FINANCIAL REPORT 2009

REFERENCE DOCUMENT

Capgemini
CONSULTING.TECHNOLOGY.OUTSOURCING

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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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Geoff UNWIN

STATUTORY AUDITORS

PRICEWATERHOUSECOOPERS AUDIT
represented by Serge VILLEPELET

KPMG S.A.
represented by Jean-Luc DECORNOY

FINANCIAL HIGHLIGHTS

CONSOLIDATED FINANCIAL STATEMENTS					
in millions of euros	2005	2006	2007	2008	2009
REVENUES	**6,954**	**7,700**	**8,703**	**8,710**	**8,371**
OPERATING EXPENSES	6,729	7,253	8,063	7,966	7,776
OPERATING MARGIN	**225**	**447**	**640**	**744**	**595**
% of revenues	3.2%	5.8%	7.4%	8.5%	7.1%
OPERATING PROFIT	**214**	**334**	**493**	**586**	**333**
% of revenues	3.1%	4.3%	5.7%	6.7%	4.0%
PROFIT FOR THE YEAR	**141**	**293**	**440**	**451**	**178**
% of revenues	2.0%	3.8%	5.1%	5.2%	2.1%
EARNINGS PER SHARE					
Number of shares at December 31	*131,581,978*	*144,081,808*	*145,425,510*	*145,844,938*	*154,177,396*
Earnings per share at December 31 (in euros)	1.07	2.03	3.03	3.09	1.16
Dividend per share for the year (in euros)	0.50	0.70	1.00	1.00	0.80*
NET CASH AND CASH EQUIVALENTS AT DECEMBER 31	**904**	**1,632**	**889**	**774**	**1,269**
AVERAGE NUMBER OF EMPLOYEES	**59,734**	**64,013**	**79,213**	**86,495**	**90,238**
NUMBER OF EMPLOYEES AT DECEMBER 31	**61,036**	**67,889**	**83,508**	**91,621**	**90,516**

* subject to approval by the combined Shareholder's Meeting of May 27, 2010.

BACKGROUND

In the four decades since its foundation in Grenoble in 1967, the Société pour la Gestion de l'Entreprise et le Traitement de l'Information (SoGETI) became Capgemini, a global group established in some 30 countries. Today, a truly multicultural company, with 90,000 team members of 100 different nationalities, generating revenues of €8.4 billion, the Group provides advice to major national and international corporations and government authorities, for whom it has been designing and managing information systems throughout those years.

1967:	**Formation of SoGETI on October 1, in Grenoble (France), by Serge Kampf.**
1968:	First Sogeti *"Rencontres"* (milestone meeting to review strategy and share important decisions) with company employees.
1970:	Partnership agreement signed with Organisation Bossard Michel (OBM), leading French management consultancy firm.
1971:	Creation of Eurinfor, specializing in facilities management.
1974:	Acquisition of the IT services companies CAP (French market leader) and Gemini Computer Systems.
1975:	**January 1 marks the official birth of the Cap Gemini Sogeti Group, following the merger of CAP, Gemini Computer Systems and Sogeti; the "leading European IT services group" employs 2,000 people.**
1978:	Formation of Gemini Inc. in Washington (United States of America).
1979:	Creation of Cap Gemini Spain.
1980:	The Group wins a contract to develop the French electronic telephone directory.
1982:	**At year end, revenues overstep the FFr1bn mark (€150 million), half of which is generated outside France.**
1984:	English becomes the official language of the Group.
1985:	Cap Gemini Sogeti's initial public offering on the Paris stock exchange.
1989:	Merger of Cap Sogeti France and French IT services and software engineering company Sesa, leading to the birth of Cap Sesa Sesa.
1990:	**The Group "*Rencontres*" in Marrakesh were marked by a more aggressive strategy and approval of a new shareholder; acquisition of the British company Hoskyns, European leader in outsourcing.**
1991:	Daimler Benz enters the capital of Sogeti; birth of Gemini Consulting as the consulting arm of the Group.
1992:	Acquisition of the Dutch company Volmac and the Swedish company Programator.
1993:	**A new organization, encompassing seven geographical regions or Strategic Business Areas (SBA) is established worldwide**
1996:	A new logo and a new name – Cap Gemini – are adopted; Sogeti is no longer visible.
1997:	Withdrawal of Daimler Benz from the Cap Gemini capital; the consulting group Bossard Consultants joins the Group.
1998:	**Signature of a multinational contract with automaker General Motors.**
1999:	Signature of technology partnerships with Microsoft, Oracle, Sun Microsystems, and others.
2000:	Acquisition of Ernst & Young Consulting.
2002:	Formation of Sogeti, a subsidiary for local professional services, which takes the original name of the group.
2003:	Sogeti buys out Transiciel (7,000 employees); **the Group signs a major long-term contract with the British tax authorities;** opening of its two development centers in Mumbai (previously Bombay), India.
2004:	**New name – Capgemini – and new logo.**
2006:	Purchase of a 51% interest in Unilever Shared Services Limited, and bolstering of Capgemini's presence in the Business Process Outsourcing (BPO) market for the outsourcing of business applications; launch of the I.cube (Industrialization, Innovation, Intimacy) transformation program.
2007:	**Acquisition of Kanbay International, a company formed under US law, well established in India and specializing in financial services;** opening in Argentina, of the first Rightshore® center in Latin America.
2008:	Capgemini takes over Getronics PinkRoccade Business Application services BV in the Netherlands, which specializes in the public sector; technology alliance in cloud computing with Amazon Web Services; targeted acquisitions in testing and in the Czech Republic.
2009:	Opening of an outsourcing center in Romania; acquisitions in Vietnam and Australia; **launch of the Business as Unusual program and five global service lines.**

THE CAPGEMINI GROUP

I - INTRODUCTION

Established in some 30 countries, the mission of the Capgemini Group is to help its clients transform in order to improve their performance and competitive positioning. The array of integrated services proposed for this purpose combines top-of-the-range technology package offers, strong sector expertise and a perfect command of its four business lines or “disciplines.”

The four Capgemini disciplines are:

- Consulting Services (Capgemini Consulting): the aim of this activity is to help the Group’s clients identify, build and carry through transformation projects that will improve growth and sharpen their competitive edge on a long-term basis;
- Technology Services: these include the design, development and implementation of a wide range of technology projects, from application development and integration to web services;
- Local Professional Services (Sogeti): this entity delivers professional technology services to suit local requirements for infrastructures, applications, engineering, testing and operation.
- Outsourcing Services: Capgemini guides and supports its clients in outsourcing, either wholly or partly, their information systems and associated activities (BPO);

The Group held up in a particularly tough economic climate in 2009, maintaining its revenue turndown at 3.9%, limiting the fall and posting an operating margin of 7.1%.

These results are to be credited to the changes initiated in the early 2000s. The Group bolstered its activities in sectors of the economy that have enabled its revenues to stabilize. Outsourcing now represents 36% of Group revenues, and even recorded a rise in operating margin. In the public sector, Capgemini has increased its revenues by 9.1% with large, and often long-term, contracts. Outsourcing and the public sector formed, as expected, the mainstay for Group resilience in 2009.

The other disciplines—Technology, Consulting and Local Professional Services—have managed to restrain revenue decline and their operating margins throughout. The I.cube transformation program, implemented in 2006–2009, helped to drive the Group’s robustness overall. “*Our more global vision and better collaboration between units stem from I.cube, which allowed us to assert our presence in the market*,” explains Paul Hermelin, Group CEO.

The growing momentum of its global delivery model, Rightshore®, contributed to the success of I.cube’s Industrialization component in 2009. Offshore now forms 31% (79% in India) of aggregate Group headcount. By strengthening Capgemini’s proximity to its clients, the new sales organization created added value via a new approach to large organizations, culminating in major projects being signed with the US Army, the Environmental Agency in the United Kingdom and food conglomerate Bunge Limited. In addition, new significant contract (Renault) and extension deals (Ontario Power Generation) were signed.

