totaled €1,576 million (see Note 14 – Accounts and notes receivable). The Group's largest client, a major British public body, contributes around 11% of Group revenues, while the second-largest client accounts for just 3%. The top 10 clients collectively account for 27% of Group revenues, and the top 30 represent 40%. The creditworthiness of these major clients and the sheer diversity of the other smaller customers help limit credit risk. The economic environment could impact the business activities of the Group's clients, and consequently 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;
- 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) term deposits or (iii) short-term money market mutual funds, subject to minimum credit rating and diversification rules.

At December 31, 2008, short-term investments totaled €1,290 million (see Note 16 – Net cash and cash equivalents) and comprise mainly (i) money market mutual funds meeting strict criteria (short maturities, daily liquidity, low volatility and sensitivity of less than 0.5); and (ii) negotiable debt securities maturing within three months, 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.

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, 2008, the Group's main counterparties in respect of managing currency and interest rate risk are BNP Paribas, Calyon, Citibank, HSBC, JP Morgan and Société Générale.

Aged analysis of accounts receivable

At December 31, 2008, "Accounts receivable" totaled €1,590 million and "Provisions for doubtful accounts" stood at €14 million. The low bad debt ratio reflects the fact that most invoices are only issued after the client has validated the services provided.

At end-2008, past due balances totaled €517 million, representing 33% of accounts receivable less provisions for doubtful accounts. This breaks down as follows:

<i>in millions of euros</i>	Less than 30 days	More than 30 days and less than 90 days	More than 90 days
Net accounts receivable	296	143	78
As a % of accounts and notes receivable, net of provisions for doubtful accounts	18.8%	9.1%	5.0%

Past due balances concern accounts receivable from customers which are individually analyzed and monitored.

IV. CAPITAL MANAGEMENT

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, 2006, 2007 and 2008, Capgemini 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.

NOTE 23 – FINANCIAL INSTRUMENTS

A) Classification and fair value of financial instruments

The items comprising each financial instrument category along with their basis of measurement are described below:

- items carried at fair value through profit or loss include cash and cash equivalents. Fair value is assessed by reference to prices quoted on an active market;
- available-for-sale financial assets comprise shares in non-consolidated companies, which are carried at fair value in the balance sheet;
- loans and receivables include mainly accounts and notes receivable, and other current and non-current receivables. Loans and receivables are measured at amortized cost using the effective interest rate method (EIR);
- liabilities carried at amortized cost calculated using the effective interest rate method comprise mainly financial debt, accounts and notes payable, and other current and non-current payables;
- derivative instruments are carried at fair value, either directly through profit or loss or in equity, according to applicable hedge accounting rules.

The fair value of financial assets and liabilities is mainly calculated as follows:

- the carrying amount of accounts and notes receivable and payable and other current receivables and payables is deemed representative of their fair value due to their very short maturities;
- the fair value of bond debt is estimated at each balance sheet date based on an average market financing rate and the value of the credit risk incurred by the Capgemini Group for a loan with equivalent residual terms to maturity as each of the two bond issues;
- the carrying amount of obligations under finance leases is deemed to be representative of their fair value due to the wide variety and maturity of the corresponding debt.

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Financial instruments can be analyzed as follows by category:

<i>in millions of euros</i>	Fair value through profit or loss	CATEGORY				December 31, 2008	
		Available-for-sale	Loans and receivables	Instruments carried at amortized cost	Derivative instruments	Carrying amount	Fair value
Shares in non-consolidated companies	-	2	-	-	-	2	2
Deposits and other long-term investments	-	-	48	-	-	48	48
Other non-current assets	-	-	20	-	1	21	21
Accounts receivable (net of provisions)	-	-	1,576	-	-	1,576	1,576
Other current receivables	-	-	12	-	2	14	14
Short-term investments	1,290	-	-	-	-	1,290	1,290
Cash at bank	578	-	-	-	-	578	578
FINANCIAL ASSETS	1,868	2	1,656	-	3	3,529	3,529
Bonds (non-current portion)	-	-	-	(891)	-	(891)	(892)
Obligations under finance leases	-	-	-	(119)	-	(119)	(119)
Other long-term financial debt	-	-	-	(11)	-	(11)	(11)
Other non-current liabilities	-	-	-	(15)	(7)	(22)	(22)
Bank overdrafts	(2)	-	-	-	-	(2)	(2)
Other short-term financial debt	-	-	-	(11)	-	(11)	(11)
Trade payables	-	-	-	(821)	-	(821)	(821)
Other current payables	-	-	-	(53)	(90)	(143)	(143)
FINANCIAL LIABILITIES	(2)	-	-	(1,921)	(97)	(2,020)	(2,021)

<i>in millions of euros</i>	CATEGORY					December 31, 2007	
	Fair value through profit or loss	Available-for-sale	Loans and receivables	Instruments carried at amortized cost	Derivative instruments	Carrying amount	Fair value
Shares in non-consolidated companies	-	3	-	-	-	3	3
Deposits and other long-term investments	-	-	35	-	-	35	35
Other non-current assets	-	-	32	-	3	35	35
Accounts receivable (net of provisions)	-	-	1,528	-	-	1,528	1,528
Other current receivables	-	-	143	-	10	153	153
Short-term investments	1,594	-	-	-	-	1,594	1,594
Cash at bank	648	-	-	-	-	648	648
FINANCIAL ASSETS	2,242	3	1,738	-	13	3,996	3,996
Bonds	-	-	-	(864)	-	(864)	(854)
Obligations under finance leases	-	-	-	(150)	-	(150)	(150)
Other long-term financial debt	-	-	-	(90)	-	(90)	(90)
Other non-current liabilities	-	-	-	(16)	(18)	(34)	(34)
Bank overdrafts	(91)	-	-	-	-	(91)	(91)
Other short-term financial debt	-	-	-	(141)	-	(141)	(141)
Trade payables	-	-	-	(863)	-	(863)	(863)
Other current payables	-	-	-	(29)	(2)	(31)	(31)
FINANCIAL LIABILITIES	(91)	-	-	(2,153)	(20)	(2,264)	(2,254)

<i>in millions of euros</i>	CATEGORY					December 31, 2006	
	Fair value through profit or loss	Available-for-sale	Loans and receivables	Instruments carried at amortized cost	Derivative instruments	Carrying amount	Fair value
Shares in non-consolidated companies	-	140	-	-	-	140	140
Deposits and other long-term investments	-	-	23	-	-	23	23
Other non-current assets	-	-	129	-	3	132	132
Accounts receivable (net of provisions)	-	-	1,434	-	-	1,434	1,434
Other current receivables	-	-	16	-	5	21	21
Short-term investments	2,460	-	-	-	-	2,460	2,460
Cash at bank	442	-	-	-	-	442	442
FINANCIAL ASSETS	2,902	140	1,602	-	8	4,652	4,652
Bonds	-	-	-	(838)	-	(838)	(844)
Obligations under finance leases	-	-	-	(156)	-	(156)	(156)
Other long-term financial debt	-	-	-	(215)	-	(215)	(215)
Other non-current liabilities	-	-	-	(11)	(6)	(17)	(17)
Bank overdrafts	(43)	-	-	-	-	(43)	(43)
Other short-term financial debt	-	-	-	(15)	-	(15)	(15)
Trade payables	-	-	-	(817)	-	(817)	(817)
Other current payables	-	-	-	(38)	(5)	(43)	(43)
FINANCIAL LIABILITIES	(43)	-	-	(2,090)	(11)	(2,144)	(2,150)

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B) Impacts of financial instruments on profit or loss

The impacts of financial instruments on profit or loss (see Note 6 – Finance costs, net and Note 7 – Other financial income and expense), are included within net finance expense, with the exception of instruments relating to operating transactions, loans and receivables and accounts and notes payable, which are reported within operating profit.

C) Maturity of financial liabilities

The amounts indicated below correspond to the undiscounted value of future contractual cash flows.

Future cash flows relating to the “OCEANE 2003” and “OCEANE 2005” bonds were estimated based on contractual nominal interest rates (2.5% and 1%, respectively) and on the assumption that the bonds would be redeemed in full at maturity (see Note 16 – Net cash and cash equivalents).

Future cash flows relating to the interest rate swap taken out in respect of “OCEANE 2003” bonds classified under financial liabilities were estimated on the basis of market interest rates at year-end.

The contractual cash flows associated with “Obligations under finance leases” represent contractual repayments of the notional liability.

<i>in millions of euros</i>	December 31, 2008						
	Contractual maturity	Carrying amount	Contractual cash flows	Less than 1 year	1 to 2 years	2 to 5 years	Beyond 5 years
“OCEANE 2003” bonds	2010	449	483	12	471	-	-
Interest rate swap relating to “OCEANE 2003” bonds (1)	2010	-	-	-	-	-	-
“OCEANE 2005” bonds	2012	442	512	4	4	504	-
Obligations under finance leases	2009 to 2014	119	119	34	27	50	8
Other long-term financial debt	2010 to 2015	11	11	-	10	-	1
Other non-current liabilities	2010 to 2011	22	22	-	20	2	-
Bank overdrafts	2009	2	2	2	-	-	-
Other short-term financial debt	2009	11	11	11	-	-	-
Trade payables	2009	821	821	821	-	-	-
Other payables	2009	143	143	143	-	-	-
TOTAL FINANCIAL LIABILITIES		2,020	2,124	1,027	532	556	9

(1) The interest rate swap taken out in connection with “OCEANE 2003” bonds is shown in the balance sheet caption “Other non-current assets” at end-2008, and is not therefore included in financial liabilities.

<i>in millions of euros</i>	December 31, 2007						
	Contractual maturity	Carrying amount	Contractual cash flows	Less than 1 year	1 to 2 years	2 to 5 years	Beyond 5 years
“OCEANE 2003” bonds	2010	438	495	12	12	471	-
Interest rate swap relating to “OCEANE 2003” bonds	2010	4	(2)	3	3	(8)	-
“OCEANE 2005” bonds	2012	426	517	4	4	509	-
Obligations under finance leases	2008 to 2014	150	150	45	33	55	17
Other long-term financial debt	2009 to 2014	90	168	1	11	2	154
Other non-current liabilities	2008 to 2009	30	30	14	16	-	-
Bank overdrafts	2008	91	91	91	-	-	-
Other short-term financial debt	2008	141	6	6	-	-	-
Trade payables	2008	863	863	863	-	-	-
Other payables	2008	31	24	24	-	-	-
TOTAL FINANCIAL LIABILITIES		2,264	2,342	1,063	79	1,029	171

<i>in millions of euros</i>	December 31, 2006						
	Contractual maturity	Carrying amount	Contractual cash flows	Less than 1 year	1 to 2 years	2 to 5 years	Beyond 5 years
“OCEANE 2003” bonds	2010	427	507	12	12	483	-
Interest rate swap relating to “OCEANE 2003” bonds	2010	6	1	3	3	(5)	-
“OCEANE 2005” bonds	2012	411	520	4	4	13	499
Obligations under finance leases	2007 to 2014	156	156	49	31	50	26
Other long-term financial debt	2008 to 2014	215	189	1	3	12	173
Other non-current liabilities	2008 to 2009	11	11	-	2	9	-
Bank overdrafts	2007	43	43	43	-	-	-
Other short-term financial debt	2007	15	6	6	-	-	-
Trade payables	2007	817	817	817	-	-	-
Other payables	2007	43	43	43	-	-	-
TOTAL FINANCIAL LIABILITIES		2,144	2,293	978	55	562	698

NOTE 24 – SEGMENT INFORMATION

I. SEGMENT REPORTING BY GEOGRAPHIC AREA

The Group has operations in the following eight geographic areas:

Geographic area	Country
North America	Canada, United States
France and Morocco	France, Morocco
United Kingdom and Ireland	Ireland, United Kingdom
Benelux	Belgium, Luxembourg, Netherlands
Germany and Central Europe	Austria, Czech Republic, Germany, Hungary, Poland, Romania, Slovakia and Switzerland
Nordic countries	Denmark, Finland, Norway, Sweden
Southern Europe and Latin America	Argentina, Brazil, Chile, Guatemala, Italy, Mexico, Portugal, Spain
Asia-Pacific	Australia, China, India, Singapore

A) Analysis of results by geographic area

Results for 2008 break down as follows by geographic area:

<i>in millions of euros</i>	North America	France and Morocco	United Kingdom and Ireland	Benelux	Germany and Central Europe	Nordic countries	Southern Europe and Latin America	Asia-Pacific	Not allocated (1)	Eliminations	Total	
REVENUES												
- external (2)	1,668	2,077	1,922	1,303	592	578	449	121	-	-	8,710	
- inter-geographic area	34	80	75	36	93	17	28	366	-	(729)	-	
TOTAL REVENUES	1,702	2,157	1,997	1,339	685	595	477	487	-	(729)	8,710	
OPERATING MARGIN (2)	98	151	149	185	83	55	23	58	(58)	-	744	
<i>% of revenues</i>	5.8	7.3	7.8	14.2	14.0	9.5	5.2	na	-	-	8.5	
OPERATING PROFIT	86	99	117	173	54	51	14	52	(60)		586	
											Finance costs, net	2
											Other financial income and expense	(21)
											Income tax expense	(116)
											PROFIT FOR THE YEAR	451
											PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	451

(1) Items that have not been allocated correspond to headquarters' 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 sub-contracting carried out in India.

Results for 2007 broke down as follows by geographic area :

<i>in millions of euros</i>	North America	France and Morocco	United Kingdom and Ireland	Benelux	Germany and Central Europe	Nordic countries	Southern Europe and Latin America	Asia- Pacific	Not allocated (1)	Elimi- nations	Total		
REVENUES													
- external (2)	1,721	1,971	2,230	1,168	558	539	390	126	-	-	8,703		
- inter-geographic area	20	70	74	34	74	18	30	286	-	(606)	-		
TOTAL REVENUES	1,741	2,041	2,304	1,202	632	557	420	412	-	(606)	8,703		
OPERATING MARGIN (2)	111	86	152	176	74	45	21	32	(57)	-	640		
% of revenues	6.5	4.4	6.8	15.0	13.3	8.4	5.5	na	-	-	7.4		
OPERATING PROFIT	84	68	76	167	70	42	18	28	(60)	-	493		
											Finance costs, net	(4)	
												Other financial income and expense	(3)
												Income tax expense	(48)
												Share in profit of equity-accounted companies	2
												PROFIT FOR THE YEAR	440
												PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	440

(1) Items that have not been allocated correspond to headquarters' 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 sub-contracting carried out in India.

Results for 2006 broke down as follows by geographic area:

<i>in millions of euros</i>	North America	France and Morocco	United Kingdom and Ireland	Benelux	Germany and Central Europe	Nordic countries	Southern Europe and Latin America	Asia- Pacific	Not allocated (1)	Elimi- nations	Total			
REVENUES														
- external (2)	1,341	1,816	2,126	1,046	514	441	339	77	-	-	7,700			
- inter-geographic area	12	74	48	45	60	23	28	130	-	(420)	-			
TOTAL REVENUES	1,353	1,890	2,174	1,091	574	464	367	207	-	(420)	7,700			
OPERATING MARGIN (2)	72	5	164	142	52	32	15	13	(48)	-	447			
% of revenues	5.4	0.3	7.7	13.5	10.2	7.4	4.4	na	-	-	5.8			
OPERATING PROFIT	66	(30)	127	131	40	29	9	11	(49)	-	334			
												Finance costs, net	(10)	
													Other financial income and expense	(18)
													Income tax expense	(13)
													PROFIT FOR THE YEAR	293
													PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	293

(1) Items that have not been allocated correspond to headquarters' 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 sub-contracting carried out in India.

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B) Analysis of depreciation, amortization and other expenses with no cash impact included within operating margin

Depreciation, amortization and other expenses with no cash impact break down as follows for 2008:

<i>in millions of euros</i>	North America	France and Morocco	United Kingdom and Ireland	Benelux	Germany and Central Europe	Nordic countries	Southern Europe and Latin America	Asia-Pacific	Not allocated	Total
Depreciation and amortization expense	(41)	(29)	(30)	(21)	(24)	(7)	(5)	(19)	(1)	(177)
Net additions to provisions (1)	(12)	(1)	7	1	2	(1)	1	(4)	-	(7)
TOTAL	(53)	(30)	(23)	(20)	(22)	(8)	(4)	(23)	(1)	(184)

(1) This item includes net movements in provisions for doubtful accounts and current and non-current provisions.

Depreciation, amortization and other expenses with no cash impact broke down as follows for 2007:

<i>in millions of euros</i>	North America	France and Morocco	United Kingdom and Ireland	Benelux	Germany and Central Europe	Nordic countries	Southern Europe and Latin America	Asia-Pacific	Not allocated	Total
Depreciation and amortization expense	(43)	(29)	(47)	(15)	(25)	(6)	(6)	(20)	(1)	(192)
Net additions to provisions (1)	(2)	(16)	(12)	(3)	(2)	-	-	(1)	-	(36)
TOTAL	(45)	(45)	(59)	(18)	(27)	(6)	(6)	(21)	(1)	(228)

(1) This item includes net movements in provisions for doubtful accounts and current and non-current provisions.

Depreciation, amortization and other expenses with no cash impact broke down as follows for 2006:

<i>in millions of euros</i>	North America	France and Morocco	United Kingdom and Ireland	Benelux	Germany and Central Europe	Nordic countries	Southern Europe and Latin America	Asia-Pacific	Not allocated	Total
Depreciation and amortization expense	(31)	(25)	(54)	(17)	(21)	(7)	(5)	(6)	(1)	(167)
Net additions to provisions (1)	(2)	(42)	(6)	(2)	(10)	-	(1)	(2)	-	(65)
TOTAL	(33)	(67)	(60)	(19)	(31)	(7)	(6)	(8)	(1)	(232)

(1) This item includes net movements in provisions for doubtful accounts and current and non-current provisions.

C) Analysis of assets and liabilities by geographic area

The location of assets corresponds to the location of the Group's clients, except for those concerning outsourcing centers such as in India.

At December 31, 2008, assets and liabilities break down as follows by geographic area:

<i>in millions of euros</i>	North America	France and Morocco	United Kingdom and Ireland	Benelux	Germany and Central Europe	Nordic countries	Southern Europe and Latin America	Asia-Pacific	Not allocated	Eliminations	Total	
Assets by geographic area:												
- external	1,004	1,802	877	1,509	491	341	266	205	39	-	6,534	
- inter-geographic area	44	63	31	21	27	10	11	108	11	(326)	-	
TOTAL ASSETS BY GEOGRAPHIC AREA	1,048	1,865	908	1,530	518	351	277	313	50	(326)	6,534	
											Deferred tax assets	863
											Current income tax receivable	39
											Short-term investments	1,290
											Derivative instruments	3
											TOTAL ASSETS	8,729
Liabilities by geographic area:												
- external	460	1,035	960	411	175	150	156	92	10	-	3,449	
- inter-geographic area	73	63	56	45	27	24	11	18	9	(326)	-	
TOTAL LIABILITIES BY GEOGRAPHIC AREA	533	1,098	1,016	456	202	174	167	110	19	(326)	3,449	
											Total equity	3,939
											Deferred tax liabilities	138
											Current income tax payable	74
											Financial debt	1,032
											Derivative instruments	97
											TOTAL EQUITY AND LIABILITIES	8,729

At December 31, 2007, assets and liabilities broke down as follows by geographic area:

<i>in millions of euros</i>	North America	France and Morocco	United Kingdom and Ireland	Benelux	Germany and Central Europe	Nordic countries	Southern Europe and Latin America	Asia-Pacific	Not allocated	Eliminations	Total	
Assets by geographic area:												
- external	1,134	1,765	1,101	1,076	537	361	238	204	166	-	6,582	
- inter-geographic area	31	58	26	15	19	7	8	49	67	(280)	-	
TOTAL ASSETS BY GEOGRAPHIC AREA	1,165	1,823	1,127	1,091	556	368	246	253	233	(280)	6,582	
											Deferred tax assets	907
											Current income tax receivable	31
											Short-term investments	1,594
											Derivative instruments	13
											TOTAL ASSETS	9,127
Liabilities by geographic area:												
- external	562	1,016	1,293	288	195	173	152	76	47	-	3,802	
- inter-geographic area	60	91	35	36	26	18	9	(4)	9	(280)	-	
TOTAL LIABILITIES BY GEOGRAPHIC AREA	622	1,107	1,328	324	221	191	161	72	56	(280)	3,802	
											Total equity	3,851
											Deferred tax liabilities	138
											Current income tax payable	71
											Financial debt	1,245
											Derivative instruments	20
											TOTAL EQUITY AND LIABILITIES	9,127

II. 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;

- “Outsourcing Services” manages all or part of a company's IT or business process needs (“Business Process Outsourcing”);
- “Local Professional Services” provides assistance and support to internal IT teams within client companies.

Revenues break down as follows by business:

<i>in millions of euros</i>	2006		2007		2008	
	Amount	%	Amount	%	Amount	%
Consulting Services	851	11	753	9	695	8
Technology Services	2,619	34	3,349	38	3,396	39
Outsourcing Services	3,008	39	3,189	37	3,076	35
Local Professional Services	1,222	16	1,412	16	1,543	18
TOTAL	7,700	100	8,703	100	8,710	100

Operating margin breaks down as follows by business:

<i>in millions of euros</i>	2006		2007		2008	
	Amount	%	Amount	%	Amount	%
Consulting Services	86	10.1	79	10.5	89	12.8
Technology Services	196	7.5	299	8.9	348	10.2
Outsourcing Services	93	3.1	150	4.7	167	5.4
Local Professional Services	120	9.8	169	12.0	198	12.9
Not allocated	(48)	-	(57)	-	(58)	-
TOTAL	447	5.8	640	7.4	744	8.5

NOTE 25 – NUMBER OF EMPLOYEES

A) Average number of employees by geographic area

	2006		2007		2008	
	Employees	%	Employees	%	Employees	%
North America	6,272	10	8,564	11	8,650	10
France and Morocco	19,924	31	20,595	26	21,056	24
United Kingdom and Ireland	8,894	14	8,791	11	8,147	9
Benelux	8,807	14	9,167	12	10,021	12
Germany and Central Europe	4,336	7	5,814	7	6,880	8
Nordic countries	3,480	5	3,818	5	4,057	5
Southern Europe and Latin America	5,982	9	6,476	8	7,479	9
Asia-Pacific	6,167	10	15,832	20	20,049	23
Not allocated	151	-	156	-	156	-
TOTAL	64,013	100	79,213	100	86,495	100

B) Number of employees at December 31 by geographic area

At December 31	2006		2007		2008	
	Employees	%	Employees	%	Employees	%
North America	6,441	10	8,857	11	8,379	9
France and Morocco	20,287	30	20,979	25	21,242	23
United Kingdom and Ireland	8,785	13	8,482	10	7,985	9
Benelux	9,014	13	9,492	11	12,291	13
Germany and Central Europe	5,137	8	6,274	8	7,534	8
Nordic countries	3,608	5	3,942	5	4,049	5
Southern Europe and Latin America	6,235	9	6,836	8	7,913	9
Asia-Pacific	8,231	12	18,487	22	22,078	24
Not allocated	151	-	159	-	150	-
TOTAL	67,889	100	83,508	100	91,621	100

NOTE 26 – OFF BALANCE SHEET COMMITMENTS**A) 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 in 2004 with HM Revenue & Customs, TXU (now EFH), Schneider Electric Industries and Euroclear, as well as the contract signed in 2005 with the Metropolitan Police.

The Group has also granted certain customers limited financial guarantees totaling €138 million at December 31, 2008, and bank guarantees totaling €58 million at year-end.

B) Commitments given and received in connection with investments**On minority interests:**

On April 12, 2005, the Group entered into an alliance with the Japanese group NTT Data Corporation to sell 95% of its stake in Capgemini Japan K.K. for €30 million. The sale agreement granted

a put option to the Capgemini Group on its residual 5% interest in Zacatii Consulting Inc. (formerly Capgemini Japan K.K.), and a call option to NTT Data Corporation in relation to the same shares. These options are exercisable for a period of two years as from July 14, 2008 at the higher of the market value of the shares at the exercise date and the valuation of the shares as determined based on the initial transaction cost (i.e., €1 million for the residual 5% stake).

On the creation of Synaxio:

On December 10, 2007, the Group was granted a put option on its entire interest in newly created Synaxio (formerly Inovmail), a company 40%-owned by the Group and 60%-owned by DOC@POST. This option can be exercised from June 1, 2009 until December 31, 2009. The sale price has been set at €2.8 million or a symbolic price of €1, depending on whether the Group delivers a solution in line with La Poste's specifications.

The Group and La Poste also hold a pre-emptive right on each party's shares in the event that either of them wishes to sell its shares to a third party. This right is effective as from December 1, 2008.

C) Other commitments given

At December 31 (in millions of euros)	2006	2007	2008
On non-cancelable leases	I 851	807	768
Other commitments given	II 108	63	55
TOTAL	959	870	823

I. The Group's commitments under non-cancelable leases can be analyzed as follows:

<i>in millions of euros</i>	Computer equipment	Offices	Vehicles	Other	Total
Y+1	9	158	58	2	227
Y+2	3	131	43	1	178
Y+3	1	95	26	-	122
Y+4	-	78	9	-	87
Y+5	-	55	1	-	56
Y+6 and subsequent years	-	97	1	-	98
December 31, 2008	13	614	138	3	768
December 31, 2007	25	648	124	10	807
December 31, 2006	59	653	122	17	851

At December 31, 2008, commitments given under non-cancelable leases mainly concern Benelux (€199 million), France (€149 million), Germany and Central Europe (€91 million), North America (€79 million), and the United Kingdom (€75 million). Lease payments recognized in the income statement during the year totaled €242 million.

II. Other commitments given relate mainly to:

- bank guarantees given to the tax authorities in connection with tax disputes in France and Spain;
- commitments relating to employees in the Netherlands;

- conditions precedent regarding the final award of subsidies in the Netherlands and Spain;
 - firm purchase commitments relating to goods or services.
- The decrease in other commitments given between 2006 and 2008 mainly reflects the fall in firm purchase commitments on goods and services.

D) Financial debts secured by assets

Some financial debts are secured by assets recorded in the balance sheet. At December 31, 2008, these concerned finance leases for an amount of €119 million.

NOTE 27 – RELATED PARTY TRANSACTIONS

A) Associates

Associates are equity-accounted companies over which the Group exercises significant influence (see Note 29 – List of the main consolidated companies by country). Transactions with these companies in 2008 were carried out on an arm's length basis, and volumes were not material.

B) Other related parties

In 2008, no material transactions were carried out with:

- shareholders holding significant voting rights in the 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.

C) Management compensation

The table below provides a breakdown of compensation due in respect of 2008 to members of the Group's management – which includes the Group management structure (28 members in 2008, and 26 members in 2007) – and the Chairman of the Board of Directors, as well as attendance fees payable to the 12 non-salaried directors and non-voting directors (unchanged from 2007).

<i>in thousands of euros</i>	2007	2008
Short-term benefits excluding employer payroll taxes (1)	21,387	21,493
Short-term benefits: employer payroll taxes	4,463	3,771
Post-employment benefits (2)	693	756
Share-based payment (3)	1,976	1,210

(1) Includes gross wages and salaries, bonuses, profit-sharing, directors' fees and benefits in kind.

(2) Including mainly statutory retirement gratuities.

(3) Representing the annual expense relating to the award of stock options.

CAPGEMINI CONSOLIDATED FINANCIAL STATEMENTS

NOTE 28 – SUBSEQUENT EVENTS

At the annual shareholders' meeting, the Board of Directors will recommend a dividend payout of €1 per share.

NOTE 29 – LIST OF THE MAIN CONSOLIDATED COMPANIES BY COUNTRY

At December 31, 2008, the main consolidated companies were as follows:

Country	Consolidated company	% interest	Consolidation method
GERMANY	Capgemini Deutschland GmbH (Berlin)	100,00%	FC
	Capgemini Deutschland Holding GmbH	100,00%	FC
	Capgemini Outsourcing Services GmbH (Stuttgart)	100,00%	FC
	Capgemini SD&M Software Design and Management AG (München)	100,00%	FC
	Sogeti Deutschland GmbH (Berlin)	100,00%	FC
	Cap Gemini Telecom Media & Networks Deutschland GmbH	100,00%	FC
	FuE-Future Engineering GmbH	100,00%	FC
ARGENTINA	Capgemini Argentina S.A.	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
	Sogeti N.V./S.A. (Belgium)	100,00%	FC
	Sogeti International S.A.	100,00%	FC
BRAZIL	Capgemini do Brasil, Serviços de Consultoria e Informática Ltda.	100,00%	FC
	Capgemini Business Services Brasil Ltda.	100,00%	FC
CANADA	Capgemini New Brunswick Inc.	100,00%	FC
	Capgemini Nova Scotia Inc.	100,00%	FC
	Capgemini Canada Inc.	100,00%	FC
	Inergi Inc.	100,00%	FC
	Inergi L.P.	100,00%	FC
	New Horizons System Solutions L.P.	100,00%	FC
	New Horizons System Solutions Inc.	100,00%	FC
	Capgemini Financial Services Canada Inc.	100,00%	FC
CHILI	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

FC = Full consolidation
EM = Equity method

Country	Consolidated company	% interest	Consolidation method
	Capgemini Business Services (Asia) Ltd.	100,00%	FC
	SSS Hangzhou Ltd. (China)	48,60%	EM
	Capgemini Financial Services HK Ltd.	100,00%	FC
DENMARK	Capgemini Danmark AS	100.00%	FC
	Sogeti Danmark AS	100.00%	FC
SPAIN	Capgemini España, S.L.	100.00%	FC
	Sogeti España, S.L.	100.00%	FC
UNITED STATES	Capgemini America Inc.	100.00%	FC
	Capgemini Applications Services LLC	100.00%	FC
	Capgemini Holding Inc.	100.00%	FC
	Capgemini U.S. 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 GP LLC	100.00%	FC
	Capgemini Energy Holdings LLC	100.00%	FC
	Capgemini Energy L.P.	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
	Kanbay Managed Solution Inc.	80.00%	FC
	Strategic Systems Inc. (US)	48.60%	EM
	Strategic Back-Office Solutions Inc.	48.60%	EM
FINLAND	Capgemini 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 Finance et Services S.A.S.	100.00%	FC
	Capgemini Industrie et Distribution S.A.S.	100.00%	FC
	Capgemini Est S.A.S.	100.00%	FC
	Capgemini Ouest S.A.S.	100.00%	FC
	Capgemini Sud S.A.S.	100.00%	FC
	Capgemini Outsourcing Services S.A.S.	100.00%	FC
	Capgemini OS Electric S.A.S.	100.00%	FC
	Capgemini Telecom Media Défense S.A.S.	100.00%	FC
	Synaxio S.A.S.	40.00%	EM
	Sogeti S.A.S.	100.00%	FC
	Sogeti Infrastructure Service S.A.S.	100.00%	FC
	Sogeti Application Service S.A.S.	100.00%	FC

FC = Full consolidation
EM = Equity method

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Country	Consolidated company	% interest	Consolidation method
FRANCE	Sogeti Régions S.A.S.	100.00%	FC
	Sogeti Services S.A.S.	100.00%	FC
	Sogeti High Tech S.A.S.	100.00%	FC
	Euratec S.A.R.L.	100.00%	FC
GUATEMALA	Capgemini Business Services Guatemala S.A.	100.00%	FC
HUNGARY	Capgemini Magyarország Kft	100.00%	FC
INDIA	InQA Test Labs Private Ltd. (India)	100.00%	FC
	Capgemini Business Services (India) Ltd.	51.00%	FC
	Capgemini India Private Ltd.	100.00%	FC
	Pune Software Park Pvt. Ltd.	100.00%	FC
IRELAND	Sogeti Ireland Ltd.	100.00%	FC
	Insight Test Services Holding Ltd.	100.00%	FC
	Insight Test Services Management Ltd.	100.00%	FC
	Insight Test Services Ltd.	100.00%	FC
ITALY	Capgemini Italia S.p.A.	100.00%	FC
LUXEMBOURG	Sogeti Luxembourg S.A.	100.00%	FC
	Capgemini Reinsurance Company S.A.	100.00%	FC
	Sogeti PSF Luxembourg S.A.	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
NETHERLANDS	Capgemini Outsourcing B.V.	100.00%	FC
	Capgemini Interim Management B.V.	100.00%	FC
	Capgemini Nederland B.V.	100.00%	FC
	Capgemini Sourcing B.V.	100.00%	FC
	Capgemini Educational Services B.V.	100.00%	FC
	Capgemini N.V.	100.00%	FC
	Capgemini Datacenter Amsterdam B.V.	100.00%	FC
	Sogeti Nederland B.V.	100.00%	FC
	Capgemini International B.V.	100.00%	FC
	Capgemini Retail Solutions B.V.	100.00%	FC
	Capgemini Shared Services B.V.	100.00%	FC
	Capgemini Business Services B.V.	100.00%	FC
	Capgemini BAS B.V.	100.00%	FC
	Code 6 B.V.	100.00%	FC
Capgemini BAS Interim v.o.f	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

FC = Full consolidation
EM = Equity method

Country	Consolidated company	% interest	Consolidation method
CZECH REPUBLIC	Capgemini Czech Republic S.r.o.	100.00%	FC
	Empire S.r.o	100.00%	FC
	Sophia Solutions S.r.o	70.00%	FC
ROMANIA	Capgemini Services Romania s.r.l.	100.00%	FC
UNITED KINGDOM	Capgemini UK Plc.	100.00%	FC
	CGS Holdings Ltd.	100.00%	FC
	Sogeti UK Ltd.	100.00%	FC
	Capgemini Financial Services UK Ltd.	100.00%	FC
	SSS Holding Corporation Ltd.	48.60%	EM
	Strategic System Solution Ltd.	48.60%	EM
	Strategic Back Office Solutions Ltd.	48.60%	EM
	Strategic Training Solutions Ltd.	48.60%	EM
	Bizzkidz Ltd.	48.60%	EM
	Vizuri Ltd.	100.00%	FC
Qbit Ltd.	100.00%	FC	
SINGAPORE	Capgemini Asia Pacific Pte Ltd.	100,00%	IG
	SSS Pte Ltd. (Singapore)	48,60%	EM
	Capgemini Financial Services (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
SWITZERLAND	Capgemini Suisse S.A. (Zurich)	100.00%	FC
	Capgemini SD&M Schweiz AG (Zurich)	100.00%	FC
	Sogeti Suisse S.A.	100.00%	FC

FC = Full consolidation
EM = Equity method

CAP GEMINI S.A.