When the market reacts well, analysts respond favorably too. IDC noted for financial year 2009 that “*Capgemini is weathering the current storm very well, mainly thanks to three factors: the excellent delivery of its I.cube transformation program, the priority given to maintaining operating margin, underpinned by offshore and innovation, and its successful change of image. Capgemini has therefore moved on from the position of European service provider to a leading role as a global, multicultural player*.”

I.cube gradually gave way to Business as Unusual, a more contextual program linked to the economic cycle, and launched in late 2009. Business as Usual has three objectives: to make the most of Group expertise, thereby generating added talent value; to apply the principles of lean management throughout its production line for improved performance; and to design innovative interconnected services in order to grow revenues. The goal is €800m of additional orders in 2010.

2010 must be the year of recovery. Although the economy has started to bounce back, it is still fragile. Capgemini started the new financial year in sound financial condition (with net cash and cash equivalents of €1.27 billion), providing the ability to invest in new growth drivers. Paul Hermelin states: “*We must take advantage of the fact that companies are again interested in technological innovation. So we must develop a particularly attractive offering for this purpose*.”

Under the Business as Unusual program, five new global service lines or GSLs have been developed: Business Information Management (BIM) Application Lifecycle Services (ALS), Infostructure Transformation Services (ITS), Testing Services and Smart Energy Services. These offers have been rolled out worldwide. Capgemini is therefore responding to new market demands not just for the sake of profitability but to conquer new territories, to continue to transform, and to change the very essence of the services marketed by the Group and the way in which they are delivered.

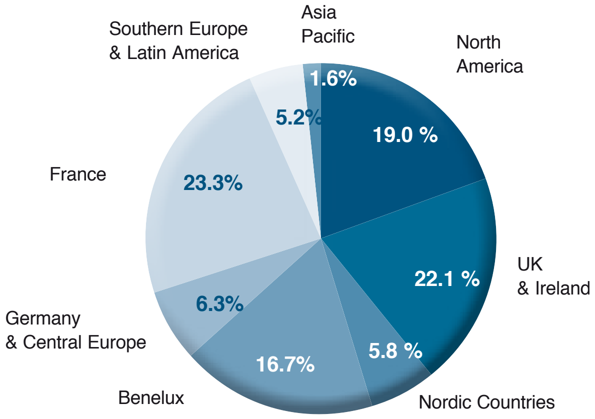
II - GEOGRAPHICAL COVERAGE

The Capgemini world map covers eight main regions, encompassing some 30 countries. Four regions produce a major share of Group revenues. In 2009, France took the lead with its 23.3% share, followed by the United Kingdom & Ireland (22.1%), North America (19.0%) and Benelux (16.7%).

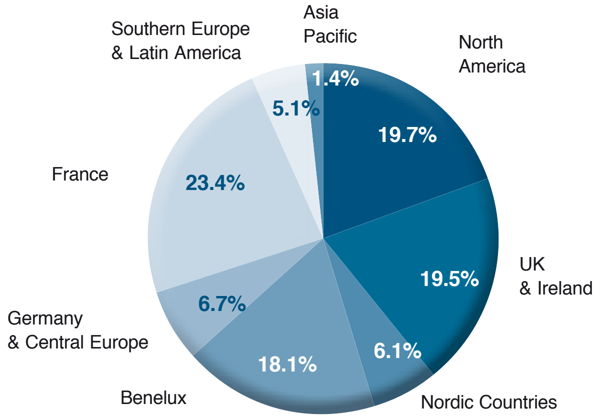
Breakdown of revenues by region

At constant rates and perimeter

FY 2009



FY 2008



The overall weight of the four other regions in Group revenues has remained stable at 18.9%. Nonetheless, variances are recorded: Asia-Pacific and, to a lesser extent, Southern Europe-Latin America continue to grow, whereas Germany, Central Europe and the Nordic Countries are on a slightly downwards trend.

In 2009, revenues for all Group regions fell, excepting the United Kingdom & Ireland, which benefits from the supremacy of Outsourcing in its activity portfolio and from being deeply rooted in the public sector and the Asia-Pacific region.

Revenues by region

AT CURRENT RATES AND PERIMETER *(in millions of euros)*	**FY 2008**	**FY 2009**	**2009 / 2008**
North America	1,668	1,590	- 4.7%
Europe, Asia & Latin America of which:	7,042	6,781	-3.7%
France	2,077	1,949	-6.1%
UK & Ireland	1,922	1,852	-3.6%
Benelux	1,303	1,397	7.3%
Germany & Central Europe	592	531	-10.3%
Nordic Countries	578	488	-15.7%
Southern Europe & Latin America	449	434	-3.3%
Asia Pacific	131	130	6.7%
TOTAL	**8,710**	**8,371**	**-3.9%**

The Rightshore® model drives Group headcount in terms of geographical breakdown. For the first time ever, France is no longer the country with the largest headcount in the Group. India's workforce of 20,100 has now overtaken France with its 20,000 team members at the end of September 2009. The onshore–offshore balance of Group headcount continues to lean in favor of offshore, which represented 31% of the total workforce at the close of 2009.

Remarkably, all Capgemini regions have managed to maintain positive operating margins for 2009. The United Kingdom & Ireland has even succeeded in improving its profitability (8.9%), thus becoming the most profitable of all the major regions. The Asia-Pacific region is also on a growth curve.

Operating margin by region

	FY 2008		FY 2009	
	Operating Margin (in millions of euros)	% of revenues	Operating Margin (in millions of euros)	% of revenues
North America	91	5.5%	77	4.9%
France	148	7.1%	121	6.2%
UK & Ireland	164	8.5%	165	8.9%
Benelux	183	14.0%	122	8.7%
Germany & Central Europe	82	13.9%	51	9.7%
Nordic Countries	55	9.5%	35	7.3%
Southern Europe & Latin America	23	5.2%	10	2.3%
Asia Pacific	56	N/A	69	N/A
Not allocated (1)	-58	-	-55	-
TOTAL	**744**	**8.5%**	**595**	**7.1%**

(1) Items not allocated represent headquarter expenses.

During the grueling financial year worldwide, the Group demonstrated considerable resilience, maintaining its acquisition and expansion policy of targeting specific know-how and geographical regions. An outsourcing center was opened in Romania, thereby strengthening Group presence in Eastern Europe. Capgemini also made an acquisition in Vietnam to develop a platform to serve its clients in the insurance sector, and bought out Nu Solutions, an Australian company specializing in software testing.

III - MARKET

A - Market characteristics

The Cap Gemini Group operates in what Gartner metrics call the IT Services Market, with the aggregate worldwide market totaling €455 billion in 2009.[1] Capgemini is regarded as sixth largest global player and fifth if the Japanese market, where the Group is not present,[2] is excluded.

North America, the number one IT Services Market estimated at €188 billion, represents a major share of the Group's business, although it is not the leader there. Western Europe is number two market, estimated at €143 billion in 2009: here the Group ranks second overall but is market leader in France and the Netherlands. Over the last three years, the Group's worldwide market share has stabilized at 1.9%, increasing slightly in western Europe where it rose from 4.4% in 2007 to 4.6% in 2008, then to 4.7% in 2009.

1 *Gartner Dataquest Forecast: IT Services Worldwide 2000-2013, March 10, 2010,* Professional services.
2 *Gartner Dataquest Market Share: IT Services Worldwide 2007-2009, April 13, 2010,* Professional services.

Gartner divides the market into the following segments: Consulting, Development & Integration (D&I), IT management, Process management, in addition to Hardware Support and Software Support. This categorization roughly correlates with the Group's disciplines, although Gartner's IT management and Process management, with Capgemini are grouped together under Outsourcing Services, and what Gartner terms Development and Integration, with Capgemini come under Technology Services and Local Professional Services. Since the different markets are closely related, overlapping occurs in areas such as applications – which encompass both development and maintenance activities and stand on the edge of the three Group disciplines (TS, OS and LPS) – and IT infrastructures.