FINANCIAL STATEMENTS

BALANCE SHEETS

AT DECEMBER, 31, 2007 AND 2008

<i>in thousands of euros</i>	2007	2008		
ASSETS	Net amount	Gross amount	Depreciation, amortization and provisions	Net amount
Intangible assets				
Trademarks, patents and similar rights	2,152	35,568	(33,499)	2,069
Property, plant and equipment				
Land	-	-	-	-
Buildings	-	-	-	-
Other	224	224	-	224
Financial fixed assets				
Equity interests	7,660,682	13,736,690	(5,867,685)	7,869,005
Receivable from controlled entities (1)	42,951	249,744	-	249,744
Securities held for portfolio management purposes	2	2	-	2
Other financial fixed assets (1)	5,027	9,133	-	9,133
NON-CURRENT ASSETS	7,711,038	14,031,361	(5,901,184)	8,130,177
Advances and downpayments	-	35	-	35
Accounts and notes receivable (1)	924	503	-	503
Other receivables (1)	1,472	7,296	-	7,296
Receivable from related and associated companies (1)	280,131	234,764	-	234,764
Miscellaneous debtors (1)	-	279	-	279
Marketable securities	1,204,462	921,747	(17,496)	904,251
Cash and cash equivalents	226,621	195,791	-	195,791
CURRENT ASSETS	1,713,610	1,360,415	(17,496)	1,342,919
Prepaid expenses (1)	118	100	-	100
Deferred charges	15,488	9,167	-	9,167
Bond redemption premium	35,502	57,873	(31,247)	26,626
Unrealized foreign exchange losses	325	1,866	-	1,866
OTHER ASSETS	51,433	69,006	(31,247)	37,759
TOTAL ASSETS	9,476,081	15,460,782	(5,949,927)	9,510,855
(1) of which due within one year	294,033	252,075	-	252,075

in thousands of euros

	2007	2008
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital (fully paid up)	1,163,404	1,166,760
Additional paid-in capital	5,525,119	5,531,818
Legal reserve	115,265	116,340
Regulated reserves	-	-
Other reserves	211,853	211,853
Retained earnings	185,597	537,846
Profit for the year	496,620	259,605
Regulated provisions	1,327	2,745
SHAREHOLDERS' EQUITY	7,699,185	7,826,967
PROVISIONS FOR CONTINGENCIES AND CHARGES	1,898	7,898
Convertible bonds	954,873	954,873
Bank loans and borrowings (2)	273,332	201,409
Payable to controlled entities (2)	305,300	301,468
FINANCIAL DEBT (2)	1,533,505	1,457,750
Accounts and notes payable (2)	2,180	3,360
Tax and social security liabilities (2)	4,401	4,374
Payable to related and associated companies (2)	230,226	208,687
Other payables (2)	377	460
Prepaid income (2)	4,293	1,271
Unrealized foreign exchange gains	16	88
OTHER LIABILITIES	241,493	218,240
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	9,476,081	9,510,855
(2) of which due within one year	820,109	721,029

CAP GEMINI S.A. FINANCIAL STATEMENTS

STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2008

<i>in thousands of euros</i>	2007	2008
Royalties	202,992	201,087
Reversals of depreciation, amortization and provisions; expense transfers		187
Other income	719	743
Total operating income	203,711	202,017
Other purchases and external charges	28,044	29,150
Taxes, duties and other levies	2,966	2,961
Depreciation and amortization	1,886	1,351
Additions to provisions	5,052	5,052
Other expenses	609	592
Total operating expenses	38,557	39,106
OPERATING PROFIT	165,154	162,911
Investment income (1)	76,947	66,672
Income from other marketable securities and amounts receivable on non-current assets (1)	3,105	3,398
Other interest income (1)	34,127	56,338
Reversals of provisions	280,622	31,767
Foreign exchange gains	8,605	9,815
Net proceeds on disposals of marketable securities	32,876	12,200
Total financial income	436,282	180,190
Depreciation, amortization and provisions relating to financial items	43,856	34,270
Interest and similar expenses (2)	56,286	54,210
Foreign exchange losses	5,702	7,741
Total financial expenses	105,844	96,221
FINANCE INCOME, NET	330,438	83,969
RECURRING PROFIT BEFORE TAX	495,592	246,880
Non-recurring income:		
From operations	-	-
From capital transactions	33,518	39,322
Reversals of provisions and expense transfers	-	-
Total non-recurring income	33,518	39,322
Non recurring expenses:		
From operations	3,340	5,077
From capital transactions	60,108	49,522
Exceptional depreciation, amortization and provisions	1,269	1,417
Total non-recurring expenses	64,717	56,016
NON-RECURRING EXPENSE, NET	(31,199)	(16,694)
INCOME TAX	32,227	29,419
PROFIT FOR THE YEAR	496,620	259,605
(1) of which income concerning related companies	85,978	78,522
(2) of which interest concerning related companies	25,758	23,711

CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2008

<i>in thousands of euros</i>	At December 31, 2007	Appropriation of profit for 2007	Other movements	At December 31, 2008
Share capital	1,163,404	-	3,356	1,166,760
Additional paid-in capital	5,525,119	-	6,699	5,531,818
Legal reserve	115,265	1,075	-	116,340
Regulated reserves	-	-	-	-
Other reserves	211,853	-	-	211,853
Retained earnings	185,597	352,249	-	537,846
Dividends paid	-	143,296	(143,296)	-
Profit for the year	496,620	(496,620)	259,605	259,605
Regulated provisions	1,327	-	1,418	2,745
TOTAL	7,699,185	-	127,782	7,826,967

Excluding profit for the year, changes in shareholders' equity result from:

- the April 24, 2008 payout of a €1 dividend on each of the 145,425,510 shares making up share capital at December 31, 2007 for a total of €145,426 thousand. Since the Company held 2,130,000 of its own shares at April 24, 2008, €2,130 thousand was appropriated to retained earnings;
- the appropriation of unpaid dividends on treasury shares held by the Company (€2,130 thousand) to retained earnings;

- the exercise of 419,428 stock options, corresponding to a capital increase of €3,356 thousand and additional paid-in capital €6,673 thousand;
- the payment of expenses relating to the December 2006 capital increase out of the €26 thousand issue premium;
- recognition of an accelerated amortization charge for €1,418 thousand regarding transaction fees incurred on acquiring equity interests.

NOTES TO THE FINANCIAL STATEMENTS

I – ACCOUNTING POLICIES

The annual financial statements for the year ended December 31, 2008 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) as of January 2005 (no impact on Cap Gemini S.A.'s statutory accounts). The annual financial statements are also prepared in accordance with the conservatism and accrual basis principles, 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. The realizable value of the equity interests represents their value in use for the Company. 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. A provision for impairment is set aside when the realizable value as defined above falls below the acquisition cost.

Treasury stock

Treasury stock held by Cap Gemini S.A. as part of the liquidity agreement is recorded on the balance sheet within long-term investments at the lower of cost and realizable value. Realizable value is the average market price for Cap Gemini S.A. shares in December.

Marketable securities

Marketable securities are shown on the balance sheet at the lower of cost and 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.

Foreign currency transactions

Receivables, payables and cash and cash equivalents denominated in foreign currencies are converted into euros at the year-end exchange rate or at the hedging rate. Any differences resulting from the conversion of foreign currency receivables and payables at the hedging rate are included in the balance sheet under "Unrealized foreign exchange gains/losses".

Receivables and payables

Receivables are measured at their nominal amount, and a provision for impairment set aside when their 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 opted to file consolidated tax returns pursuant to Article 223 A of the French General Tax Code. Tax savings realized by the Group on account of losses incurred by consolidated entities are treated as a gain in the period in which they arise, and are retained in the parent company's accounts.

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 symmetrically with the gains and losses arising on the hedged items. The fair value of financial instruments is estimated based on market prices or pricing data provided by banks.

II - NOTES TO THE BALANCE SHEET AND STATEMENT OF INCOME

1. Non-current assets

<i>in thousands of euros</i>	Gross value (at beginning of year)	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				
Land	-	-	-	-
Buildings	-	-	-	-
Other	224	-	-	224
Sub-total	224	-	-	224
Financial fixed assets				
Equity interests	13,558,237	223,076	(44,623)	13,736,690
Receivable from controlled entities	42,951	271,275	(64,482)	249,744
Securities held for portfolio management purposes	2	-	-	2
Other long-term investments	5,027	78,083	(73,977)	9,133
Sub-total	13,606,217	572,434	(183,082)	13,995,569
TOTAL NON-CURRENT ASSETS	13,642,009	572,434	(183,082)	14,031,361

EQUITY INTERESTS

Increases in this item were chiefly due to:

- capital increases carried out at two subsidiaries for a total amount of €176 million, mainly in France (€170 million), but also in Italy (€6 million);
- the May 2, 2008 acquisition from the Unilever group of two Netherlands-based firms acting as the holding companies for Asesorias Latin America Shared Services, Ltda. (renamed Capgemini Business Services Chile) and ARD – Prestação de Serviços Administrativos Lda. (renamed Capgemini Business Services Brazil) for €22 million;
- disposals of interests in Capgemini Deutschland GmbH to Capgemini Deutschland Holding GmbH for €25 million.

Decreases in this item result from the derecognition of the following assets:

- disposals of interests in Cap Gemini Telecom Media & Networks Nederland B.V. (€5 million), which were sold to Capgemini Nederland B.V.;
- disposals of interests in Capgemini Deutschland GmbH to Capgemini Deutschland Holding GmbH for €10 million;
- derecognition/cancellation of interests in Capgemini Old Ireland Ltd (€16 million) and in Capgemini Telecom Media & Networks Italia (€14 million) following their liquidation.

RECEIVABLE FROM CONTROLLED ENTITIES

The main changes in this caption reflect:

- the repayment in December 2008 of €40 million of the €240 million loan granted to Capgemini Nederland B.V. in November 2008 to help fund its acquisition of Getronics Pinkroccade Business Application Services B.V. (BAS B.V.) on December 1 of that year;
- miscellaneous loans granted to subsidiaries in 2007 and 2008, some of which were repaid in 2008.

OTHER LONG-TERM INVESTMENTS

On September 15, 2005, Cap Gemini S.A. mandated CA Cheuvreux to implement a liquidity agreement for €10 million with a view to boosting the liquidity of the Cap Gemini share and ensuring greater price stability (by avoiding in particular fluctuations in the share price not justified by market trends). This agreement relates to the share buyback program approved by the Shareholders' Meeting on May 12, 2005. The agreement was implemented with effect from September 30, 2005 for an automatically renewable term of one year, with Cap Gemini S.A. entitled to terminate the agreement at any time and request a transfer of the related funds. A total of 2,269,680 shares were acquired and 2,019,720 shares were sold under this agreement between January 1, 2008 and December 31, 2008. As Cap Gemini S.A. owned 127,040 treasury shares at December 31, 2007, the Company held a total of 377,000 treasury shares at end-December 2008, valued at €9,133 thousand.

2. Depreciation, amortization and provisions for non-current assets

<i>in thousands of euros</i>	Depreciation, amortization and provisions (at beginning of year)	Additions	Reversals	Depreciation, amortization and provisions (December 31)
Intangible assets				
Amortization of trademarks, patents and similar rights	33,416	83	-	33,499
Property, plant and equipment				
Depreciation of buildings	-	-	-	-
Financial fixed assets				
Provisions for equity interests	5,897,555	-	(29,869)	5 867 685
TOTAL DEPRECIATION, AMORTIZATION AND PROVISIONS	5,930,971	83	(29,869)	5,901,184

Provisions for equity interests

In 2008, reversals of provisions for equity interests concerned the following subsidiaries that were liquidated during the year: Capgemini Old Ireland Ltd and Capgemini Telecom Media & Networks Italia.

3. Marketable securities

Marketable securities can be analyzed as follows at December 31, 2008:

<i>in thousands of euros</i>	Net asset value	Nominal value	Carrying amount
Listed securities			
Money market funds (SICAV)	166,370	166,370	166,370
Investment funds (FCP)	286,352	286,352	286,352
Treasury stock	51,529	69,025	51,529
Unlisted securities			
Certificates of deposit	100,000	100,000	100,000
Commercial paper	200,000	200,000	200,000
Term deposits	100,000	100,000	100,000
TOTAL	904,251	921,747	904,251

4. Maturity of receivables at year-end

<i>in thousands of euros</i>	Gross amount	One year or less	More than one year
Non-current assets			
Receivable from controlled entities	249,744	-	249,744
Other financial fixed assets	9,133	9,133	-
Current assets			
Accounts and notes receivable	503	503	-
VAT receivable	7,296	7,296	-
Receivable from related companies	234,764	234,764	-
Miscellaneous receivables	279	279	-
Prepaid expenses	100	100	-
TOTAL	501,819	252,075	249,744

5. Deferred charges

<i>in thousands of euros</i>	Amount at beginning of year	Increases	Amortization	Amount at December 31
Issuance fees on syndicated credit facility and "OCEANE" bonds (1)	8,258	-	(2,706)	5,552
Cost of call option on shares	7,230	-	(3,615)	3,615
TOTAL	15,488	-	(6,321)	9,167

(1) Issuance fees on syndicated credit facilities and OCEANE bonds are amortized on a straight-line basis over the life of the debt.

The cost of the call option on shares aimed at neutralizing the dilutive impact of the "OCEANE 2003" bond issue is amortized over the remaining term of the bonds.

6. Share capital and additional paid-in capital

<i>in thousands of euros</i>	Number of shares	Share capital	Additional paid-in capital
At December 31, 2007 (par value of €8)	145,425,510	1,163,404	5,525,119
+ Cash capital increases via the exercise of stock options	419,428	3,356	6,673
+ / - Allocation of capital increase expenses (adjustment to provisions)	-	-	26
At December 31, 2008 (par value of €8)	145,844,938	1,166,760	5,531,818

7. Stock option plans

At the May 23, 2000 and May 12, 2005 annual 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 several occasions.

The main features of the two plans in force at December 31, 2008 are set out in the table below:

OVERVIEW	2000 Plan (Plan no. 5)	2005 Plan (Plan no. 6)	Total
Date of shareholders' meeting	May 23, 2000	May 12, 2005	
Maximum number of shares to be issued on exercise of options	12,000,000	6,000,000	
Date options first granted under the plan	September 1, 2000	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%	6 years then 5 years as from October 1, 2001	5 years	
Exercise price as a % of the average share price over the 20 trading days preceding the grant date	80% then 100% as from October 1, 2001	100% (no discount)	
Exercise price (per share and in euros) of the various stock option grants			
- low	21.00	30.00	
- high	31.00	55.00	
Maximum number of shares to be issued on exercise of outstanding options at December 31, 2007	4,518,003	5,773,170	10,291,173
Number of new stock options granted during the year	Plan expired	219,000 (1)	219,000
Number of options lapsed or canceled in 2008	910,458	483,650	1,394,108
Number of options exercised at December 31, 2008	389,218 (2)	30,210 (3)	419,428
Maximum number of shares to be issued on exercise of outstanding options at December 31, 2008	3,218,327 (4)	5,478,310 (5)	8,696,637
Residual weighted average life (in years)	0.87	2.90	

(1) Granted on June 1, 2008 at a price of €40.50.

(2) Representing the exercise at December 31, 2008 of 7,200 stock options granted at a price of €40; 20,268 stock options granted at €31; 260,300 stock options granted at €21; and 101,450 stock options granted at €27.

(3) Relating to stock options granted at €30.

(4) Representing 180,768 shares granted at a price of €31; 2,078,359 shares at €21; and 959,200 shares at €27.

(5) Representing 1,430,510 shares granted at a price of €30; 1,825,300 shares at €43; 215,500 shares at €55; 1,799,000 shares at €44; and 208,000 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 tender offer or public exchange offer 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. Provisions for contingencies and charges

<i>in thousands of euros</i>	at beginning of year	Additions	Reversals (utilized provisions)	Reversals (surplus provisions)	Change in accounting policy	Other	At December 31
Provisions for contingencies and charges							
Relating to foreign exchange losses	325	1,866	325	-	-	-	1,866
Relating to other risks	1,573	6,032	1,573	-	-	-	6,032
TOTAL	1,898	7,898	1,898	-	-	-	7,898

Additions during the period correspond to (i) a provision for currency risks set aside in respect of unrealized foreign exchange losses on foreign currency receivables and payables; and (ii) a provision for negative equity at Capgemini Service S.A.S.

Reversals during the period concern a provision for currency risks recognized in 2007 for €325 thousand, and a contingency provision for €1,573 thousand regarding the subsidiary Capgemini Telecom & Networks Italia S.p.A.

9. Convertible bonds

<i>in thousands of euros</i>	December 31, 2007	December 31, 2008
“OCEANE 2003” bonds	460,000	460,000
“OCEANE 2005” bonds		
Principal	437,000	437,000
Redemption premium	57,873	57,873
TOTAL	954,873	954,873

A. “OCEANE 2003” CONVERTIBLE/EXCHANGEABLE BONDS ISSUED ON JUNE 24, 2003

On June 24, 2003, the Company issued bonds convertible/exchangeable into new or existing Cap Gemini shares, maturing on January 1, 2010 (“OCEANE 2003”). The issuance and settlement date of the bonds was July 2, 2003.

The total amount of the issue was €460 million, represented by 9,019,607 bonds with a nominal value of €51 each. The bonds bear interest at 2.5% per year.

The terms and conditions of this issue are set out in the prospectus approved by the AMF on June 24, 2003 under the reference number 03-607.

An interest rate swap was entered into in connection with these OCEANE bonds in 2004, and subsequently amended in 2006. The terms and conditions of this contract, under which the Company has swapped the 2.5% fixed rate payable on the bonds for a variable rate indexed to the 3-month post-fixed Euribor, are described below (see Note 17.c – Financial instruments).

Summary of the main terms and conditions of the “OCEANE 2003” bond issue

Conversion and/or exchange of the bonds for shares

At any time between August 11, 2003 and the seventh business day preceding January 1, 2010.

Redemption at maturity

The bonds will be redeemed in full at par in cash on January 1, 2010.

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;
- from July 2, 2007 and until the seventh business day preceding January 1, 2010, at an early redemption price equal to par plus accrued interest, if (i) the then current conversion/exchange ratio multiplied by (ii) the arithmetic average of the opening quoted prices of the Company’s ordinary shares on the Eurolist market of Euronext Paris S.A. calculated over a period of 20 consecutive trading days, exceeds 125% 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.

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 of 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 the Company'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.

B. "OCEANE 2005" CONVERTIBLE/EXCHANGEABLE BONDS ISSUED ON JUNE 16, 2005

On June 16, 2005, the Company issued bonds convertible/exchangeable into new or existing Cap Gemini shares, maturing on January 1, 2012 ("OCEANE 2005"). The issuance and settlement date of the bonds was 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 are set out in the prospectus approved by the AMF on June 16, 2005 under the reference number 05-564.