The Consulting market totals €49 billion. Overall, the Group is regarded as number ten global player, with strong positions in Europe. Consulting is the most cyclical of all segments.

The Development & Integration market is estimated at €167 billion. The Group is regarded as ninth player worldwide and second in western Europe. D&I is relatively cyclical, especially in local professional services, which function in short cycles.

Consulting and D&I mainly comprise investments on behalf of Group clients, thus making these cyclical markets too.

IT management renders this market more resilient; since longer contracts and cycles are implemented, it generates an estimated €155 billion, and the Group is regarded as the tenth global player. The Process management market is assessed at €83 billion, but the Group is not in the leading pack for this segment.

B - The competition

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

Global leaders include the two information technology giants, IBM and HP, the latter doubling its presence in IT Services with the purchase of EDS in 2008. Their presence in other, closely related, hardware and software technology markets enables them to capitalize on their client relationships in a larger market. Then come the pure IT service players Accenture and CSC, followed by the Fujitsu Group (also dealing in both hardware and services), which is mainly present in Japan. Capgemini, in sixth position, belongs to this small group of global players.

The IT services market is witnessing the emergence of a group of offshore (essentially Indian) players including TCS, Infosys, Wipro and Cognizant. These companies are beginning to be able to compete against the global players.

Lastly, come the many regional players. The largest are Atos Origin, T-Systems, Logica, Indra and Steria in Europe and Lockheed Martin, SAIC, CGI, Deloitte, and ACS (now a subsidiary of Xerox) in North America.

C - Market trends

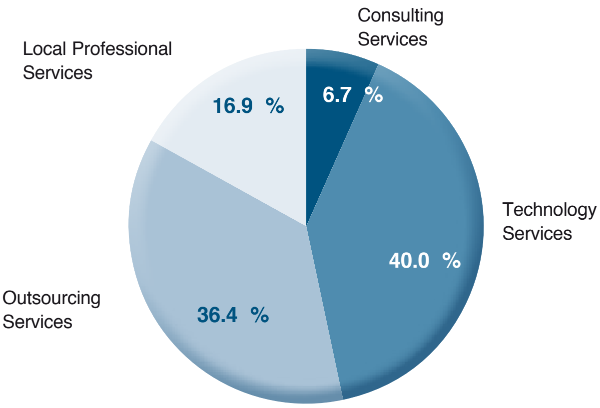
The marked change in IT service market structure is mainly due to the development of offshore from 2000. The Indian players initiated the trend by laying siege to the market with a well-trained and low-cost workforce, enabling them to slash prices. As a result, they gained market share, especially in accessible segments (re-engineering, maintenance and application development) and in the English-speaking countries (the United States and the United Kingdom, in particular). However, these Indian players are gradually moving into more complex segments (installation of software packages) in non-English speaking countries (Nordic Countries, Netherlands, Germany and France). In order to withstand the competition, all the players, particularly global players such as Capgemini, are stepping up their offshore presence in India, adjusting their delivery models to increase the involvement of their offshore teams, and intend to increase their profit margins and lower their prices to acquire competitive edge. The offshore players, on the other hand, are strengthening their global presence to develop client proximity and grow in market segments where remote work is more difficult to handle, as in consulting.

The second structural change relates to the emergence of vertically integrated players who are aware that the computer hardware and software manufacturers are developing their service business. This trend, initiated in the 1990s by IBM, was revived in 2008 with the acquisition of EDS by HP for US$14 billion, peaking further in 2009 with the acquisition of Perot by Dell for US$3.8 billion and of ACS by Xerox for US$8.3 billion.[3] The first issue was to amortize the cost of establishing client relationships with complementary products and services. The second was to capitalize on a movement whereby clients replace their machinery and equipment (hardware or software) investments with operating expenditure by purchasing services that provide the possibility of using products that are maintained and operated by a supplier. The aim is to take advantage of the current trend in IT to use cloud computing services (e.g. Software as a Service, infrastructure as a service) such as those offered by Amazon or Google, with whom Capgemini has built partnerships.

3 Amounts expressed in corporate value, including debt.

IV - DISCIPLINES

Revenues by Discipline



	FY 2009 / FY 2008*
Consulting Services	-14.7%
Technology Services	-7.4%
Local Professional Services	-8.3%
Outsourcing Services	0.3%
TOTAL GROUP	**-5.5%**

** At constant rates and perimeter.*

Operating Margin by Discipline

AT CURRENT RATES AND PERIMETER	FY 2008	FY 2009
Consulting Services	12.8%	11.4%
Technology Services	10.2%	6.9%
Local Professional Services	12.9%	9.7%
Outsourcing Services	5.4%	7.2%
Total opérations*	**9.2%**	**7.8%**
GROUP	**8.5%**	**7.1%**

** Before headquarter expenses.*

CAPGEMINI CONSULTING:
a promising start for the new global entity

In 2009, despite the unprecedented crisis that affected the sector and a 14% fall in revenues, the Group's consulting discipline proved good resilience by delivering an 11.4% margin, the best performance of all the Group's business lines.

Capgemini Consulting, the new global consulting entity, became fully operational in January 2009 and today consolidates all the Group's consulting units. As a major player in strategy and transformation consulting, Capgemini Consulting also leverages its technology expertise to respond better to its clients' needs and provide new and differentiated offers for their top management.

In 2009, Capgemini Consulting focused its portfolio on offers specifically adapted to the downturn context, including strategic restructuring, sales force effectiveness, BeLeanTM, shared services, and accelerated information technology rationalization including sustainable cost management. This enabled Capgemini Consulting to strengthen its relationships with some major clients around the world and to win new contracts in certain key sectors.

In the meantime, Capgemini Consulting continued to develop the foundations of its global organization through the launch of five global practices and five global sector networks, the harmonization of global Sales and HR, and a refreshed brand identity. In addition, a new infrastructure was developed for its 4,000 consultants, including the launch of Connect, its internal social and professional network. The global entity has also recently opened new offices in China (Shanghai) and the Middle East (Dubai) to expand its global footprint

During the year, Capgemini Consulting continued to publish major studies on business transformation. The European Commission renewed its partnership with Capgemini for a term of four years for the preparation of its annual report assessing the online public services of 31 European countries. A study by Capgemini Consulting-CIGREF (Club informatique des grandes entreprises françaises, a club of major French IT firms) entitled *Information: The Next Big Challenge for Business*, based on interviews with some 500 CIOs from around the world, demonstrates the reality of the links between a company's performance, the effectiveness with which it uses information, and the maturity of its IT features. A further study, *Trends in Business Transformation 2009*, conducted in Europe, reveals that major corporations undertake a transformation program every six months, a similar time-frame to that measured in 2006. Capgemini Consulting also leads and contributes to some major reports such as the *World Wealth Report, Green Cities, World Payments Report,* and *Mobile Broadband* in Europe.

"In the face of this crisis, companies mustn't act merely for the short term but undertake long-term change so that they will come out of current downturn stronger and better prepared for the upturn," explains Pierre-Yves Cros, Group Director of the Capgemini Consulting SBU.

In 2010, to help its clients seize the upcoming market rebound opportunities and meet their topline objectives, Capgemini Consulting has launched focused offers such as channel management, digital transformation, post-merger integration, and more. Leveraging technology as a strategic asset for its clients, the entity will also continue to strengthen its collaboration with the other Group disciplines. Furthermore, Capgemini Consulting will ensure the ongoing transformation of its global operations through improved processes, innovative ways of interacting with clients and new tools for its consultants.

TECHNOLOGY SERVICES: the group's landmark discipline

Capgemini's Technology Services (TS) are also highly sensitive to economic uncertainty. Although revenues fell in 2009, this core activity still forms 40% of aggregate Group earnings. Operating margin remains positive but has fallen in comparison with 2008.

Activity levels were maintained in some markets, such as France. The number of project opportunities increased at the close of the financial year, and the several significant TS contracts that were signed in 2009 are positive signals. For example, the Group partnered with the consortium that won the bid for a Dutch defense forces project, involving the extension of its SAP system for equipment logistics and management during international operations. This contract follows on from the 2003 contract for the standardization of Dutch Ministry of Defense procedures. Capgemini will also be one of the first to implement the Transportation Management (TM) module in the SAP package for Swedish logistics firm Green Cargo, thanks to its close collaboration with the software house.

Moreover, the Group has a very positive profile with market analysts. Forrester Research highlighted, in a study on suppliers of SAP solutions published in August 2009, that: "*Capgemini is not only noteworthy for its ability to provide strategic advice, particularly in key economic sectors, but also for the fact that its services deliver good value for money*." Furthermore, Capgemini's Customer Relationship Management (CRM) know-how was classified in the Gartner Leader Quadrant, initially for the North American and subsequently for the European markets. The Group's positioning in the technology field has undoubtedly been reinforced by this recognition.

For the major software houses, Capgemini is a top-level partner, as illustrated by the ERP+ offering launched in collaboration with Microsoft in 2009. This offering enables clients with SAP and Microsoft products to optimize the interoperability of the two systems and to access SAP data more easily either from fixed or mobile workstations.

TS will be implementing a Business as Unusual program to generate additional revenue in 2010. All five new global service lines (GSL) will be used to offer innovative solutions, including cloud computing for e-commerce, for example, with Infostructure Transformation Service (ITS). This Capgemini discipline intends to lay emphasis on its SAP, Oracle and Open Source skills by developing globally coordinated service offerings.

Moreover, use of the offshore model for project delivery will increase. In order to raise its competitive edge "*TS must continue to optimize its delivery model based on 'India transformation',*" according to Henk Broeders, in charge of worldwide coordination of Technology Services. "*And we must work with Group Consulting and Outsourcing Services to improve our sales efficiency.*"

LOCAL PROFESSIONAL SERVICES (SOGETI): swinging back to growth

Sogeti's activities are particularly susceptible to economic fluctuations since they involve primarily short-term projects, which companies do not hesitate to postpone or even drop in times of economic crisis. Despite some major contracts, such as a deal signed with Generali for rebuilding its client repository in collaboration with Albiran, the business unit sustained a noticeable fall in turnover in 2009. Operating margin was maintained at 10% despite the economic downturn, Sogeti's resistance being mainly due to its excellent resource management and sales price stability.

Growth was nonetheless the order of the day for certain activities such as testing. As market leader in France, according to French analyst firm Pierre Audoin Consultants (PAC), Sogeti and Capgemini together have one of the largest organizations in the world, offering direct access to some 6,400 professionals, including 2,100 in a recently created Centre of Excellence in India. These initiatives were crowned with successful major contracts in 2009. Thales, a major French electronics systems company, selected Sogeti for a test process audit and to support the development of its new simulation application for training air traffic controllers. And Eurocopter, the world's number one helicopter manufacturer, has selected Capgemini's subsidiary to perform a review with regard to the renovation of testing tools for its electronic equipment.

Sogeti's further growth sector was formed by the services developed around Microsoft technology; and these revenues rose by 3% in 2009. Moreover, the entity has created the Sogeti Academy, Technologies Microsoft to maintain its employees at the software house's highest possible level of certification. This initiative was launched as a result of a four-year partnership with Microsoft.

Luc-François Salvador, Sogeti Chairman & CEO, has established two targets for 2010: "*Our company is fully committed to marketing a new Group offer—Testing Services—which should enable a leap of 10% in revenues for Sogeti's testing activity. Furthermore, we are going to make our support functions more cost-effective while making the appropriate investments in order to turn to our full advantage the upturn in business expected in the second half year*."

OUTSOURCING: a guarantee of stability for the Group

Boosted by several long-term contracts, throughout 2009 Outsourcing Services (OS) played its role as a Group mainstay for resilience. Revenues even rose very slightly since several new contracts were signed, notably in Business Process Outsourcing (BPO). The share of Outsourcing in Group results has increased accordingly, and operating margin has continued on a significant upward trend.

These successes rewarded Group endeavors to develop this part of the business, in spite of the gloomy economic climate and the cancellation of a major contract in the United States and the downsizing of two major contracts in Europe that had been signed in the early 2000s.

In 2009, bookings grew by 14% compared with the prior year. Key wins for the year spanned geographies, sectors and services. Three key examples are: the Environment Agency for England and Wales opting for Capgemini's innovative solutions for a seven-year contract to provide greener IT and halve its carbon footprint in the coming years; Ontario Power Generation, a major Canadian utility, extending its initial contract, signed in 2001, for applications development and outsourcing, for five additional years; and medical equipment supplier Smith & Nephew chosing Capgemini for Information Technology Outsourcing (ITO) and BPO services, which demonstrates the benefits of sales collaboration with Technology Services (TS) and Capgemini Consulting (CC).

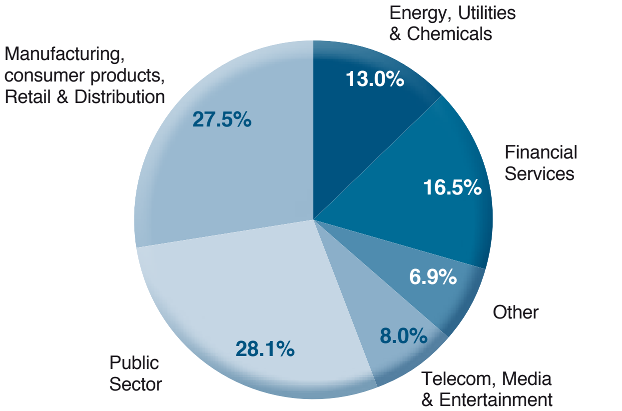
Moreover, Capgemini's BPO has benefited from the economic crisis, which has driven companies to rationalize their internal processes. For example, Bunge, the US food giant, subcontracted its finance and accounting to Capgemini in a seven-year contract. Syngenta, Swiss crop protection and seed specialist, expanded its initial contract for the very same services—finance and accounting—to purchasing and delivery in some 50 countries. In addition, the Group entered into several alliances to respond to specific client needs. A partnership with Lombardi, specializing in Business Process Management (BPM) software, gave birth to a new version of Capgemini's BPOpen, thereby reducing time frames and improving roll-out costs for BPO projects. An agreement signed with purchasing software house IBX Group AB, a pioneer in the field of e-purchasing and bought out by Capgemini in early 2010, generated a new, industry-first, end-to-end global procurement solution.

OS has approached 2010 with measured optimism. "*While our Rightshore® delivery model is well industrialized, there is additional opportunity to leverage offshore in the areas of selling and client management*," says Paul Spence Group Director of Outsourcing Services. In 2009, offshore increased another 7 points, reaching 55%, driving down the entity's average daily remuneration cost by 8 points. Moreover, with a view to identifying sales opportunities with existing Group clients', sales collaboration with Capgemini Consulting and Technology Services is likely to be stepped up.

Lastly, to reiterate Forrester Research's analysis, OS will continue to offer new solutions to the market on a regular basis. The research firm observed, in its *Global IT Infrastructure Outsourcing - Q1 2009* report, that "*Particularly strong was its [Capgemini's] story on innovation for services clients*." Under the Business as Unusual program, Application Lifecycle Services (ALS), Smart Energy and ITS services, in particular, will be given preference for for the purpose of obtaining additional orders with contracts spreading over multiple years.

V - SECTORS

2009 Revenues by Sector



PUBLIC SECTOR:
a stronghold of Group resilience

The dynamics of this sector have been reshaped by the ongoing transformation programs taking place across the world as governments seek to improve the efficiency of public service provision in the face of budget constraints. This is illustrated by the e-services study for the i2010 Europe Information Society program, contracted to Capgemini by the European Commission in summer 2009.