Summary of the main terms and conditions of the "OCEANE 2005" bond issue

Conversion and/or exchange of the bonds for shares

At any time between June 24, 2005 and the seventh business day preceding January 1, 2012.

Redemption at maturity

January 1, 2012 at a price of €41.90 per bond, representing around 113.2% of the bonds' nominal value.

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 June 24, 2009 and December 31, 2011, all outstanding bonds may be redeemed at an early redemption price calculated in such a way that the resulting yield to maturity is equal to that which would have been obtained at maturity, i.e., a rate of 2.875%, plus accrued interest, 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 of 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 the Company'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. REDEMPTION PREMIUM

There is a premium of €57,873 thousand on the redemption of the "OCEANE 2005" bonds. The offsetting entry for this premium is reported in assets on the bond redemption premium line, and is amortized on a straight-line basis over the term of the debt.

10. Bank loans and borrowings

The amount of €01,409 thousand reported in this caption corresponds to the credit balance of certain euro and foreign currency bank accounts used in connection with the Group's worldwide cash pooling arrangements. These credit balances are fully offset by matching debit balances shown within cash and

cash equivalents for €191,687 thousand, and by bank overdrafts (€1,715 thousand) and accrued interest (€8,007 thousand).

SYNDICATED CREDIT FACILITY OBTAINED BY CAP GEMINI S.A.

On November 14, 2005, the Company signed a €500 million multi-currency credit facility with a bank syndicate maturing on November 14, 2010 at the latest. On September 14, 2006, Cap Gemini S.A. exercised the one-year extension option on this facility (approved by the syndicate banks on October 27, 2006), thereby extending its maturity to November 14, 2011.

Use of this credit facility is subject to the following conditions:

- a margin of 0.50% as of the balance sheet date (above Euribor or Libor 1 to 12 months). In addition, a utilization fee of 0.025% to 0.050% may apply for drawdowns in excess of certain amount of the credit facility. The margin may be adjusted according to the Company's credit rating;
- a fee on undrawn amounts initially set at 35% of the margin (i.e. currently 0.175%) that may be reduced to 30% if the Company's rating improves.

An upgrade or downgrade of the Company's credit rating would have no impact on the availability of this credit line.

The Company has agreed to comply at Group level with the following financial ratios (as defined in IFRS) in respect of this credit line:

- the net financial debt to consolidated equity ratio must be less than 1 at all times;

- interest coverage (i.e., the extent to which net finance costs adjusted for certain items 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, 2008, 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, and include restrictions primarily relating to:

- pledging assets as collateral,
- asset sales, mergers or similar transactions.

The Company also committed to standard obligations, including an agreement to maintain *pari passu* status.

The agreement contains the usual provisions relating to early repayment, particularly in the event of 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, 2008, no drawdowns had been made on this credit facility.

11. Maturity of payables at year-end

<i>in thousands of euros</i>	Gross amount	One year or less	More than one year
Convertible bonds	954,873	-	954,873
Bank loans and borrowings			-
Bank overdrafts	1,715	1,715	-
Bank overdrafts (Group cash pooling arrangement)	191,687	191,687	-
Accrued interest	8,007	8,007	-
Sub-total	201,409	201,409	-
Group loans and borrowings			
Payable to the Group	301,468	301,468	-
Payable to related companies	208,687	208,687	-
Other payables	460	460	-
TOTAL	1,666,897	712,024	954,873

The Group loan of €301,468 thousand mainly comprises a £230 million loan granted to Cap Gemini S.A. by Capgemini U.K. Plc. The loan pays annual interest of 6.12%, matures

on January 22, 2009, and is hedged by a currency swap (euro/pound sterling).

12. Accrued charges

Accrued charges reported in the balance sheet can be analyzed as follows:

<i>in thousands of euros</i>	Amount
Financial Debt	
Accrued interest	8,007
Other liabilities	
Accounts and notes payable	3,360
Tax and social security liabilities	4,374
Other payables	460
TOTAL	16,201

13. Unrealized foreign exchange gains and losses on foreign currency receivables and payables

<i>in thousands of euros</i>	Reported in assets	Reported in liabilities	Provision for foreign exchange losses
On other receivables/payables	1,866	87	1,866
TOTAL	1,866	87	1,866

14. Finance income, net

<i>in thousands of euros</i>	Amount
Provisions relating to financial items	
Additions	(34,270)
Reversals	31,767
	Sub-total
	(2,503)
Dividends	
	Sub-total
	66,672
Other financial income and expense	
Net proceeds from disposals of marketable securities	48,016
Revenues from current account loans granted and Group cash pooling arrangements	12,420
Interest on current account loans received and Group cash pooling arrangements	(24,107)
Interest on "OCEANE" bonds	(18,519)
Foreign exchange gains, net	2,074
Other	(84)
	Sub-total
	19,800
FINANCE INCOME, NET	83,969

The amount of €66,672 thousand in dividends corresponds to dividends paid during the period by French, Portuguese, Hungarian and Italian subsidiaries.

Net proceeds from disposals of marketable securities (€48,016 thousand) relate to the sale during the period of money market funds (SICAV) for €4,510 thousand; investment funds (FCP) for €7,690 thousand; and certificates of deposit and commercial paper for €35,816 thousand.

Additions to provisions for financial items totaling €34,270 thousand reflect the amortization of the redemption premium on "OCEANE 2005" bonds (€8,875 thousand), additions to provisions for currency risks (€1,866 thousand), a provision for impairment of equity interests relating to Capgemini

Services S.A.S. (€6,032 thousand), and a contingency provision for treasury shares (€17,496 thousand).

Reversals concern a provision for currency risks booked in 2007 for €325 thousand, as well as reversals of contingency provisions and provisions for equity interests further to the liquidation of Cap Gemini Telecom Media & Networks Italia and Capgemini Old Ireland Ltd for €15,676 thousand and €15,765 thousand, respectively.

Net finance income for 2007 of €330,438 thousands, higher than that of 2008, is attributable to reversals of provisions for equity interests and contingency provisions in the Dutch, German, Spanish, Italian and French subsidiaries in an amount of €280,622 thousands.

15. Non-recurring expense, net

<i>in thousands of euros</i>	Amount
Disposals of equity interests	
Sale price	36,848
Carrying amount	(44,623)
Sub-total	(7,775)
Net expenses on disposals of treasury stock under the liquidity agreement	(2,425)
Exceptional provisions	(1,418)
Other	(5,076)
Sub-total	(8,919)
NON-RECURRING EXPENSE, NET	(16,694)

16. Income tax

Cap Gemini S.A. is the parent company of a French tax consolidation group comprising 24 companies. In 2008, the impact of tax consolidation on the earnings of Cap Gemini S.A.

is a gain of €29,451 thousand. Tax losses carried forward by Cap Gemini S.A. amounted to €1,557,388 thousand at December 31, 2008.

III - OTHER INFORMATION

17. 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, 2008 can be analyzed as follows:

<i>in thousands of euros</i>	Amount
Financial items	421,728
Operating items	157,479
Tax items	132
TOTAL	579,339

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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 drawdowns on these credit lines at December 31, 2008 amounted to €51,780 thousand.

B) OTHER COMMITMENTS

On June 26, 2003 and June 28, 2004, Cap Gemini S.A. sold a tax receivable of €90 million and an additional tax receivable of €39 million to a credit institution for €74 million and €33 million, respectively. These receivables result from the option to carry back French tax losses generated in 2002. Cap Gemini S.A. agreed to indemnify the transferee for any difference between the amount of the receivables sold and the amount able to be recovered from the French Treasury, for a period up to December 31, 2011.

The Group has provided performance and/or financial guarantees for a number of major contracts. These include the contracts signed in 2004 with HM Revenue & Customs, TXU (now EFH), Schneider Electric Industries SAS and Euroclear, as well as the contract signed in 2005 with the Metropolitan Police.

The Group has also granted certain customers limited financial guarantees totaling €138 million at December 31, 2008, and bank guarantees totaling €58 million at year-end.

Cap Gemini S.A., together with all of its subsidiaries and any entities of 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.

On October 11, 2006, the Group purchased 51% of the capital of Unilever Shared Services Limited (renamed Capgemini Business Services India Ltd.), a subsidiary of Hindustan Lever Limited (Unilever group). This India-based company was an administrative, financial and control service center for Unilever. The purchase agreement includes a call/put option for Capgemini/Hindustan Lever Limited on the remaining 49% of capital (€9,880 thousand), exercisable from October 1, 2008 for a period of six months. If exercised, Cap Gemini S.A. would own 100% of Capgemini Business Services India Ltd. The Company also undertook to pay Unilever Shared Service Limited's minority

shareholders additional price consideration in the event that the objectives set prior to the transaction are met. The value of this off balance sheet commitment is estimated at €4,450 thousand at December 31, 2008.

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.

Guarantees in respect of tax items totaled €17,010 thousand at December 31, 2008.

During 2008 and in previous financial years, the Company underwent a number of tax audits, leading in some cases to tax reassessments. A number of these reassessments have been challenged and certain litigation proceedings were in progress at the balance sheet date.

C) FINANCIAL INSTRUMENTS

Derivative instruments

Currency swaps are used to hedge currency risk on Group loans and borrowings. At December 31, 2008, the value of derivatives used to hedge currency risks was a negative €61,216 thousand, reflecting essentially the market value of a euro/pound sterling swap hedging an intra-group loan between the Company and Capgemini UK.

In October 2004, the Company entered into an interest rate swap in connection with the "OCEANE 2003" convertible/exchangeable bonds for a notional amount of €460 million, maturing in January 2010. The fair value of this swap was €1,199 thousand at December 31, 2008.

Interest rate hedges

On October 28, 2004, the Company entered into an interest rate swap in connection with the "OCEANE 2003" convertible/exchangeable bonds for a notional amount of €460 million, maturing in January 2010.

In view of the increase in short-term interest rates in 2005 and 2006, and market forecasts through to the maturity of the "OCEANE 2003" bonds on January 1, 2010, the swap contract was amended on September 15, 2006. Under the revised terms of the contract, the Company swapped the 2.5% fixed rate on the OCEANE bonds for a variable rate indexed to the 3-month post-fixed Euribor, instead of the 12-month post-fixed Euribor rate -0.59% specified in the original contract. The variable rate is now capped at 3.07% (3.41% under the previous terms), while the floor is unchanged at 1.41%. The revised terms of the interest rate swap contract do not affect the zero-cost automatic deactivation clause in the event that the Company exercises its right (under

certain conditions) to redeem the bonds early. The terms and conditions of the contract are set out in section 9 – “Convertible bonds”, and in the prospectus approved by the AMF on June 24, 2003 under the reference number 03-607.

- Currency swaps maturing in 2009 relating to the Group’s internal financing arrangements in an amount of:
 - GBP 234 million (€301 million);
 - AUD 10 million (€5 million).

Currency hedges

At December 31, 2008, currency hedges totaled €306 million and can be analyzed as follows:

18. Related companies

<i>in thousands of euros</i>	Total	of which related companies
Balance sheet items		
Equity interests	13,736,690	13,736,690
Receivable from controlled entities	249,744	249,744
Payable to controlled entities	301,468	301,468
Related companies		
- receivable	234,764	234,764
- payable	208,687	208,687
Income statement items		
Investment income	66,672	66,672
Income on Group loans	3,398	3,398
Other interest income	56,338	8,451
Interest expense	54,210	23,711

19. Consolidating company

Cap Gemini S.A. is the consolidating company for the Capgemini Group.

20. Subsequent events

At the Annual Shareholders’ Meeting, the Board of Directors will recommend a dividend payment of €1 per share.

21. Remuneration of members of the Board of Directors

The total amount of attendance fees paid to directors and non-voting directors during 2008 represents €616,000 (or €573,500 after deduction of withholding tax for non-resident beneficiaries).

IV - LIST OF SUBSIDIARIES AND INVESTMENTS

in millions of euros	Share capital	Other shareholders' equity (inc. net income for the year)	% interest	Number of shares held	Book value of shares		Loans and advances granted	Guarantees given (1)	2008 revenues	Dividends received
					Gross	Net				
SUBSIDIARIES										
Capgemini North America Inc.	1	2 750	100.00%	982,000	6,618	2,350	0	0	0	0
CGS Holdings Ltd.	542	1	100.00%	558,777,061	721	721	0	0	0	0
Gemini Consulting Holding Ltd.	0	8	100.00%	1,083	23	23	0	0	0	0
Capgemini Oldco Ltd.	11	22	100.00%	1,033,938,857	801	264	0	0	0	0
Capgemini A.B. (Sweden)	2	208	100.00%	24,714	352	352	0	7	0	0
Capgemini N.V. (Benelux)	2	291	100.00%	21,582,376	1,467	1,239	200	0	0	0
Capgemini Business Services B.V.	0	2	100.00%	485	19	19	0	0	0	0
Capgemini Shared Services B.V.	0	0	100.00%	743	3	3	1	0	0	0
Capgemini Deutschland Holding GmbH	125	3	95.58%	2	629	629	0	50	0	0
Capgemini Consulting Österreich AG	0	3	100.00%	36,791	42	30	0	0	37	0
Capgemini Suisse AG	0	5	100.00%	500	39	32	0	41	73	0
Capgemini Polska Sp Z.o.o (Poland)	4	10	100.00%	129,160	25	16	0	39	95	0
Capgemini Magyarorszag Kft	0	2	100.00%	1	2	2	0	0	9	1
Capgemini Czech Republic S.r.o.	1	0	100.00%	0	1	1	7	0	6	0
Capgemini France S.A.S.	63	236	100.00%	4,063,722	843	843	0	21	20	24
Capgemini Télécom & Media S.A.S.	18	18	98.00%	1,090,762	171	171	0	0	215	6
Capgemini Technology Services Maroc	1	-1	99.99%	164,996	1	1	0	0	3	0
Sogeti S.A.	0	-1	100.00%	619	0	0	0	0	0	0
Sogeti S.A.S.	261	367	100.00%	52,106,876	754	754	0	0	32	30
Capgemini Italia S.p.A.	11	-5	100.00%	2,200,000	503	9	0	8	117	0
Capgemini España S.L. (Sociedad Unipersonal)	11	2	100.00%	106,245	194	194	0	0	243	0
Capgemini Portugal, Serviços de Consultoria e Informatica S.A.	8	6	100.00%	1,698,842	44	44	0	0	33	3
Capgemini Business Services Guatemala S.A.	0	0	100.00%	2,644	0	0	1	0	0	0
Capgemini Asia Pacific Pte. Ltd. (Singapore)	15	-1	100.00%	17,421,229	142	43	0	0	1	0
Capgemini Australia Pty Ltd (Australia)	88	-88	100.00%	1,450,000	166	54	5	24	44	0
Capgemini Business Services (India)	0	2	51.00%	2,550	10	10	0	1	17	0
Capgemini Service S.A.S.	2	-8	100.00%	2,000,000	84	0	0	15	193	0
S.C.I. Paris Etoile	0	4	99.99%	9,999	48	31	0	0	3	2
Immobilière les Fontaines S.A.R.L.	2	-3	99.84%	619,000	32	32	0	51	6	0
Capgemini Université S.A.S.	0	0	100.00%	2,500	0	0	0	0	21	0
Capgemini Gouvieux S.A.S.	0	0	100.00%	10,000	0	0	0	0	24	0
Other French companies	na	na	na	na	0	0	-	na	na	0
Other foreign companies	na	na	na	na	0	0	-	-	na	-

INVESTMENTS

As of December 31, 2008, investments held by Cap Gemini S.A. are not material.

na: not applicable

(1) At December 31, 2008, the total amount of guarantees and comfort letters granted by the Company to its subsidiaries in respect of financing arrangements amounts to €370 million, of which €52 million has been drawn down.

The net income of subsidiaries and investments is not provided because disclosure would be prejudicial to the Company's commercial and financial strategy. Cap Gemini S.A. is the parent company of a French tax consolidation group comprising 24 companies. In 2008, the impact of tax consolidation on the earnings of Cap Gemini S.A. is a gain of €29 million. The realizable value of the equity interests represents their value in use for the Company. Value in use is mainly calculated based on discounted future cash flows adjusted for net debt. A provision for impairment is set aside when the realizable value as defined above falls below the acquisition cost.

V - FIVE-YEAR FINANCIAL SUMMARY

<i>in thousand of euros</i>	2004	2005	2006	2007	2008
I - SHARE CAPITAL AT YEAR-END					
Share capital	1,051,065	1,052,656	1,152,654	1,163,404	1,166,760
Number of common shares outstanding	131,383,178	131,581,978	144,081,808	145,425,510	145,844,938
Maximum number of future shares to be created :					
- through exercise of equity warrants	12,289,150	13,101,800	10,518,710	10,291,173	8,696,637
- through conversion fo convertible bonds	9,019,607	20,830,417	20,830,416	20,830,416	20,830,416 (1)
- through warrants related to Transiciel acquisition	508,600	315,790	-	-	-
II - OPERATIONS AND RESULTS OF THE CURRENT YEAR					
Operating revenue	129,798	162,321	183,111	203,711	202,017
Operating revenue and financial revenue	875,502	547,112	375,552	639,994	382,207
Income before taxes, amortization and provisions	(491,441)	394,551	202,467	235,834	240,322
Income tax	(42,758)	(21,501)	(23,104)	(32,227)	(29,419)
Net income / (losses)	(948,715)	173,440	194,560	496,620	259,605
Distributed income	-	65,790	100,857	145,426	145,845 (2)
III - EARNINGS PER SHARE (IN EUROS)					
Earnings after taxes, but before amortization and provisions	(3.42)	3.16	1.57	1.84	1.85
Net earnings	(7.22)	1.32	1.35	3.41	1.78
Dividend per share	-	0.50	0.70	1.00	1.00 (2)
IV - EMPLOYEE DATA					
Average number of employee during the year	Cap Gemini S.A. does not have any employees				
Total payroll					
Total benefits					

(1) Cap Gemini S.A. decided to neutralize in full the potential dilutive impact of the OCEANE bonds issued on June 24, 2003 and due January 1, 2010, through the acquisition from Société Générale in June 2005 of a call option on a number of shares equal to the underlying number of shares of this OCEANE, and with an exercise price and maturity matching those of the OCEANE.