Currently Capgemini's foremost area of activity, the Public Sector played a strong role in the Group's resilience in 2009, thanks to growth in revenues, orders and market share, despite the stormy economic climate. The Public Sector team is reaping the benefits of long-term investment by administrations worldwide, with master framework agreements, and signatures on major and often long-term contracts. For example, the Aspire contract signed in the United Kingdom with Her Majesty's Revenue & Customs (HMRC) in 2003 will run to 2017.

The Group continues to build its Public Sector capabilities in the United States, the leading worldwide market since IT public sector expenditure has exceeded the €100 billion mark: "*Our added value, underpinned by our strengths in Europe and our collaborative business approach, set us apart. We have developed our activity in this region, notably via a strategic alliance with software house Oracle in the taxation and unemployment benefits fields*", points out Stanislas Cozon, Group Director for the Public Sector. "*The technology contract signed in early 2010 with the State of Nevada enabled us to raise our profile for similar projects with other states in the future.*" A further breakthrough was made in the Federal Defense sector, resulting in a five-year US$88 million contract with the US Army for the verification and validation of its five main Enterprise Resource Planning (ERP) projects, showing that Group ambitions, in what could be considered a rather impenetrable sector, have in no way been dampened.

Capgemini is targeting ambitious annual public sector revenues. The Group will rely further on its Rightshore® delivery model and in particular its Indian capability. Moreover, its sales investments in crucial areas such as the health sector will be stepped up. Among the emerging models in public sector, Business Process Outsourcing (BPO), Managed Business Services and cloud computing seem to fit the needs of governments confronted with lasting deficits.

ENERGY, UTILITIES & CHEMICALS:
a promising order book in a sector requiring transformation

This sector has not been spared by the crisis. According to the *11th European Energy Markets Observatory* published by Capgemini, electricity and gas consumption have hit all-time lows (around -4% and -6%, respectively). To save costs, energy suppliers have chosen to postpone or cancel projects, thus affecting the Group's Consulting and Technology Services.

Nonetheless, order book growth of 31.1% in 2009 – top Group performance – coupled with the signing of several major contracts have generated a surge of optimism for 2010. Capgemini was selected for the renovation of EDF's maintenance system for all the French electricity company's nuclear power stations. The Ontario Power Generation outsourcing contract has been extended for a five further years. Additionally, the deal signed with Canadian electricity company Hydro One, involving management support for a large-scale smart metering project (1.1 million meters had been installed by the end of 2009), has been extended. In the oil sector, a significant contract was concluded with a major service company for the implementation of support systems.

"We are going to develop a service line entitled Smart Energy Services under the Business as Unusual program. But we are also going to adapt the four other service lines to our clients' needs. This applies to Application Lifecycle Services and Business Information Management, in particular," explains Colette Lewiner, Group Director of Energy, Utilities & Chemicals. *"Several innovative offers are also being developed for companies. In utilities, for example, we aim to improve customer relationship management by building and exploiting the appropriate databases, operating excellence and sustainable development."* A new €94 million Smart Energy Services contract, covering the management of 860,000 smart meters in Sweden, was signed in early 2010.

On the strength of its experience in the French and Chinese nuclear fields, Capgemini is firmly determined to turn to advantage governments' and suppliers' renewed interest in this form of energy, which does not release carbon dioxide.

FINANCIAL SERVICES:
promising signs at financial year end

The financial services sector, at the root of the economic crisis that began in 2008, continued to feel the repercussions throughout 2009. Several financial institutions went into bankruptcy, while larger players saw an increased government involvement, including partial ownership, and regulatory pressure escalated in all areas. Widespread tension led to a significant slowdown in spending and investment.

In this climate, Capgemini's Financial Services sustained a sharp fall in orders and revenues. Nonetheless, the end of 2009 showed promising signs of increased spend in information technology, especially in North America, where sales rose by 3% the last quarter, after falling by 15% in the first quarter. Moreover, the Group recruited 950 new employees offshore for its Financial Services in the last two months of the year.

"We managed to adapt to a difficult environment by focusing on the evolving market and requirements of our clients, continuing our investment in domain solutions and expanding our footprint in new countries," claims Aiman Ezzat, Group Director of the Global Business Unit (GBU) Financial Services. To prepare for the upturn, the focus was increased on larger and more complex projects and

investments in processes attaining CMMi Level 5 in the Group's Indian facilities.

Offshore leverage has continued to grow in this particular sector, reaching 67.8%, with growth in India of 6%. This is leading to more competitive pricing, in line with customer expectations, and rapid deployment of teams for complex projects.

Lastly, Financial Services demonstrates its expertise in this sector, as illustrated by the regular publication of the *World Retail Banking Report* (Issue no. 6) and the *World Insurance Report* (Issue no. 3), which demonstrate the expertise acquired in this sector, a major asset for the upturn.

MANUFACTURING: a more comprehensive offer

This sector held steady in difficult market conditions as a result of several successful sales and sector-specific initiatives. New service offers were launched in Aerospace and Defense, High Tech and certain targeted industrial product markets in 2009. *"Capgemini also has a new center of expertise in Mumbai, India, which will bring together our key players in the Group with manufacturing clients across all our activities,"* announced Nick Gill, Group Director of Manufacturing.

The volume of Outsourcing contracts continues to grow, and compensates for the slight downturn in Technology Services. French automaker Renault awarded Capgemini a three-year outsourcing contract for the operation and management of a quarter of its applications. Renault based its choice on the Group's functional expertise, technical skills and innovation capabilities. In another segment, Capgemini signed a seven-year contract with US medical equipment manufacturer Smith & Nephew. The collaboration of Consulting, Technology and Outsourcing undoubtedly helped to win the contract.

In 2010, Manufacturing will work closely with the Business as Unusual Group global service lines to adapt the core offers to the particular needs of clients in different manufacturing industries.

CONSUMER PRODUCTS, RETAIL & DISTRIBUTION: a fully fledged new sector

By creating a special entity focusing on consumer products, retail and distribution in July 2009, the Group has shown increased concern for its numerous clients in the sector and for their specific requirements. "*Despite the volatile nature of the consumer industry, many contracts have been signed or expanded with major players such as Carrefour, second largest retailer in the world, Deutsche Post/DHL, worldwide express delivery leader in Europe, and the world's leading confectionary company Mars,"* notes Brian Girouard, Group Director of Consumer Products, Retail & Distribution.

Two factors are set to drive growth in 2010. First, BPO, as demonstrated by the major seven-year contract signed with food ingredients giant Bunge Limited for the management of its finance and accounting applications. The decisive factors for this US client were some 60 global references in BPO, including Unilever and Coca-Cola Enterprises, and the Group's cost-effective Rightshore® delivery model. Second, Capgemini's Consumer Products & Retail Solutions Center (CRESCENT), with its industrialization platform, increasingly highlighted in sales proposals, will undoubtedly contribute to the success of the Consumer Products, Retail & Distribution sector not only for industry-specific offers such as Integrated Planning & Execution and SAP for Retail but also for projects relating to BIM, Testing and ALS, the service lines developed for the Business as Unusual program.

TELECOM, MEDIA & ENTERTAINMENT: consolidation is the order of the day

A troubled climate, particularly for telecommunications operators, led to a decrease in information technology investments in 2009, thus generating a decline in revenues and orders for this segment.

Significant contracts have been signed, however, for example with Warner Bros for the optimization and management of its sales and administrative functions. Another development factor and competitive advantage in favor of Capgemini is the continued establishment of skills centers. These centers collate the know-how implemented in previous contracts for reuse in a wide array of new projects such as the management of digital content or Software as a Service (SaaS). *"It requires considerable time and money to produce competitive solutions. Clients, prospects and analysts are all beginning to understand the stakes involved,"* notes Greg Jacobsen, Group Director of Telecom, Media & Entertainment.