(2) Subject to approval by the Extraordinary Shareholders' Meeting of April 30, 2009.

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2008

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, 2008, 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.

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 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 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 our audit provides a reasonable 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, 2008, 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 matters: Equity interests as reported in the balance sheet amounted to €7,869 million at December 31, 2008. 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.

III- Specific verifications and information

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;
- the fair presentation of the information given in the Management Report regarding the remuneration and benefits paid to the relevant corporate officers and any other commitments made in their favor in connection with, or subsequent to, their appointment, termination or change in function.

In accordance with the law, we have verified that the management report contains the appropriate disclosures concerning acquisitions of investments and controlling interests and the identity of shareholders.

The Statutory Auditors

Neuilly-sur-Seine, February 11, 2009

PricewaterhouseCoopers Audit

Edouard Sattler Serge Villepelet

Paris La Défense, February 11, 2009

KPMG Audit

Division of KPMG S.A.

Jean-Luc Decornoy Jacques Pierre
Partner Partner

**STATUTORY AUDITORS' SPECIAL REPORT
ON REGULATED AGREEMENTS AND COMMITMENTS WITH THIRD PARTIES**
YEAR ENDED DECEMBER 31, 2008

This is a free translation into English of the Statutory Auditors' special report on regulated agreements and commitments 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.

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we are required to report to shareholders on the regulated agreements and commitments with third parties that have been disclosed to us. Our responsibility does not include identifying any undisclosed agreements or commitments.

We hereby inform you that we were not informed of any agreement or commitment subject to the provisions of article L.225-38 of the French Commercial Code (Code de commerce).

The Statutory Auditors

Neuilly-sur-Seine, February 11, 2009

PricewaterhouseCoopers Audit

Edouard Sattler Serge Villepelet

Paris La Défense, February 11, 2009

KPMG Audit

Division of KPMG S.A.

Jean-Luc Decornoy Jacques Pierre
Partner Partner

STATUTORY AUDITORS' SPECIAL REPORT ON THE CANCELLATION OF SHARES BOUGHT BACK BY THE COMPANY

(ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF APRIL 30, 2009)

This is a free translation into English of the Statutory Auditors' special report issued in the French language and is provided solely for the convenience of 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 Cap Gemini S.A. and pursuant to the provisions of article L. 225-209, paragraph 7 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 reduction, as submitted to you for approval.

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 reduction comply with the applicable legal provisions.

The capital will be reduced further to the buyback by the Company of up to 10% of its own shares, in accordance with article L. 225-209 of the French Commercial Code. The Board is seeking an 18-month authorization by the Shareholders' Meeting for this buyback program.

Shareholders are also asked to grant the Board of Directors full powers to cancel the shares acquired, provided that the aggregate number of shares cancelled in any given period of 24 months does not exceed 10% of the Company's capital. These powers will be exercisable for a period of 24 months.

We have no comments to make on the reasons for or terms of the proposed capital reduction, the implementation of which depends on the Shareholders' Meeting approving the buyback by the Company of its own shares.

The Statutory Auditors

Neuilly-sur-Seine, February 11, 2009

PricewaterhouseCoopers Audit

Edouard Sattler Serge Villepelet

Paris La Défense, February 11, 2009

KPMG Audit

Division of KPMG S.A.

Jean-Luc Decornoy Jacques Pierre
Partner Partner

**STATUTORY AUDITORS' SPECIAL REPORT ON THE ALLOCATION OF SHARES OR SHARES EXISTING OR TO BE ISSUED TO EMPLOYEES AND CORPORATE OFFICERS OF THE COMPANY
ALLOCATION OF PERFORMANCE SHARES**

(ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF APRIL 30, 2009, ON FIRST CALL)

This is a free translation into English of the Statutory Auditors' special report issued in the French language and is provided solely for the convenience of 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 Cap Gemini S.A. and pursuant to the provisions of article L. 225-197-1 of the French Commercial Code (*Code de commerce*), we hereby present our report on the proposed allocation of shares (existing or to be issued) to certain employees or corporate officers of Cap Gemini S.A. and related companies, within the meaning of article L. 225-197-2 of the French Commercial Code, as submitted to you for approval.

The Board of Directors is asking for authorization to allocate shares (existing or to be issued) and is responsible for preparing a report on the proposed transaction. Our responsibility is to express an opinion on the information provided to you in connection with the proposed transaction.

The allocation of shares will only vest subject to the achievement of performance targets as set out in the resolution, except for certain shares which may be allocated to certain employees without performance conditions.

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 reduction comply with the applicable legal provisions.

We have no comments to make as regards the information given in the report of the Board of Directors on the proposed allocation of performance shares.

The Statutory Auditors

Neuilly-sur-Seine, February 11, 2009

PricewaterhouseCoopers Audit

Edouard Sattler Serge Villepelet

Paris La Défense, February 11, 2009

KPMG Audit

Division of KPMG S.A.

Jean-Luc Decornoy Jacques Pierre
Partner Partner

**STATUTORY AUDITORS' REPORT ON THE CAPITAL INCREASE RESERVED
FOR MEMBERS OF COMPANY SAVINGS PLANS**

(ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF APRIL 30, 2009 ON FIRST CALL)

This is a free translation into English of the Statutory Auditors' special report issued in the French language and is provided solely for the convenience of 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 Cap Gemini S.A. and in accordance with article L. 225-135 et seq. of the French Commercial Code (Code de commerce), we hereby present our report on the proposed delegation of authority to the Board of Directors to carry out a capital increase, on one or more occasions, by issuing up to 6,000,000 shares, without pre-emptive subscription rights, reserved for members of Capgemini Group company savings plans, as submitted to you for approval.

This proposed capital increase is submitted for your approval pursuant to article L. 225-129-6 of the French Commercial Code and articles L. 3332-18 et seq. of the French Labor Code (*Code du travail*).

Based on its report, the Board of Directors is asking for authorization, for a period of 26 months, to increase the share capital, on one or several occasions. Shareholders are also asked to waive their pre-emptive rights to subscribe for the shares to be issued. The Board of Directors will, where appropriate, define the terms and conditions of this transaction.

The number of shares which may be issued as a result of the capital increases approved under this resolution and the resolution relating to the capital increase reserved for employees of certain non-French subsidiaries of the Group may not exceed 6,000,000 shares.

The Board of Directors is responsible for preparing a report on the proposed transaction in accordance with articles R. 225-113 and

R. 225-114 of the French Commercial Code. Our responsibility is to express an opinion on (i) the fairness of the financial information taken from the financial statements, (ii) the proposed cancellation of shareholders' pre-emptive rights, and (iii) other information regarding the issues contained in this report.

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 reviewing the content of the Board of Directors' report relating to these issues and the methods used to determine the share issue price.

Subject to a subsequent examination of the conditions for the proposed capital increases, we have no comments to make as regards the methods used to set the share issue price, as presented in the Board of Directors' report.

As the share issue price has not yet been set, we do not express an opinion on the final terms and conditions of the share capital increases. As a result, we do not express an opinion on the proposed cancellation of shareholders' pre-emptive subscription rights.

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.

The Statutory Auditors

Neuilly-sur-Seine, February 11, 2009

PricewaterhouseCoopers Audit

Edouard Sattler Serge Villepelet

Paris La Défense, February 11, 2009

KPMG Audit

Division of KPMG S.A.

Jean-Luc Decornoy Jacques Pierre
Partner Partner

**STATUTORY AUDITORS' REPORT ON THE CAPITAL INCREASE WITHOUT
PRE-EMPTIVE SUBSCRIPTION RIGHTS
RESERVED FOR EMPLOYEES OF CERTAIN NON-FRENCH SUBSIDIARIES OF THE GROUP**
(ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF APRIL 30, 2009 ON FIRST CALL)

This is a free translation into English of the Statutory Auditors' special report issued in the French language and is provided solely for the convenience of 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 Cap Gemini S.A. and pursuant to the provisions of articles L. 225-135 et seq. of the French Commercial Code (Code de commerce), we hereby present our report on the proposed delegation of authority to the Board of Directors to carry out a capital increase by issuing up to 2,000,000 new shares, without pre-emptive subscription rights reserved for employees of certain non-French subsidiaries of the Group, as submitted to you for approval.

Based on its report, the Board of Directors is asking for authorization, for a period of 18 months, to increase the share capital, on one or several occasions. Shareholders are also asked to waive their pre-emptive subscription rights. The Board of Directors will, where appropriate, define the terms and conditions of this transaction.

This transaction will allow the employees of certain non-French subsidiaries to participate in employee stock ownership plans under similar conditions to those offered under the resolution relating to the share capital increase reserved for members of company savings plans. The number of shares which may be issued as a result of the capital increases approved under this resolution may not exceed 2,000,000 shares and the total number of shares issued pursuant to this resolution and the resolution relating to the capital increase reserved for members of company savings plans may not exceed 6,000,000 shares.

The Board of Directors is responsible for preparing a report on the proposed transaction in accordance with articles R. 225-113 and

R. 225-114 of the French Commercial Code. Our responsibility is 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 regarding the issues contained in this report.

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 reviewing the content of the Board of Directors' report relating to these issues and the methods used to determine the share issue price.

Subject to a subsequent examination of the conditions for the proposed capital increases, we have no comments to make as regards the methods used to set the share issue price, as presented in the Board of Directors' report.

As the share issue price has not yet been set, we do not express an opinion on the final terms and conditions of the share capital increases. As a result, we do not express an opinion on the proposed cancellation of shareholders' pre-emptive subscription rights.

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.

The Statutory Auditors

Neuilly-sur-Seine, February 11, 2009

PricewaterhouseCoopers Audit

Edouard Sattler Serge Villepelet

Paris La Défense, February 11, 2009

KPMG Audit

Division of KPMG S.A.

Jean-Luc Decornoy Jacques Pierre
Partner Partner

TEXT OF THE DRAFT RESOLUTIONS

PRESENTED BY THE BOARD OF DIRECTORS TO THE ORDINARY
AND EXTRAORDINARY SHAREHOLDERS' MEETING OF APRIL 30, 2009

I - RESOLUTIONS PRESENTED AT THE ORDINARY SHAREHOLDERS' MEETING

First resolution

Approval of the 2008 Company financial statements

After hearing the following:

- the management report presented by the Board of Directors,
- the general report of the Statutory Auditors on their audit of the Company financial statements,

the General Shareholders' Meeting approves the Company financial statements for the year ended December 31, 2008, which show profit for the year of €259,605,166.47, and gives discharge to the Board of Directors for its management of the Company's affairs during the year.

Second resolution

Approval of the 2008 consolidated financial statements

After hearing the following:

- the Group management report of the Board of Directors for 2008,
- the Statutory Auditors' report on the consolidated financial statements,

the General Shareholders' Meeting approves the consolidated financial statements for the year ended December 31, 2008, which show profit for the year of €451 million.

the General Shareholders' Meeting approves the consolidated financial statements for the year ended December 31, 2008, which show profit for the year of €451 million.

Third resolution

Regulated agreements

After hearing the Statutory Auditors' special report on agreements governed by article L.225-38 of the French Commercial Code (Code de commerce), the General Shareholders' Meeting records that no such agreement has been entered into during the past year.

Fourth resolution

Net income appropriation and dividend

The General Shareholders' Meeting approves the recommendations of the Board of Directors to appropriate the profit for the year totaling €259,605,166.47 as follows:

in euros

• profit of the year	259,605,166.47
• to the legal reserve, which will subsequently be fully funded (10% of the capital as of December 31, 2008)	(335,542.40)
making a total of:	259,269,624.07
• retained earnings :	537,846,405.48
making distributable profit of:	797,116,029.55
• allocated to:	
a dividend payout of €1 per share:	145,844,938.00
other reserves:	350,000,000.00
retained earnings:	301,271,091.55
making a total of	797,116,029.55

Shareholders are reminded that the dividend accordingly set at €1 for each of the 145,844,938 shares bearing dividend rights at January 1, 2008 is fully eligible for the 40% tax rebate referred to in sub-paragraph 2 of paragraph 3 of article 158 of the French General Tax Code (Code général des impôts) for individuals subject to personal income tax in France.

In accordance with Euronext Paris rules, the effective ex-dividend date will be May 5, 2009 and the dividend will be payable as from May 11, 2009. If the Company holds any of its own shares at the time of this dividend payment, the amount corresponding to the dividend related to these shares will be allocated to retained earnings.

Pursuant to article 243 bis of the French General Tax Code, the General Shareholders' Meeting notes that a dividend of €145,425,510 (i.e. €1 per share) was paid for 2007, a dividend of €100,857,266.30 (i.e. €0.70 per share) was paid for 2006 and a dividend of €65,790,989 (i.e. €0.50 per share) was paid for 2005, these dividends being fully eligible for the 40% tax rebate.

Fifth resolution

Renewal of Daniel Bernard's term of office as a director

The General Shareholders' Meeting renews for a four-year period the term of office of Daniel Bernard, whose current term of office expires at the close of this Meeting. Mr. Bernard's new term of office will expire at the close of the General Shareholders' Meeting to be called to approve the financial statements for the year ending December 31, 2012.

Sixth resolution

Renewal of Thierry de Montbrial's term of office as a director

The General Shareholders' Meeting renews for a four-year period the term of office of the director Thierry de Montbrial, whose current term of office expires at the close of this Meeting. Mr. de Montbrial's new term of office will expire at the close of the General Shareholders' Meeting to be called to approve the financial statements for the year ending December 31, 2012.

Seventh resolution

Appointment of a twelfth director

The General Shareholders' Meeting appoints Bernard Liautaud as director for a four-year period. His term of office will expire at the close of the General Shareholders' Meeting to be called to approve the financial statements for the year ending December 31, 2012.

Eighth resolution

Appointment of a thirteenth director

The General Shareholders' Meeting appoints Pierre Pringuet as director for a four-year period. His term of office will expire at the close of the General Shareholders' Meeting to be called to approve the financial statements for the year ending December 31, 2012.

Ninth resolution

Authorization to be given 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 and after hearing the report presented by the Board of Directors, the General Shareholders' Meeting grants the Board of Directors an authorization to enable the Company to buy back its own shares on the open market.

This authorization is given to allow the Company, if required:

- to enter into a share management process with an investment services provider within the scope of a liquidity agreement in accordance with the ethics charter recognized by the AMF,
- to award the shares thus purchased to employees and/or corporate officers (on the terms and by the methods provided for by law), in particular in connection with a plan involving the allocation of shares without consideration, a company savings plan or an international employee stock ownership plan,
- to remit the shares thus purchased to holders of securities convertible, redeemable, exchangeable or otherwise exercisable for Cap Gemini S.A. shares upon exercise of the rights attached thereto, in accordance with the applicable regulations,
- to purchase shares to be retained with a view to remitting them in future in exchange or payment for potential external growth transactions,
- to cancel the shares thus purchased subject to adoption of the tenth resolution of the Extraordinary Shareholders' Meeting included in the agenda of this Shareholders' Meeting.

The transactions described above may be carried out by any method allowed under the applicable laws and regulations, including through the use of derivative instruments and by means of a block purchase or transfer of shares.

The share buybacks may be carried out at any time, except during the suspension periods specified in the applicable laws and regulations.

The General Shareholders' Meeting resolves that the maximum number of shares that may be acquired under this resolution may not exceed 10% of the Company's issued capital as of December 31, 2008, corresponding to 14,584,493 shares with a nominal value of €8 each. It is specified, however, that (i) within the context of this authorization, treasury stock should be taken into account to ensure that the Company does not own, at any time, over 10% of its own share capital, and (ii) treasury stock 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.

The General Shareholders' Meeting resolves that the maximum purchase price for shares under the buyback program may not exceed €51 per share of a nominal value of €8 and that the total funds invested in the share buybacks may therefore not exceed €743,809,143 (€51 x 14,584,493 shares).

In the case of a capital increase paid up by capitalizing additional paid-in capital, reserves, profit or other amounts by allocating shares without consideration during the period of validity of this authorization, as well as in the case of a stock-split or reverse stock-split, the above maximum price per share will be adjusted based on the ratio between the number of shares issued and outstanding before and after the transaction, and the above maximum number of shares will be adjusted based on the ratio between the total number of shares representing the capital after and before the transaction.

The General Shareholders' Meeting gives full powers to the Board of Directors (including the power of delegation subject to the 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 the applicable Stock Exchange regulations,
- carry out any and all filings and other formalities and generally do whatever is necessary.

The Board of Directors will be required to report to the shareholders at each Annual General Meeting on all of the transactions carried out under this authorization.

This authorization is given for a period of 18 months as from the date of this Shareholders' Meeting and replaces the authorization given in the eleventh resolution adopted by the Ordinary Shareholders' Meeting of April 17, 2008.

**II - RESOLUTIONS PRESENTED
AT THE EXTRAORDINARY
SHAREHOLDERS' MEETING**

Tenth resolution

Authorization to be given to the Board of Directors to cancel shares acquired by the Company under the share buyback programs

After hearing the report of the Board of Directors and the Statutory Auditors' special report, the General Shareholders' Meeting authorizes the Board of Directors to:

- cancel – in accordance with article L. 225-209 of the French Commercial Code – on one or several occasions at its sole discretion, all or some of the Capgemini shares held by the Company, provided that the aggregate number of shares cancelled in any given period of 24 months does not exceed 10% of the Company's capital; and to reduce the capital accordingly,
- charge the difference between the purchase price of the cancelled shares and their nominal value to additional paid-in capital or any distributable reserves.

The General Shareholders' Meeting gives full powers to the Board of Directors to use the authorization given in this resolution, to amend the bylaws to reflect the new capital 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 replaces the authorization given in the twelfth resolution adopted by the Extraordinary Shareholders' Meeting of April 17, 2008.