To return to growth in 2010, the Group will bolster its sales synergies, notably between Europe and North America, and step up its activities in the emerging markets: the Middle East-North Africa, Eastern Europe and India. Within the framework of the Business as Unusual program, Business Information Management (BIM), Testing Services and ALS will be adapted to the needs of the sector involved.

VI - BUSINESS AS UNUSUAL

Five global service lines (GSL) were launched in the fall of 2009, under a program entitled Business as Unusual. These represent potential supplementary orders of €800 million from 2010.

The five GSLs are, in order of launch:

- Business Information Management (BIM): maximizing the benefit of business intelligence, throughout the data lifecyle, via a consolidated approach to information management across enterprise platforms and tools.
- Application Lifecycle Services (ALS): comprehensive multi-year management of all or part of a client's application portfolio across the entire lifecycle including operation, integration, testing and maintenance.
- Testing Services (TS): a comprehensive Capgemini and Sogeti portfolio of testing services, including industrialized and structured software testing and quality assurance.
- Infostructure Transformation Services (ITS): fundamental design, building and running of informational structure or infostructure through four complementary ITS to progressively optimize the client's infrastructures and to tap into the power of cloud computing.
- Smart Energy Services (SES): smart metering, smart grid solutions and smart home technologies to support utilities and their customers.

BIM
helping businesses make the most of their information

Launched on October 29, 2009, Business Information Management (BIM) was the first of Capgemini's series of global service lines to be rolled out as part of the Business as Unusual program. It encompasses all the services that enable organizations to manage and optimize their information lifecycles effectively.

"*Organizations are struggling to cope with and take advantage of the wealth of data available to them across their information systems and from diverse external sources,*" explains Paul Nannetti, head of the global BIM service line. "*Capgemini offers an original, holistic approach to creating an information-centric organization, dynamically learning and responding to insights filtered from this data deluge.*"

"Our freedom and agility in terms of technology also set us apart from many of our competitors." The BIM practice has developed deep capability in a broad range of BIM technologies, most notably those provided by leading vendors such as EMC, IBM, Informatica, Microsoft, Oracle, SAS Institute and Teradata, In addition to its considerable technology investments, Capgemini uses a unique methodology, Intelligent Enterprise, to analyze its clients' needs and help organizations bring business and technology stakeholders together to develop an aligned Enterprise Information strategy.

The demand for these services is set to rise significantly in 2010, partly due to increased compliance regulations (as with Basel II in the banking industry), but also due to the current drive for companies to make smarter, more profitable use of their enterprise data. The US research firm AMR forecasts that global spending on business intelligence and performance management in 2010 will reach US$59.3 billion. Capgemini has over 4,000 people working in this area, and is planning to increase the practice by 3,000 new recruits or transfers over the coming 18 months. A Center of Excellence with 1,000 specialists was recently launched in India with a view to creating a scalable talent pool capable of supporting the Group's ambitious goals for growth in BIM.

ALS
promoting our solutions portfolio

Initiated in December, Application Lifecycle Services (ALS) helps clients to cut costs and gain flexibility by letting the Group handle their entire application lifecycles, from development to maintenance, including testing, integration and optimization. For this, the Group bundled the know-how and insights of two main disciplines, Technology Services and Outsourcing.

"Our clients have to cope with ever more complex application infrastructures, causing ballooning costs and lack of responsiveness," explains the head of Application Lifecycle Services, John Brahim. *"They're ready to outsource the management to an industrial partner who can rationalize their application landscape while optimizing the competitive edge of the business today and tomorrow."*

Market expectations are high, especially in the telecommunications, manufacturing and public sectors. The French research firm Pierre Audoin Consultants (PAC) estimates that global sales for maintenance alone are already €20 billion. This firm also forecasts that the average annual growth rate for the entire ALS market in Europe will reach 7.3% between 2009 and 2012, with particularly high growth in banking and manufacturing.

The ALS line includes 15,000 Group employees, 10,000 of whom are in India—that is, half the Group's entire headcount in that country. In addition, 5,000 consultants, engineers and managers will be trained to apply the application portfolio rationalization methods that Capgemini has developed in numerous application outsourcing and technology contracts. Capgemini aims to lead the new ALS segment. To realize this vision, an array of industrialized solutions is being developed to help clients shift from expensive one-off applications to standardized industrial strength services.

ITS
helping organizations to take full advantage of cloud computing and services

Infostructure Transformation Services (ITS), launched at the beginning of March 2010, helps public or private organizations speed up their journey to cloud services and computing. The aim is (i) to help clients obtain sustainable reductions in their information technology and service costs and (ii) to bring new offers to market much more quickly than previously possible, all through new commercial, consumption based delivery models.

The ITS line includes four distinct offerings to help Group clients plan the relevant cloud roadmap, and to deliver the appropriate first stages. All the Group service lines are included:

1. Data Center Optimization: consolidating and upgrading physical facilities, updating servers and storage systems, and rationalizing applications portfolios (with techniques such as WARP1) help to cut total cost of ownership, remove overcapacity and redundancy, and significantly improve carbon footprint
2. Virtualization: converting assets (servers/storage, data/applications) into virtual environments to improve server utilization, providing for remote management and new levels of business agility while ultimately reducing cost.
3. The ITS service line also includes Unified Communications and Collaboration (UCC): accelerating and improving the interaction of an organization's information flows across the increasing variety of communication platforms accessible to employees, partners and customers.
4. Cloud Computing and Services: extending the virtual environment to cloud-based solutions to provide a consumption based model for (i) computing & storage (as part of an outsourcing contract, for example) and (ii) legacy and new build applications and, increasingly, software integrated into BPO services; all these services can be accessed remotely.

"Chief information officers (CIOs) are under pressure to deliver cost savings while providing value for money and opportunities for growth and differentiation. 'Cloud' is a disruption that will help many but the key to early success is working out what is real and relevant for the business," explains the head of ITS, David Boulter.

Thanks to working with cloud computing service providers such as Amazon Web Services and an emerging ecosystem of niche SaaS players, Capgemini has established a reputation as a leading assembler of cloud services solutions, helping many organizations save money and, importantly, differentiate themselves.

TESTING SERVICES
optimizing software testing

In February 2010, Capgemini and its subsidiary Sogeti initiated the joint launch of a service line specializing in software testing and quality assurance. These combined services meet growing demand by companies, increasingly aware of their dependence on the quality of the applications they use or the products and services they provide. To avoid poor execution, slow test turnaround or excessive costs at this stage in the software's lifecycle, they are relying more and more on testing specialists with proven methods and techniques.

According to a study by French research firm Pierre Audoin Consultants (PAC), the global market for software testing services will grow by 10% annually over the next few years. Another study, conducted in 2009 by the BPO analyst NelsonHall, estimated that this market will reach US$11.2 billion by 2013.

Capgemini and Sogeti have already signed agreements with more than 500 major international organizations to implement Sogeti's end-to-end Test Management Approach (TMap®Next), and have also entered into partnerships with the main software vendors, HP, IBM and Microsoft. By combining their strengths, they can offer customers more than 6,400 testing professionals, including nearly 2,400 in the new business unit created in India. This capacity to quickly mobilize expert resources at an optimized cost, thanks to the Rightshore® global delivery model, puts the Group in an ideal position as the head of Testing Services, Hans van Waayenburg, explains, *"to help customers save a substantial amount of time and money when launching new solutions."*

SMART ENERGY SERVICES
for intelligent energy management

Launched in March 2010, the Smart Energy Services (SES) line is the last in the Group's series of five strategic offerings to be rolled out through the Business as Unusual program. It specifically targets energy suppliers, distributors and consumers. Capgemini is prepared to guide these utility companies through the transformation of their operations to implement more intelligent meters and grids. This market represents approximately 800 million terminals for renewal over the next ten years. Companies in this sector have had to face considerable shifts in consumers' energy demands due to climate change and regulatory requirements. They will have to transform their production models to improve their reactivity, reduce their CO_2 emissions and offer their customers a wider range of services, especially for curbing consumption.

Capgemini has provided the support required for smart meters and smart grid implementation to some 20 customers in North America and Europe since 2005. SES leader Perry Stoneman notes: *"To reduce the risks associated with these major transformations, more and more utility companies in the energy industry are relying on longstanding, reliable partners."* Capgemini's extensive network of technology partners, most of which are founding members of the Smart Energy Alliance (SEA), and the Group's involvement in establishing interoperability standards for these new systems, justify this trust.

VII - MAIN GROUP SUBSIDIARIES AND SIMPLIFIED ORGANIZATION CHART

The Group performs its business activities through 137 consolidated subsidiaries as listed in Note 30 to the consolidated financial statements for the year ended December 31, 2009 ("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, 2009 consisted of a building, held by S.C.I. Paris Etoile, where Cap Gemini S.A.'s headquarters are located, the Group's University in Gouvieux, and approximately one-third of the office space used by the Group in India.

The vast majority of the Group's subsidiaries rent their business premises from third-party lessors. There is no relationship between these lessors and the Group and its senior executive management.

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), rented out to Capgemini Service S.A.S. and Cap Gemini 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 inter-company service company known as 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 Profesionnal Services.

Cap Gemini S.A.

SBU	Holding	Subsidiary	Countries	SBU Consulting*	SBU Outsourcing*	SBU Local Professionnal Services (SOGETI)*
SBU TS North America	100%	**Capgemini North America Inc.**	United States, Canada	United States	United States, Canada	United States
SBU TS Europe 1	100%	**CGS Holdings Ltd. (UK)**	United Kingdom, Ireland	United Kingdom	United Kingdom	United Kingdom, Ireland
		Capgemini N.V.	Netherlands, Belgium, Luxembourg	Netherlands, Belgium	Netherlands, Belgium	Netherlands, Belgium, Luxembourg
SBU TS Europe 2	100%	**Capgemini Deutschland Holding GmbH**		Germany	Germany	Germany
		Capgemini AB (Sweden)	Sweden, Denmark, Norway, Finland	Sweden, Norway, Finland		Sweden, Denmark, Norway
		Capgemini Polska Sp z.o.o.			Poland	
		Capgemini Suisse S.A.		Switzerland	Switzerland	Switzerland
		Capgemini Consulting Osterreich AG				
SBU TS Europe 3	100%	**Capgemini France S.A.S.**		France	France	France
		Capgemini Telecom Media Défense S.A.S.				
		Capgemini Technology Services Maroc S.A.				
		Capgemini España S.L.	Spain, Mexico, Argentina, Brazil, Guatemala, Chile	Spain	Brazil, Guatemala, Chile	Spain
		Capgemini Portugal S.A.				
		Capgemini Italia S.p.A.		Italia		
SBU Asia-Pacific and TS Financial Services (1)	100%	**Capgemini Asia Pacific Ltd.**	China, Singapore		China	
		Capgemini Australia Pty Ltd.			Australia	
		Capgemini Consulting India Pvt Ltd.				
		IACP Asia (Vietman)				
		Capgemini Middle East DZ LLC				
	51%	**Capgemini Business Services India Ltd.**		India	India	India

(1) TS Financial Services brings together this sector's businesses in the United States, United Kingdom, France, the Netherlands, India and Asia Pacific.
* Operational subsidiaries and/or divisions.
TS = Technology Services.

VIII - THE GROUP'S INVESTMENT POLICY

2009 continued to be a year marked by an uncertain economic and financial environment.

Overall, very few transactions were carried out during 2009 in the IT services sector, except for US computer hardware companies which sought to penetrate the services sector in the United States.

In such a context, the Group's external growth policy was moderate and prudent. As a result, the number of transactions was limited in terms of volume and amount. The policy adopted consisted in strengthening the Group's presence in emerging countries, notably, the Asia/Pacific region as well as consolidating its leading position in certain high potential industries.

Numerous projects were studied during the year. Some projects have a high potential for completion during the first half of 2010, thereby enabling the Group to analyze, with the necessary hindsight, the ability of certain targets to bounce back after a difficult year in 2009.

The acquisitions carried out in 2009 allowed the Group to set up operations in high potential countries as offshore platform development thanks to the acquisition of IACP in Vietnam and to consolidate its expertise in testing as a result of the acquisition of the Australian company Nu Solutions. In both cases, the quality of the client portfolio was the decisive factor for completing these transactions.

In 2010, the external growth operations policy will satisfy the Group's ambitions in terms of geographical coverage and technological portfolio development with continuing focus on our presence in emerging countries.

These acquisitions will be made possible by the Group's very solid and flexible financial position that should not however be compromised as such.

IX - RISK ANALYSIS

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

9.2 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 timeframe and to the required level of quality; or (iii) infringement, notably through human error, of obligations liable to affect the operations of a client or third party.

Risks concerning project performance

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

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

Contract performance is monitored using Group-defined management and control procedures, and complex projects are subject to dedicated control processes. 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.

Despite the formal approval procedure for all client project commitments undertaken by the Group, in some cases, difficulties with respect to project performance and/or project costs may have been underestimated at the outset. This may result in cost overruns not covered by additional revenues, especially in the case of fixed-price contracts (which make up approximately half of the Group's business) or reduced revenues without any corresponding reduction in expense in the case of certain outsourcing contracts where there is a commitment to provide a certain level of service. 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 16% of Group revenues in 2009, are not for fixed amounts.

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

Reputation

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

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 perform 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 2%. The top 10 clients collectively account for just under 26% of Group revenues, and the top 30 represent 41%. 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.

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 24% 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 net 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.

9.3 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 stringent 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 stringent as they may be, the legal precautions taken by the Group both at a contractual and an operational level to protect its activities or to ensure adherence by employees to internal rules can only provide reasonable assurance and never an absolute guarantee against such risks.

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.

9.4 Financial risks

Detailed information concerning these risks is provided in Note 23 to Capgemini's consolidated financial statements in this Registration Document.

9.4.1 Equity risk

The Group does not hold any shares for financial investment purposes, and does not have any interests in listed companies. However, it holds 2,121,000 treasury shares acquired under its share buyback program. A 10% fall in the share price compared to the closing share price at December 31, 2009, would have reduced equity by approximately €6.8 million at December 31, 2009.

9.4.2 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.

9.4.3 Liquidity risk

The financial liabilities whose early repayment could expose the Group to liquidity risk are mainly the two convertible bonds (OCEANE 2005 and OCEANE 2009). See also section 6.1 of the Management report.

9.4.4 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 (€2,597 million in cash and cash equivalents at December 31, 2009) is generally invested at floating rates, while the Group's debt (€1,328 million at December 31, 2009) – primarily comprising the two OCEANE bond issues - is mainly subject to fixed rates or capped floating rates. See also note 16.II B to the consolidated financial statements.

9.4.5 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 (2009: 22% and 15% 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 3% change in operating margin. Similarly, a 10% fluctuation in the dollar-euro exchange rate would trigger a corresponding 1.5% 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 inter-company financing transactions and fees paid to the Group by subsidiaries whose functional currency is not the euro.

9.4.6 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 11%. 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.

9.5 Insurance

The Group Insurance Manager is part of Group Finance department and is responsible for all non-life insurance issues. Life insurance issues, which are closely related to employee compensation packages, are managed by the human resources 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 conceivable risks in the sector in which it operates. Deductibles are set so as to encourage operational unit managers to commit to risk prevention and out-of-court settlement of claims, without exposing the Group as a whole to significant financial risk.

Commercial general liability and professional indemnity

This type of coverage, which is very important to clients, is taken out and managed centrally at Group level. Cap Gemini S.A. and all subsidiaries over which it exercises direct or indirect control of more than 50% are insured against the financial consequences of commercial general liability or professional indemnity arising from their activities, under an integrated global program involving a range of lines contracted with a number of highly reputable, solvent insurers. The terms and conditions of this program, including limits of coverage, are periodically 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 2,300 square meters, these premises concern almost 450 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 5,000 people in a number of different buildings. No building at any of the Group's sites houses more than 2,000 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 vehicle, 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.