Eleventh resolution

Amendment of articles 14 and 15 of the bylaws regarding the age limit for the Chairman of the Board of Directors and the Chief Executive Officer

The General Shareholders' Meeting resolves to:

- reduce the age limit of the Chairman of the Board of Directors from 75 to 70 if he/she also holds the position of Chief Executive Officer (P.D.G.),
 - increase this age limit from 75 to 79 if the positions of Chairman of the Board of Directors and Chief Executive Officer are dissociated (non-executive Chairman),
 - reduce the age limit of the Chief Executive Officer from 75 to 70, whether or not he/she is a director of the Company,
- and amend articles 14 and 15 of the bylaws accordingly, as follows:

- First paragraph of article 14 (Chairman of the Board of Directors)

The Board of Directors shall choose one of its members, necessarily an individual, to be Chairman, who shall be appointed for a term of office not exceeding his/her term of office as a director but may be re-appointed. For holding the position of Chairman, the age limit is set at:

- seventy (70) years of age when he/she also holds the position of Chief Executive Officer (P.D.G.),
- seventy-nine (79) years of age when he/she does not hold the position of Chief Executive Officer.

In both cases, his/her term of office shall expire at the end of the first Ordinary Shareholders' Meeting following his/her birthday.

- Third paragraph of article 15 (Exercise of the Company's General Management)

If the positions of Chairman and Chief Executive Officer are dissociated, the latter - who is not mandatorily a director - shall be appointed for a term set freely by the Board of Directors. However, if the Chief Executive Officer is also a director, his/her term of office shall not exceed that of his/her term of office as director.

In both cases, the Chief Executive Officer's term of office shall expire at the first Ordinary Shareholders' Meeting following his 70th birthday.

Twelfth 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, and after hearing the report of the Board of Directors and the Statutory Auditors' special report, the General Shareholders' Meeting:

1. authorizes the Board of Directors – subject to the achievement of the performance target defined below and for a number of shares not exceeding 1% of the share capital as of the date of the decision - to allocate shares of the Company (existing or to be issued), to employees of the Company and its French and non-French subsidiaries;
2. resolves that up to 5% of this total number of performance shares may also be allocated, in accordance with the applicable legal provisions, 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 two years, in which case the beneficiary will be required to hold the shares for an additional period of at least two years from the date on which they vest, or
- b) a period of 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 expiration 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;

4. resolves that the exact number of shares vesting at the end of the two- or four-year period (depending on whether option 3a) or option 3b) is chosen) following the date of initial notification of the allocation, will be equal to the number of shares indicated on the allocation notice, multiplied by the percentage of achievement of the chosen 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 share measured over a minimum one-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 performance will be measured by comparing the market capitalization of Cap Gemini with the average market capitalization (expressed in euros and based on constant exchange rates) of the companies comprising the basket,
- no shares will vest if, during the period used as the reference for the calculation, the performance of the Cap Gemini share is less than 90% of said average performance,
- the number of shares which vest will be equal to:
 - 60% of the number of shares initially allocated if the performance of the Cap Gemini share is at least equal to 90% of said average performance,
 - 100% of the number of shares initially allocated if the performance of the Cap Gemini share is higher than or equal to 110% of said average performance,

and where the performance of Cap Gemini varies between 90% and 110% of said average performance, 2% of additional shares will vest for each tenth of a percentage point within said range;

5. resolves that, by derogation, shares not subject to performance conditions may be allocated to certain employees, excluding members of the Group Management Board. These shares will be limited to 15% of the total number of shares allocated pursuant to this authorization and to 1,000 shares per beneficiary;

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,

- 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 draw any amount from the reserves and/or additional paid-in capital of the Company in order to carry out the capital increase or increases following the definitive allocations of shares to be issued, to set the entitlement dates applicable to the new shares, and to amend the bylaws accordingly,
- to carry out all formalities and, more generally, to do whatever is necessary.

This authorization is given for a period of 18 months as from the date of this General Shareholders' Meeting.

Thirteenth resolution

Delegation of authority to the Board of Directors to carry out a capital increase reserved for members of the Capgemini Group's company savings plans (plans d'épargne d'entreprise or PEE)

In accordance with articles L. 225-129-2 and L. 225-138-1 of the French Commercial Code and articles L. 3332-1 et seq. of the French Labor Code (Code du Travail), and also in order to comply with the provisions of article L. 225-129-6 of the French Commercial Code, and after hearing the report of the Board of Directors and the Statutory Auditors' special report, the General Shareholders' Meeting:

1. delegates to the Board of Directors the authority to (i) decide on the increase, on one or several occasions, of the Company's share capital through the issuance of shares or securities convertible, redeemable, exchangeable or otherwise exercisable for Cap Gemini S.A. shares, reserved for members of the Capgemini Group's company savings plans (*Plans d'Epargne d'Entreprise* or "PEE") and (ii) to carry out, if applicable, allocations of shares or securities convertible, redeemable, exchangeable or otherwise exercisable for Cap Gemini S.A. shares, without consideration, in total or partial substitution of the discount discussed in paragraph 3 below and under the conditions and in compliance with the thresholds set forth in article L. 3332-21 of the French Labor Code;
2. resolves that the number of shares that could potentially be issued pursuant to this delegation of authority, including those shares derived from shares or securities convertible, redeemable, exchangeable or otherwise exercisable for Cap Gemini S.A. shares that might be allocated without consideration in total or partial substitution of the discount under the conditions set forth by article L. 3332-21 of the French Labor Code, must not exceed six million (6,000,000) shares with a nominal value of eight (8) euros each and that this amount does not take into account the additional shares to be issued, in accordance with applicable legislative and regulatory provisions and, if applicable, with contractual stipulations providing for other adjustments, in order to protect the rights of holders of securities or other rights or entitlements granting access to the share capital;

TEXT OF THE DRAFT RESOLUTIONS

3. resolves that (i) the issuance price of the new shares may neither be higher than an average of the listed prices of the share on the Eurolist market of Euronext Paris during the twenty trading days preceding the date of the Board of Directors' decision or the Chief Executive Officer's decision setting the opening date of the subscription period, nor lower than this average by more than 20%, it being specified that the Board of Directors or the Chief Executive Officer will, as the case may be, have the ability to reduce or eliminate the discount that could possibly be applied in order to account for, in particular, legal and tax regimes applicable outside of France, or choose to undertake an allocation of shares and/or securities convertible, redeemable, exchangeable or otherwise exercisable for Cap Gemini S.A. shares, without consideration, in total or partial substitution of the maximum 20% discount and that (ii) the issuance price of the securities convertible, redeemable, exchangeable or otherwise exercisable for Cap Gemini S.A. shares not admitted to trading on a regulated market will be determined under the conditions set forth in articles L. 3332-20 and R. 3332-22 of the French Labor Code;
 4. resolves to eliminate, in favor of members of the Group's company savings plan(s), the pre-emptive subscription right granted to shareholders with respect to the subscription of shares or securities convertible, redeemable, exchangeable or otherwise exercisable for Cap Gemini S.A. shares that could be issued pursuant to this delegation of authority and to forfeit any right to shares and securities convertible, redeemable, exchangeable or otherwise exercisable for Cap Gemini S.A. shares that could be allocated without consideration pursuant to this resolution;
 5. gives full powers to the Board of Directors (including the power of sub-delegation subject to the applicable law), in particular for the purposes of:
 - deciding whether the shares or securities should be subscribed directly by employee members of the Group's savings plans or whether they must be subscribed via a Fonds Commun de Placement d'Entreprise (French employee savings vehicle, or "FCPE") or a Société d'Investissement à Capital Variable d'Actionariat Salarié (French open-ended collective investment scheme for employee shareholding, or "SICAVAS"),
 - determining the companies whose employees will be able to benefit from the subscription plan,
 - determining, if necessary, whether or not to set a timeframe for employees for the payment of their securities,
 - setting the opening and closing dates of the subscription period and the issuance price of the securities,
 - carrying out, within the limits set forth in article L. 3332-21 of the French Labor Code, the allocation of shares or securities convertible, redeemable, exchangeable or otherwise exercisable for Cap Gemini S.A. shares, without consideration, and setting the type and amount of reserves, profits or premiums to include in the capital,
- setting the number of new shares to be issued and the reduction rules to be applied in the event of oversubscription,
 - deducting the costs of the share capital increases, and of the issuances of other securities convertible, redeemable, exchangeable or otherwise exercisable for Cap Gemini S.A. shares, from the amount of premiums associated with these increases and withhold from this amount the necessary sums such that the legal reserve is equal to one-tenth of the new amount of share capital following each increase.
- This delegation of authority is granted for a period of 26 months as from the date of this General Shareholders' Meeting and replaces the delegation of authority granted in the twenty-second resolution adopted by the Extraordinary Shareholders' Meeting of April 17, 2008.

Fourteenth resolution

Delegation of authority granted to the Board of Directors for the purposes of carrying out the share capital increase reserved for certain categories of beneficiaries, thereby allowing the Group to offer an employee savings plan to employees of certain non-French subsidiaries under similar conditions as those offered pursuant to the preceding resolution

In accordance with the provisions of articles L. 225-129-2 and L. 225-138 of the French Commercial Code and after hearing the report of the Board of Directors and the Statutory Auditors' report, the General Shareholders' Meeting:

1. acknowledges that the employees of certain non-French Capgemini Group companies, related to the Company under the conditions set forth in article L.225-180 of the French Commercial Code and in article L.3344-1 of the French Labor Code, the corporate headquarters of which are located in countries where the applicable legal and/or tax regulatory framework would render difficult the implementation of the shareholding options proposed to the Group's employees through a capital increase carried out pursuant to the preceding resolution, are defined by the words "Employees of Non-French Companies";
2. delegates to the Board of Directors its authority to decide on the undertaking of Company share capital increases, on one or several occasions, according to the proportions and at the times it sees fit, through the issuance of shares without pre-emptive subscription rights, for the benefit of categories of beneficiaries defined hereafter;
3. resolves to eliminate the pre-emptive subscription right of shareholders associated with the shares issued under this delegation of authority and to reserve the right to subscribe such shares to the following categories of beneficiaries: (i)

employees and corporate officers of the companies related to the Company under the conditions set forth in article L. 225-180 of the French Commercial Code and in article L. 3341-1 of the French Labor Code and with corporate headquarters located outside of France, and/or (ii) employee shareholding OPCVMs (Organismes de Placement Collectif en Valeurs Mobilières, or French UCITS) or other vehicles, irrespective of whether or not they are corporate entities, invested in Company securities, the unitholders or shareholders of which will be composed of the persons referred to in (i) of this paragraph, and/or (iii) any banking institution or subsidiary of such institution intervening at the Company's request for the implementation of a structured offering to employees and corporate officers of the companies related to the Company under the conditions set forth in articles L.225-180 of the French Commercial Code and article L.3344-1 of the French Labor Code and with corporate headquarters located outside of France, presenting an economic profile that is comparable to an employee shareholding scheme that would be implemented within the framework of a capital increase executed in application of the preceding resolution;

4. resolves that in the event that this delegation of authority is used, the issuance price of the new shares to be issued pursuant to this delegation may neither be lower by more than 20%, than an average of the listed prices of the Company's share during the twenty trading days on the French stock exchange preceding the date of the Board of Directors' or the Chief Executive Officer's decision setting the opening date of the subscription period for a capital increase carried out pursuant to the preceding resolution, adopted by this General Shareholders' Meeting, nor higher than this average; the Board of Directors or the Chief Executive Officer will, as the case may be, if considered appropriate, have the ability to reduce or eliminate any discount granted in this way in particular in order to account for, legal, accounting, tax and social security regimes that are applicable locally;
5. resolves that the capital increase(s) decided on pursuant to this delegation of authority shall not grant the right to subscribe more than two million (2,000,000) shares and that the total amount of the capital increases decided on pursuant to this resolution and the preceding one shall not grant the right to subscribe more than six million (6,000,000) shares with a nominal value of eight (8) euros each;
6. resolves that the Board of Directors will have all powers (including the power of sub-delegation subject to the applicable law), to use this delegation on one or several occasions, in particular for the purposes of:
 - listing all beneficiaries, within the categories of beneficiaries defined above, for each issuance and the number of shares to be subscribed by each of them,

- determining the subscription options that will be offered to employees in each country concerned while taking into account local legal restrictions, and selecting the countries among those where the Group has subsidiaries as well as those said subsidiaries whose employees can participate in the transaction,
- deciding on the maximum number of shares to be issued, subject to the limits set by this resolution and recording the final amount of each capital increase,
- setting the dates and all other terms and conditions applicable to this type of capital increase under the conditions provided for by law,
- deducting the costs of such capital increase from the amount of premiums associated with the capital increase and withhold from this amount the necessary sums such that the legal reserve is equal to one-tenth of the new amount of share capital resulting from this increase.

This delegation of authority is granted for a period of 18 months as from the date of this General Shareholders' Meeting and replaces the delegation of authority granted in the twenty-third resolution adopted by the Extraordinary Shareholders' Meeting of April 17, 2008.

Fifteenth resolution

Powers to carry out formalities

After hearing the report of the Board of Directors, the General Shareholders' Meeting 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.

SPECIFIC INFORMATION

I - LEGAL INFORMATION

Company name and head office

Name: Cap Gemini

Head office: 11, rue de Tilsitt, 75017 Paris, France

Legal form and governing law

The Company is a *société anonyme* 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

The Company was incorporated on September 17, 1984. It was registered on October 4, 1984.

The Company was set up for a period of ninety-nine years from the date of its registration. 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 knowhow 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:

1. 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 wherever appropriate.

2. 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.

3. 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 said purposes.

Incorporation details

The Company is registered with the Paris Companies Registry (*Registre du Commerce et des Sociétés*) under number 330 703 844. Its APE business identifier code is 741 J.

Consultation of legal documents

Documents relating to the Company, including the bylaws, the financial statements, the reports of the Board of Directors (or the Directoire, from May 24, 1996 through May 23, 2000) to the General Shareholders' Meetings, and the Statutory Auditors' reports are available for consultation at the Company's head office at 11, rue de Tilsitt, 75017 Paris, France.

Fiscal year

The Company's fiscal year commences on January 1 and ends on December 31.

Appropriation and distribution of income

The General Shareholders' Meeting has sole discretionary powers to decide on the appropriation of distributable income, as defined by French company law. Consequently, the General 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 General 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 the applicable laws and regulations. The above provisions also apply to the distribution of interim dividends, subject to compliance with French company law.

In addition, the General Shareholders' Meeting may decide to distribute a dividend out of distributable reserves, subject to compliance with French company law.

General Shareholders' Meetings

Shareholders may participate in General 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 the 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 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 capital or voting rights, the undisclosed shares will be stripped of voting rights. Said sanction will apply for all General Shareholders' Meetings for a period of two years from the date on which the failure to disclose is rectified. Said request and the decision of the General 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 convertible, exchangeable, redeemable or otherwise exercisable for shares carrying voting rights at General Shareholders' Meetings. The Company may also obtain details of how many shares are held by each shareholder and any applicable restrictions on said 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.

There are no bonus shares. 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 company law and the specific provisions of the bylaws, summarized below.

II - SHARE CAPITAL

Amount of capital

As of December 31, 2008, the Company's share capital amounted to €1,166,759,504, represented by 145,844,938 fully paid-up common shares with a par value of €8 each.

Shares may be issued in either registered or bearer form, at the shareholder's discretion.

Financial authorizations

Financial authorizations currently applicable

The Ordinary and Extraordinary Shareholders' Meeting of April 17, 2008 authorized the Board of Directors to carry out various transactions in respect of the Company's 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 nominal amount of €465 million (excluding any employee share issues or capital increases carried out through the capitalization of reserves). The aggregate maximum amount of the authorized issues may not exceed €3 billion.

SPECIFIC INFORMATION

Type of securities	Maximum amount (in euros)	Date of authorization	Expiration date of authorization
Common shares paid up by capitalizing reserves, profit or other eligible amounts	1.5 billion (nominal value)	April 17, 2008	June 17, 2010
Common shares and/or securities convertible, redeemable, exchangeable or otherwise exercisable for new shares of the Company, or granting a right to allocation of debt instruments, with PSR	465 million (nominal value) (1) 3.5 billion (2)	April 17, 2008	June 17, 2010
Common shares and/or other securities convertible, redeemable, exchangeable or otherwise exercisable for new shares of the Company, or granting a right to allocation of debt instruments, without PSR (3)	200 million (nominal value) (1) 1.5 billion (2)	April 17, 2008	June 17, 2010
Common shares without PSR (French law on employee savings plans)	48 million (nominal value)	April 17, 2008	June 17, 2010

PSR = pre-emptive subscription rights

(1) Maximum nominal amount of increases in the Company's share capital permissible through the issuance of shares or of securities convertible, redeemable, exchangeable or otherwise exercisable for new shares of the Company.

(2) Overall ceiling for the issuance of securities convertible, redeemable, exchangeable or otherwise exercisable for new shares of the Company, or granting a right to allocation of debt instruments.

(3) Including those issued to provide payment for shares/securities tendered to a public exchange offer initiated by the Company for shares in a company listed on a regulated market, or as payment for contributions in kind to the Company of shares and/or securities. Apart from the specific ceilings set out in the table above, capital increases carried out as payment for contributions in kind are also capped at 10% of the Company's current share capital.

In the event that securities are issued without pre-emptive subscription rights, the Board of Directors may give shareholders a non transferable priority right to subscribe for the securities. The Board of Directors did not use any of these authorizations during 2008.

New share equivalents (Ordinary and Extraordinary Shareholders' Meeting of April 17, 2008)

At the Ordinary and Extraordinary Shareholders' Meeting of April 17, 2008, the Board of Directors was also authorized to:

- grant performance shares to employees and corporate officers of the Company and its subsidiaries. The number of shares granted may not represent more than 1% of the nominal amount of the Company's share capital as of the date of the Board's decision;

- issue redeemable equity warrants (BSAARs) to employees and corporate officers of the Company and its subsidiaries. The maximum nominal amount of capital increases that may be carried out under this authorization is set at €24 million (i.e., 3 million shares or 2.06% of the Company's share capital as of December 31, 2008);
- carry out a capital increase via a share issue reserved for employees of the Group (both members and non-members of Group savings plans). The nominal amount of this increase in capital may not exceed €48 million (i.e., 6 million shares or 4.11% of the Company's share capital as of December 31, 2008).

The following tables summarize the aforementioned authorizations:

Type of securities	Maximum amount (in euros)	Date of authorization	Expiration date of authorization
Performance shares	1% of the nominal amount of share capital as of the grant date	April 17, 2008	April 17, 2009
Common shares issued upon exercise of redeemable equity warrants (BSAARs)	24 million (nominal value)	April 17, 2008	October 17, 2009
Common shares issued within the scope of the international employee stock ownership plan: a) members of Group savings plans b) not restricted to members of Group savings plans, but subject to similar conditions	48 million (nominal value) ⁽¹⁾ 16 million (nominal value) ⁽¹⁾	April 17, 2008 April 17, 2008	June 17, 2010 October 17, 2009

(1) The total amount of increases in the Company's share capital pursuant to a) and b) is capped at a nominal amount of €48 million

Proposed renewals of financial authorizations (Ordinary and Extraordinary Shareholders' Meeting of April 30, 2009)

The Board of Directors will ask the Ordinary and Extraordinary Shareholders' Meeting of April 30, 2009 to replace certain of the above authorizations with new authorizations of a similar nature, representing the same amounts and subject to the same conditions but with updated validity dates.

If the authorizations submitted to the Ordinary and Extraordinary Shareholders' Meeting of April 30, 2009 are approved, the Board of Directors would be able to:

- grant performance shares to employees and corporate officers of the Company and its subsidiaries. The number of shares granted may not represent more than 1% of the nominal amount of the Company's share capital as of the date of the Board's decision;
- carry out a capital increase via a share issue reserved for employees of the Group (both members and non-members of Group savings plans). The nominal amount of this increase in capital may not exceed €48 million (i.e. 6 million shares or 4.11% of the Company's share capital as of December 31, 2008).

The following tables summarize the aforementioned authorizations:

Type of securities	Maximum amount (in euros)	Date of authorization	Expiration date of authorization
Performance shares	1% of the nominal amount of share capital as of the grant date	April 30, 2009	October 31, 2009
Common shares issued within the scope of the international employee stock ownership plan: a) members of Group savings plans b) not restricted to members of Group savings plans, but subject to similar conditions	48 million (nominal value) ⁽¹⁾ 16 million (nominal value) ⁽¹⁾	April 30, 2009 April 30, 2009	June 30, 2011 October 30, 2011

(1) The total amount of increases in the Company's share capital pursuant to a) and b) is capped at a nominal amount of €48 million.

SPECIFIC INFORMATION

Share equivalents outstanding

Stock options

At the May 23, 2000 and May 12, 2005 Annual 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 several occasions.

The main features of these plans and their bases of calculation are set out in the table below:

OVERVIEW	2000 Plan (Plan no. 5)	2005 Plan (Plan no. 6)	Total
Date of shareholders' meeting	May 23, 2000	May 12, 2005	
Maximum number of shares to be issued on exercise of options	12,000,000	6,000,000	
Date options first granted under the plan	September 1, 2000	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%	6 years then 5 years as from October 1, 2001	5 years	
Exercise price as a % of the average share price over the 20 trading days preceding the grant date	80% then 100% as from October 1, 2001	100% (no discount)	
Exercise price (per share and in euros) of the various stock option grants			
- low	21.00	30.00	
- high	31.00	55.00	
Maximum number of shares to be issued on exercise of outstanding options at December 31, 2007	4,518,003	5,773,170	10,291,173
Number of new stock options granted during the year	Plan expired	219,000 ⁽¹⁾	219,000
Number of options lapsed or canceled in 2008	910,458	483,650	1,394,108
Number of options exercised at December 31, 2008	389,218 ⁽²⁾	30,210 ⁽³⁾	419,428
Maximum number of shares to be issued on exercise of outstanding options at December 31, 2008	3,218,327 ⁽⁴⁾	5,478,310 ⁽⁵⁾	8,696,637
Residual weighted average life (in years)	0.87	2.90	

(1) Granted on June 1, 2008 at a price of €40.50.

(2) Representing the exercise at December 31, 2008 of 7,200 stock options granted at a price of €40; 20,268 stock options granted at €31; 260,300 stock options granted at €21; and 101,450 stock options granted at €27.

(3) Relating to stock options granted at €30.

(4) Representing 180,768 shares granted at a price of €31; 2,078,359 shares at €21; and 959,200 shares at €27.

(5) Representing 1,430,510 shares granted at a price of €30; 1,825,300 shares at €43; 215,500 shares at €55; 1,799,000 shares at €44; and 208,000 shares at €40.50.

The Group has no contractual or implicit obligations to purchase or settle the options in cash.

In the event of a notice of authorization published by Euronext concerning a tender offer to acquire the Company's shares and other securities giving access to the Company's capital or voting rights, all outstanding stock options would become immediately exercisable. As of December 31, 2008 the potential number of shares to be created on the exercise of outstanding options totaled 8,696,637. If all of

these options were exercised as of December 31, 2008, the dilutive effect would be 5.96% irrespective of whether the exercise price is higher than the market price and irrespective of the exercise date. If only "in-the-market" stock options are taken into account, i.e., stock options with an exercise price that is lower than the market price as of December 31, 2008 (€27.50), and irrespective of the exercise date, the dilutive effect would be 2.08%.

Changes in the Company's capital over the past five years

	Number of shares	Share capital (in euros)	Additional paid-in capital (in euros)
AS OF JANUARY 1, 2004	131,165,349	1 049,322,792	6,055,816,421
Increase in share capital:			
- shares issued upon extension of the public exchange offer for Transiciel shares	211,129	1,689,032	5,793,380
Share issuance costs charged against additional paid-in capital	-	-	(679,180)
Issuance of shares for cash:			
- shares issued upon exercise of stock options	6,700	53,600	107,200
AS OF DECEMBER 31, 2004	131,383,178	1,051,065,424	6,061,037,821
Net loss for 2004 and losses for the prior year charged against additional paid-in capital	-	-	(990,396,277)
Issuance of shares for cash:			
- shares issued upon exercise of stock options	198,800	1,590,400	3,094,400
AS OF DECEMBER 31, 2005	131,581,978	1,052,655,824	5,073,735,944
Increase in share capital:			
- upon exercise of the warrants issued during the public exchange offer for Transiciel shares	312,127	2,497,016	8,564,765
Share issuance costs charged against additional paid-in capital	-	-	(237,000)
Issuance of shares for cash:			
- by subscription of 11,397,310 shares issued at €44.50	11,397,310	91,178,480	416,001,815
Share issuance costs charged against additional paid-in capital	-	-	(8,735,175)
- shares issued upon exercise of stock options	790,393	6,323,144	12,629,847
AS OF DECEMBER 31, 2006	144,081,808	1,152,654,464	5,501,960,196
Increase in share capital:			
Share issuance costs	-	-	(67,499)
Issuance of shares for cash:			
- shares issued upon exercise of stock options	1,343,701	10,749,608	23,227,599
- shares issued upon conversion of OCEANE bonds	1	8	29
AS OF DECEMBER 31, 2007	145,425,510	1,163,404,080	5,525,120,325
Increase in share capital:			
Issuance costs for shares issued in 2006	-	-	26,207
Issuance of shares for cash:			
- shares issued upon exercise of stock options	419,428	3,355,424	6,672,634
AS OF DECEMBER 31, 2008	145,844,938	1,166,759,504	5,531,819,166

SPECIFIC INFORMATION

Current ownership structure

The ownership structure as of December 31, 2008 is presented on page 17. No shares carry double voting rights.

As of December 31, 2008 the Company held 2,377,000 of its own shares acquired under its share buyback program, including (i) 2,000,000 shares to be allocated on the conversion, redemption, exchange or exercise of share equivalents issued by the Company, particularly with a view to neutralizing part of the dilutive effect of employee share-based incentive instruments; and (ii) 370,000 shares held in connection with the liquidity contract set up with CA Cheuvreux. In accordance with French company law, these shares are stripped of voting rights.

As of December 31, 2008 there were **1,522 holders of registered shares**.

As of the same date, on the basis of information received by the Company only FMR (Fidelity Investment LLC) held more than 5% of the Company's capital or voting rights.

To the Company's knowledge, no other shareholders hold directly, indirectly or in concert, 5% or more of the Company's capital or voting rights.

In accordance with article 10 of the Company's bylaws, the companies listed below made the following disclosures to the Company during the 2008 fiscal year:

- DNCA Finance disclosed that it had raised its interest to above the threshold of 1% of the Company's capital or voting rights;

- Caisse des Dépôts et Consignations disclosed that it had raised its interest to above the threshold of 1% of the Company's capital or voting rights;
- Groupama Asset Management disclosed that it had raised its interest to above the threshold of 1% of the Company's capital or voting rights;
- BNP Paribas Asset Management disclosed that it had raised its interest to above the threshold of 1% of the Company's capital or voting rights;
- Crédit Agricole Asset Management disclosed that it had reduced its interest to below the threshold of 4% of the Company's capital or voting rights and subsequently once again increased its interest to above said threshold;
- Natixis Asset Management disclosed that it had crossed the threshold of 3% of the Company's capital or voting rights first by reducing its interest then by increasing it, and subsequently reducing it before finally increasing it again;
- Crédit Suisse disclosed that it had raised and reduced its interest on successive occasions to above and below 2% of the Company's capital or voting rights. It then respectively raised and reduced its interest to above and below the 3% threshold and subsequently lowered and increased it to below and above 2% before increasing it to above 3%. It then reduced its stake to below 2% before finally lowering it, then raising it and once again lowering it to below/above the 1% threshold.

Shares held by members of the Board of Directors represent 4% of the Company's capital.

Changes in ownership structure over the past three years

	As of December 31, 2006			As of December 31, 2007			As of December 31, 2008		
	Number of shares	% interest	% voting rights	Number of shares	% interest	% voting rights	Number of shares	% interest	% voting rights
Serge Kampf	5,951,641	4.1	4.1	5,568,156	3.8	3.8	5,618,156	3.9	3.9
Paul Hermelin	140,048	0.1	0.1	185,048	0.1	0.1	187,048	0.1	0.1
Public (1) (bearer + registered)	137,909,839	95.8	95.8	139,545,266	96.0	96.0	137,662,734	94.4	94.4
Treasury stock (2)	80,280	NS	NS	127,040	NS	NS	2,377,000	1.6	1.6
Own shares	-	-	-	-	-	-	-	-	-
TOTAL	144,081,808	100.0	100.0	145,425,510	100.0	100.0	145,844,938	100.0	100.0

(1) Including capital held by managers, particularly those who have exercised stock options in the past and retained their shares, as well as shares received in May 2000 by former Ernst & Young Consulting partners who became Group employees after the acquisition of the Ernst & Young Consulting businesses.

(2) As of December 31, 2008 the Company held 2,377,000 treasury shares acquired under its share buyback program, including (i) 2,000,000 shares to be allocated on the conversion, redemption, exchange or exercise of share equivalents issued by the Company, particularly with a view to neutralizing part of the dilutive effect of employee share-based incentive instruments; and (ii) 377,100 shares held in connection with the liquidity contract set up with CA Cheuvreux. In accordance with French company law these shares are stripped of voting rights.

The Company does not hold any "own shares" other than those classified as treasury stock.

Based on a study carried out on December 31, 2008, the Company has 4,141 identifiable holders of bearer shares holding at least 500 shares. No shares carry double voting rights.

Shareholders' agreements

There are no shareholder pacts or agreements in force.

III - CORPORATE GOVERNANCE

To avoid repetition, please refer to Section A of the Chairman's Report for further details.

Board of Directors

- **Members:** 11 directors

Directors:

- | | |
|-----------------------------------|-------------------------------|
| • Serge KAMPF,
<i>Chairman</i> | • <u>Michel JALABERT</u> |
| • <u>Daniel BERNARD</u> | • <u>Phil LASKAWY</u> |
| • <u>Yann DELABRIERE</u> | • <u>Thierry de MONTBRIAL</u> |
| • <u>Jean-René FOURTOU</u> | • <u>Ruud van OMMEREN</u> |
| • Paul HERMELIN,
<i>CEO</i> | • Terry OZAN |
| | • Bruno ROGER |

After extensive examination of their personal situations, the seven directors whose names are underlined were considered by the Board as being "independent".

- **Term of office: 4 years**

Given that the General 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):

- the terms of office of Daniel Bernard and Thierry de Montbrial, directors appointed by the General Shareholders' Meeting of May 12, 2005, expire at the close of the Ordinary Shareholders' Meeting to be held on April 30, 2009;
- the terms of office of Yann Delabrière, Jean-René Fourtou, Paul Hermelin, Michel Jalabert, Serge Kampf, Phil Laskawy, Ruud van Ommereen, Terry Ozan and Bruno Roger, renewed by the General Shareholders' Meeting of May 11, 2006, will expire on the date of the Ordinary Shareholders' Meeting which will be convened in spring 2010 to approve the financial statements of the year ending December 31, 2009.

- **Minimum number of shares:**

Each director must personally hold at least 100 shares in the Company. Non-voting directors are not subject to this obligation.

- **Meetings:**

- At least six times per year at the registered office of the Company in Paris (or at any other venue stated in the notice of meeting).
- Attendance rate in 2008: 94% (the Board met seven times in 2008).

Non-voting membership

- **Members:** 3 non-voting members

• Pierre HESSLER • Marcel ROULET • Geoff UNWIN

- **Term of office: 2 years.**

Given that the General Shareholders' Meeting of May 11, 2006 decided on the recommendation of the Board of Directors, to reduce the term of office of non-voting directors from six to two years (applicable with immediate effect to current terms of office):

- the terms of office of Pierre Hessler and Geoff Unwin, renewed by the General Shareholders' Meetings of May 11, 2006 and subsequently April 17, 2008, will expire on the date of the Ordinary Shareholders' Meeting which will be convened in spring 2010 to approve the financial statements of the year ending December 31, 2009;
- the term of office of Marcel Roulet, renewed by the General Shareholders' Meeting of April 26, 2007, will expire at the close of the Ordinary Shareholders' Meeting to be held on April 30, 2009.

Internal rules of operation

The Board has established internal rules of operation (which it amended on July 26, 2006), principally in order to specify the breakdown of tasks between the Board, the specialized Board committees, the Chairman and the CEO. It also sets out the list of obligations under the "code of ethics" with which directors and non-voting directors undertake to comply.

SPECIFIC INFORMATION

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 and Phil Laskawy
 - Non-voting director: Marcel Roulet
 - Meetings: six in 2008, with an attendance rate of 96%
- **Selection & Compensation Committee**
 - Chairman: Ruud van Ommeren
 - Other directors: Michel Jalabert, Thierry de Montbrial and Terry Ozan
 - Non-voting director: Pierre Hessler
 - Meetings: eight in 2008, with an attendance rate of 88%
- **Ethics & Governance Committee**
 - Chairman: Serge Kampf
 - Other directors: Daniel Bernard, Paul Hermelin, Phil Laskawy and Bruno Roger
 - Meetings: four in 2008, with an attendance rate of 90%
- **Strategy & Investments Committee**
 - Chairman: Jean-René Fourtou
 - Other directors: Daniel Bernard, Paul Hermelin, Thierry de Montbrial and Bruno Roger
 - Non-voting director: Geoff Unwin
 - Meetings: five in 2008, with an attendance rate of 97%

List of directorships and other offices held by members of the Board of Directors

Directorships and other offices held by the 11 voting members of the Board of Directors in 2008 are as follows:

MEMBERS OF THE BOARD	FIRST APPOINTMENT AND EXPIRATION* OF TERM OF OFFICE	OFFICES HELD IN 2008 AND CURRENT OFFICES	OTHER OFFICES HELD DURING THE LAST FIVE YEARS OUTSIDE THE GROUP
<p>Daniel BERNARD Date of birth: February 18, 1946</p> <p><u>Number of shares held as of December 31, 2008:</u> 150</p>	2005 -2008	<p><u>Principal office:</u> Chairman of: • PROVESTIS</p> <p><u>Other offices:</u> Vice-Chairman of the Board of Directors of: • KINGFISHER Director of: • ALCATEL LUCENT • CAP GEMINI S.A. Chairman of: • The HEC Foundation</p>	<p>Chairman and Chief Executive Officer of: • Groupe CARREFOUR</p> <p>Director of: • SAINT-GOBAIN</p>

*At the date of the General Shareholders' Meeting held to approve the financial statements of the year concerned.

MEMBERS OF THE BOARD	FIRST APPOINTMENT AND EXPIRATION* OF TERM OF OFFICE	OFFICES HELD IN 2008 AND CURRENT OFFICES	OTHER OFFICES HELD DURING THE LAST FIVE YEARS OUTSIDE THE GROUP
<p>Yann DELABRIÈRE Date of birth: December 19, 1950</p> <p><u>Number of shares held as of December 31, 2008:</u> 2,550</p>	<p>2004-2009</p>	<p><u>Principal office</u> Chairman and Chief Executive Officer of:</p> <ul style="list-style-type: none"> • FAURECIA <p><u>Other offices</u> Director of:</p> <ul style="list-style-type: none"> • CAP GEMINI S.A. 	<p>Member of the Executive Committee and Chief Financial Officer of:</p> <ul style="list-style-type: none"> • PSA PEUGEOT CITROËN <p>Chairman and Chief Executive Officer of:</p> <ul style="list-style-type: none"> • BANQUE PSA FINANCE • CREDIPAR (Compagnie Générale de Crédit aux Particuliers) <p>Chairman of the Supervisory Board of:</p> <ul style="list-style-type: none"> • PEUGEOT FINANCE INTERNATIONAL NV <p>Chairman of the Board of Directors of:</p> <ul style="list-style-type: none"> • PEUGEOT CITROËN ARGENTINE • PERGOLESE INVESTISSEMENTS <p>Vice-Chairman and Managing Director of:</p> <ul style="list-style-type: none"> • PSA INTERNATIONAL <p>Director of:</p> <ul style="list-style-type: none"> • PEUGEOT CITROËN AUTOMOBILES • AUTOMOBILES CITROËN • GEFCO <p>Manager (Gérant) of:</p> <ul style="list-style-type: none"> • GIE PEUGEOT CITROËN Finance et Comptabilité (Belgium) • PSA Services S.R.L. (Italy)
<p>Jean-René FOURTOU Date of birth: June 20, 1939</p> <p><u>Number of shares held as of December 31, 2008:</u> 4,000</p>	<p>2002-2009</p>	<p><u>Principal office:</u> Chairman of the Supervisory Board of:</p> <ul style="list-style-type: none"> • VIVENDI <p><u>Other offices</u> Chairman of the Supervisory Board of:</p> <ul style="list-style-type: none"> • GROUPE CANAL+ <p>Member of the Supervisory Board of:</p> <ul style="list-style-type: none"> • MAROC TELECOM • AXA <p>Director of:</p> <ul style="list-style-type: none"> • CAP GEMINI S.A. • SANOFI-AVENTIS S.A. • NBC UNIVERSAL INC. (USA) • NESTLE (Switzerland) • AXA MILLESIMES S.A.S. 	<p>Chairman of the Supervisory Board of:</p> <ul style="list-style-type: none"> • VIVENDI ENVIRONNEMENT <p>Vice-Chairman of the Supervisory Board of:</p> <ul style="list-style-type: none"> • AVENTIS • AXA <p>Chairman and Chief Executive Officer of:</p> <ul style="list-style-type: none"> • VIVENDI UNIVERSAL <p>Director of:</p> <ul style="list-style-type: none"> • PERNOD • RHODIA • AXA FINANCIAL • THE EQUITABLE LIFE ASSURANCE • E.A.D.S. • SCHNEIDER <p>Member of the Executive Committee of:</p> <ul style="list-style-type: none"> • AXA MILLESIMES S.A.S. <p>Member of the Selection, Remuneration and Corporate Governance Committee of:</p> <ul style="list-style-type: none"> • SANOFI-AVENTIS S.A. <p>Chairman and subsequently Honorary Chairman of:</p> <ul style="list-style-type: none"> • CHAMBRE DE COMMERCE INTERNATIONALE (ICC)

*At the date of the General Shareholders' Meeting held to approve the financial statements of the year concerned.

SPECIFIC INFORMATION

MEMBERS OF THE BOARD	FIRST APPOINTMENT AND EXPIRATION* OF TERM OF OFFICE	OFFICES HELD IN 2008 AND CURRENT OFFICES	OTHER OFFICES HELD DURING THE LAST FIVE YEARS OUTSIDE THE GROUP
<p>Paul HERMELIN Date of birth: April 30, 1952</p> <p><u>Number of shares held as of December 31, 2008:</u> 187,048</p>	2000-2009	<p><u>Principal offices</u> Director and Chief Executive Officer of:</p> <ul style="list-style-type: none"> • CAP GEMINI S.A. <p>Chief Executive Officer of the Capgemini Group</p> <p><u>Other offices</u> Chairman of:</p> <ul style="list-style-type: none"> • Capgemini France S.A.S. • Capgemini North America Inc. (U.S.A.) • Capgemini Holding Inc. (U.S.A.) • Capgemini Energy GP LLC (U.S.A) <p>Chief Executive Officer of:</p> <ul style="list-style-type: none"> • Capgemini Service S.A.S. • Capgemini North America Inc. (U.S.A.) • Capgemini Holding Inc. (U.S.A) <p>Director of:</p> <ul style="list-style-type: none"> • Capgemini America, Inc. (U.S.A) • Capgemini US LLC (U.S.A) • CGS Holdings Ltd (UK) • SOGETI S.A. (BELGIUM) • Capgemini Australia Pty Ltd • Capgemini Financial Services International Inc. <p>Member of the Supervisory Board of:</p> <ul style="list-style-type: none"> • Capgemini N.V. 	None
<p>Michel JALABERT Date of birth: January 20, 1933</p> <p><u>Number of shares held as of December 31, 2008:</u> 425</p>	2000-2009	<p><u>Principal office:</u> Director of:</p> <ul style="list-style-type: none"> • CAP GEMINI S.A. <p><u>Other offices</u> None</p>	None
<p>Serge KAMPF Date of birth: October 13, 1934</p> <p><u>Number of shares held as of December 31, 2008:</u> 5,618,156</p>	2000-2009	<p><u>Principal office</u> Chairman of the Board of Directors of:</p> <ul style="list-style-type: none"> • CAP GEMINI S.A. <p><u>Other offices</u> Chairman of:</p> <ul style="list-style-type: none"> • Capgemini Service S.A.S. • Capgemini Suisse S.A. <p>Director of:</p> <ul style="list-style-type: none"> • Capgemini North America Inc. (U.S.A.) • SPORTYS S.A. 	<p>Director of:</p> <ul style="list-style-type: none"> • SANOFI-AVENTIS S.A. <p>Member of the Supervisory Board and Chairman of the Selection and Remuneration Committee of:</p> <ul style="list-style-type: none"> • AVENTIS <p>Member of the Selection, Remuneration and Corporate Governance Committee of:</p> <ul style="list-style-type: none"> • SANOFI-AVENTIS S.A. <p>Member of the Académie des Sports</p>

* At the date of the General Shareholders' Meeting held to approve the financial statements of the year concerned

MEMBERS OF THE BOARD	FIRST APPOINTMENT AND EXPIRATION* OF TERM OF OFFICE	OFFICES HELD IN 2008 AND CURRENT OFFICES	OTHER OFFICES HELD DURING THE LAST FIVE YEARS OUTSIDE THE GROUP
<p>Phil LASKAWY Date of birth: March 31, 1941</p> <p><u>Number of shares held as of December 31, 2008:</u> 7,600</p>	2002-2009	<p><u>Principal offices</u> Non-executive Chairman of:</p> <ul style="list-style-type: none"> • FANNIE MAE <p>Director of:</p> <ul style="list-style-type: none"> • CAP GEMINI S.A. • GENERAL MOTORS CORPORATION <p><u>Other offices</u> Director of:</p> <ul style="list-style-type: none"> • HENRY SCHEIN, INC. • LAZARD LTD • LOEWS CORPORATION 	<p>Chairman and Chief Executive Officer of:</p> <ul style="list-style-type: none"> • ERNST & YOUNG <p>Director of:</p> <ul style="list-style-type: none"> • THE GOODYEAR TIRE & RUBBER Company • HEIDRICK & STRUGGLES International, Inc. • THE PROGRESSIVE CORPORATION • DISCOVER FINANCIAL SERVICES
<p>Thierry de MONTBRIAL Date of birth: March 3, 1943</p> <p><u>Number of shares held as of December 31, 2008:</u> 100</p>	2005-2008	<p><u>Principal office</u> Founder and Chief Executive Officer of:</p> <ul style="list-style-type: none"> • L'INSTITUT FRANÇAIS DES RELATIONS INTERNATIONALES (IFRI) <p><u>Other offices</u> Chairman of</p> <ul style="list-style-type: none"> • CENTRE FRANCO-AUTRICHIEN POUR LE RAPPROCHEMENT ÉCONOMIQUE EN EUROPE <p>Emeritus Professor at:</p> <ul style="list-style-type: none"> • CONSERVATOIRE NATIONAL DES ARTS ET MÉTIERS <p>Member of:</p> <ul style="list-style-type: none"> • L'INSTITUT DE FRANCE (ACADÉMIE DES SCIENCES MORALES ET POLITIQUES) 	<p>Director of:</p> <ul style="list-style-type: none"> • SOCIETE DU LOUVRE
<p>Ruud van OMMEREN Date of birth: September 11, 1936</p> <p><u>Number of shares held as of December 31, 2008:</u> 100</p>	2000-2009	<p><u>Principal office</u> Director of:</p> <ul style="list-style-type: none"> • CAP GEMINI S.A. <p><u>Other offices</u> Chairman of the Supervisory Board of:</p> <ul style="list-style-type: none"> • Capgemini N.V. • GAK ONROEREND GOED V.O.F <p>Member of the Supervisory Board of:</p> <ul style="list-style-type: none"> • WILLEM VAN RIJN B.V. • KONINKLYKE GROLSCH N.V. 	<p>Chairman of the Supervisory Board of:</p> <ul style="list-style-type: none"> • DELFTS INSTRUMENTS N.V. <p>Member of the Supervisory Board of:</p> <ul style="list-style-type: none"> • GTI N.V. • ANWB <p>Member of:</p> <ul style="list-style-type: none"> • COMITE NATIONAL DE PROTECTION DES LIBERTES INDIVIDUELLES AUX PAYS-BAS

* At the date of the General Shareholders' Meeting held to approve the financial statements of the year concerned.

SPECIFIC INFORMATION

MEMBERS OF THE BOARD	FIRST APPOINTMENT AND EXPIRATION* OF TERM OF OFFICE	OFFICES HELD IN 2008 AND CURRENT OFFICES	OTHER OFFICES HELD DURING THE LAST FIVE YEARS OUTSIDE THE GROUP
<p>Terry OZAN Date of birth: July 21, 1946</p> <p><u>Number of shares held as of December 31, 2008:</u> 24,300</p>	2000-2009	<p><u>Principal office:</u> Director of: • CAP GEMINI S.A.</p> <p><u>Other offices</u> Director of: • NOTEWORTHY MEDICAL SYSTEMS, INC. • COHESANT INC. Member of the Strategy Committee of: • STATE INDUSTRIAL PRODUCTS</p>	<p>Director of: • KANISA Corporation</p>
<p>Bruno ROGER Date of birth: August 6, 1933</p> <p><u>Number of shares held as of December 31, 2008:</u> 20,226</p>	2000-2009	<p><u>Principal office:</u> Chairman of: • LAZARD FRERES S.A.S.</p> <p><u>Other offices</u> Chairman of: • GLOBAL INVESTMENT BANKING de LAZARD Director of: • CAP GEMINI S.A. Non-voting director of: • EURAZEO</p>	<p>Member of the Supervisory Board of: • AXA • PINAULT PRINTEMPS REDOUTE</p> <p>Director of: • COMPAGNIE DE SAINT-GOBAIN</p>

* At the date of the General 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 acting 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 Capgemini 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.

IV - AGREEMENTS WITH EXECUTIVE CORPORATE OFFICERS

This information is provided in paragraph 4.8 of the Management Report presented by the Board of Directors at the Ordinary and Extraordinary Shareholders' Meeting of April 30, 2009.

Loans and guarantees granted to directors and managers of the Company

None.

Regulated agreements

No agreements falling within the scope of article L.225-38 of the French Commercial Code were authorized by the Board of Directors in the year ended December 31, 2008.

V - 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:

	Total number of options granted/shares subscribed	Weighted average exercise price (in euros)	Plan
Options awarded during the year to the ten employees of all eligible companies having received the greatest number of options	60,000	40.5	6 th Plan
Options exercised during the year by the ten employees of all eligible companies having exercised the greatest number of options	121,845	23.97	5 th and 6 th Plans

VI - GROUP MANAGEMENT STRUCTURE

The Group's management is organized into two committees, as follows:

- **The Executive Committee has 14 members:**

Paul Hermelin	Chief Executive Officer
Henk Broeders	TS Global Coordination
Lanny Cohen	TS North America
Pierre-Yves Cros	Consulting Services (Capgemini Consulting)
Alain Donzeaud	General Secretary
Nicolas Dufourcq	Deputy Chief Executive Officer and Chief Financial Officer
Philippe Grangeon	Marketing and Communication
Christine Hodgson	TS Europe 1 (UK, Netherlands, Belgium)
Patrick Nicolet	TS Europe 2 (Germany, Nordic countries, Eastern Europe)
Salil Parekh	Asia-Pacific and TS Financial Services
Olivier Picard	Sales & Alliances
Luc-François Salvador	Local Professional Services (Sogeti)
Olivier Sevillea	TS Europe 3 (France, Southern Europe and Latin America)
Paul Spence	Outsourcing Services

SPECIFIC INFORMATION

- **Group Management Board comprises the members of the Executive Committee plus the following persons:**

Peter Barbier	TS Netherlands and BAS integration
John Brahim	TS Europe 3 - Director of operations
Martin Cook	Strategy & Transformation
Aiman Ezzat	TS Financial Services
François Hucher	Technical and Support Director (IT and procurement)
Andy Mulholland	Technology
Paul Nannetti	Industrialization
Lan O'Connor	I.cube Transformation Program
Mark Porter	Consulting Services (Capgemini Consulting) - Director of operations
Ulrich Praedel	Sales
Baru Rao	Capgemini India
Jeremy Roffe-Vidal	Human Resources
Isabelle Roux-Chenu	International Legal Affairs
Antonio Schnieder	Coordination Committee - Germany

VII - PERSONS RESPONSIBLE FOR THE AUDIT OF THE ACCOUNTS

Statutory Auditors:

- PricewaterhouseCoopers Audit
member of the *Compagnie Régionale des Commissaires aux Comptes de Versailles*
63, rue de Villiers, 92208 Neuilly-sur-Seine
represented by **Serge VILLEPELET**
First appointed at the Ordinary Shareholders' Meeting of May 24, 1996.
Current term expires at the close of the General Shareholders' Meeting to be called 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 General Shareholders' Meeting to be called to approve the 2013 financial statements.

Substitute Auditors:

- Etienne BORIS
63, rue de Villiers, 92208 Neuilly-sur-Seine,
Substitute for PricewaterhouseCoopers Audit
Appointed at the Ordinary Shareholders' Meeting of April 17, 2008.
Term of office expires at the close of the General Shareholders' Meeting to be called 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 General Shareholders' Meeting to be called to approve the 2013 financial statements.

Fees paid by the Group to the Statutory Auditors and members of their networks

in thousands of euros

	KPMG				PwC			
	Amount		%		Amount		%	
	2008	2007	2008	2007	2008	2007	2008	2007
Audit								
Statutory audit, certification of the individual company and consolidated financial statements	1,962	2,509	71%	76%	2,676	3,704	39%	52%
- Issuer	263	411	9%	12%	438	617	6%	9%
- Fully consolidated subsidiaries	1,699	2,098	61%	64%	2,238	3,087	33%	44%
Other work and services directly related to the statutory audit assignment	558	329	20%	10%	1,060	81	16%	1%
- Issuer	512	34	18%	1%	954	52	14%	1%
- Fully consolidated subsidiaries	46	295	2%	9%	106	29	2%	0%
SUBTOTAL	2,521	2,838	91%	86%	3,736	3,785	55%	53%
Other services								
Legal, tax and employee-related matters	239	430	9%	13%	184	163	3%	2%
Other (1)	20	34	1%	1%	2,876	3,137	42%	44%
SUBTOTAL	259	464	9%	14%	3,060	3,300	45%	47%
TOTAL	2,780	3,302	100%	100%	6,796	7,085	100%	100%

(1) These services mainly relate to assignments carried out within the scope of client projects and in accordance with the "SAS 70" standard. These assignments concern sites where applications are maintained for clients covered by the Sarbanes-Oxley Act.

VIII - PERSON RESPONSIBLE FOR INFORMATION

Nicolas DUFOURCQ
 Chief Financial Officer
 11, rue de Tilsitt, 75017 Paris
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IX - 2009 PROVISIONAL FINANCIAL CALENDAR

First quarter 2009 revenue announcement: April 30, 2009
 Second quarter 2009 revenue announcement: July 30, 2009
 First half 2009 results announcement: July 30, 2009
 Third quarter 2009 revenue announcement: November 5, 2009
 Fourth quarter 2009 revenue announcement: February 11, 2010

This provisional calendar is provided for information purposes only and is subject to subsequent amendments.

SPECIFIC INFORMATION

DECLARATION BY THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

“ I hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in the registration 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 2008 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 on page 59 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 registration document and examined the information in respect of the financial position and the historical accounts contained therein.

The statement from the Statutory Auditors does not contain any observations.”

Paul Hermelin,
Chief Executive Officer



The French version of this registration document (document de référence) was filed with the Autorité des Marchés Financiers (AMF) on March 12, 2009, 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.

In accordance with article 28 of European regulation no. 809/2004 of April 29, 2004, the following information is incorporated in this registration document by reference:

1. Relating to the year ended

December 31, 2007:

- the management report, consolidated financial statements, and the Statutory Auditors' report on the consolidated financial statements, set out in the registration document filed on April 1, 2008, under no. D. 08-0179 (pages 20 to 36 and 67 to 129, respectively).
- the simplified parent company financial statements of Cap Gemini S.A. set out in the registration document filed on April 1, 2008 under no. D. 08-0179 (pages 130 to 132).
- the Statutory Auditors' special report on certain related party agreements, set out in the registration document filed on April 1, 2008 under no. D. 08-0179 (page 133).

2. Relating to the year ended

December 31, 2006 :

- the management report, consolidated financial statements, and the Statutory Auditors' report on the consolidated financial statements, set out in the registration document filed on April 16, 2007, under no. D. 07-0325 (pages 39 to 51 and 63 to 119, respectively).
- the simplified parent company financial statements of Cap Gemini S.A. set out in the registration document filed on April 16, 2007 under no. D. 07-0325 (pages 120 to 122).
- the Statutory Auditors' special report on certain related party agreements, set out in the registration document filed on April 16, 2007 under no. D. 07-0325 (pages 123 to 124).

The information included in these two registration documents, other than that referred to above, has been replaced and/or updated where necessary, with information included in this registration document.

Copies of the registration 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.

CROSS-REFERENCE TABLE

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N/A: Not applicable.

SPECIFIC INFORMATION

II - Information required under Annual Financial Report.

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