X - CAP GEMINI S.A. AND THE STOCK MARKET

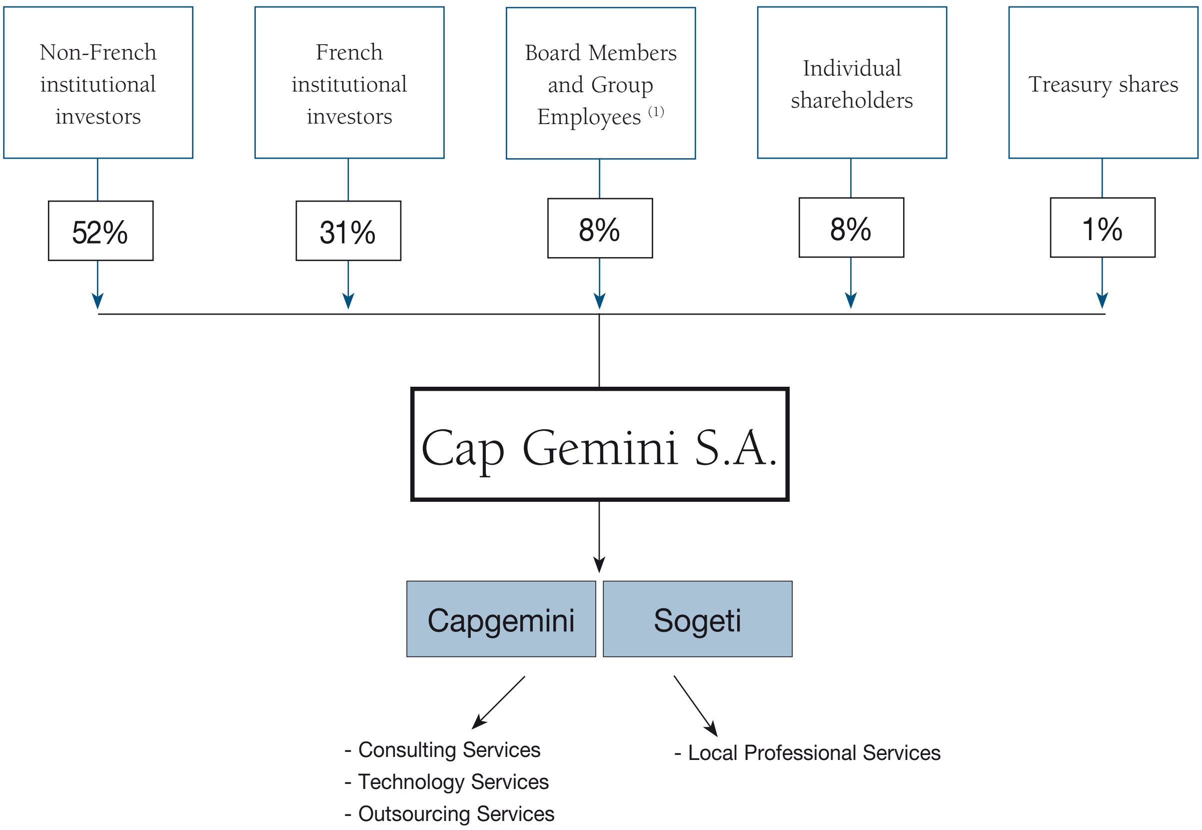
At December 31, 2009, the share capital of Cap Gemini S.A. was made of 154,177,396 shares (ISIN code: FR0000125338). Cap Gemini shares are listed on the "Euronext Paris" market (compartment A) and are eligible for the SRD deferred settlement system of the Paris Stock Exchange.

The number of issued and outstanding shares of Cap Gemini S.A. increased year-on-year by 8,332,458 as a result of the issue of new shares upon the exercise of stock options granted in prior years by Group employees and the issue of 5,999,999 new shares following the implementation of a share issue reserved for Capgemini Group employees.

Cap Gemini shares are included in the CAC40 and the Euronext 100 indexes and the Dow Jones STOXX and Dow Jones Euro STOXX. From December 31, 2008 to December 31, 2009, the Cap Gemini share price on "Euronext Paris" increased from €27.300 to €31.970.

Cap Gemini S.A. share ownership structure at December 31, 2009

(on the basis of a shareholder survey)

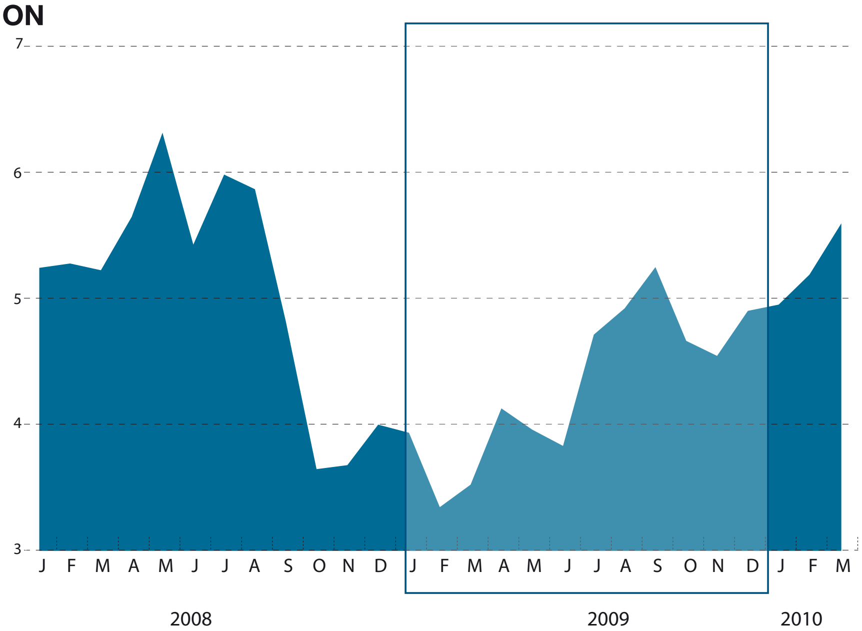


(1) of which 3,9% from Employee Shareholder Ownership Plan (@ESOP)

STOCK MARKET CAPITALIZATION

From January 2008 to March 2010

In billions of euros

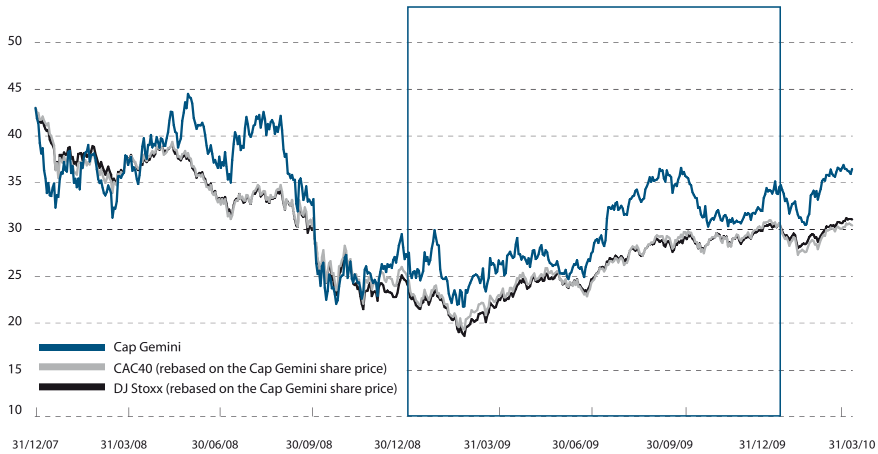


source : Euronext

SHARE PERFORMANCE

From December 31, 2007
to March 31, 2010

In euros

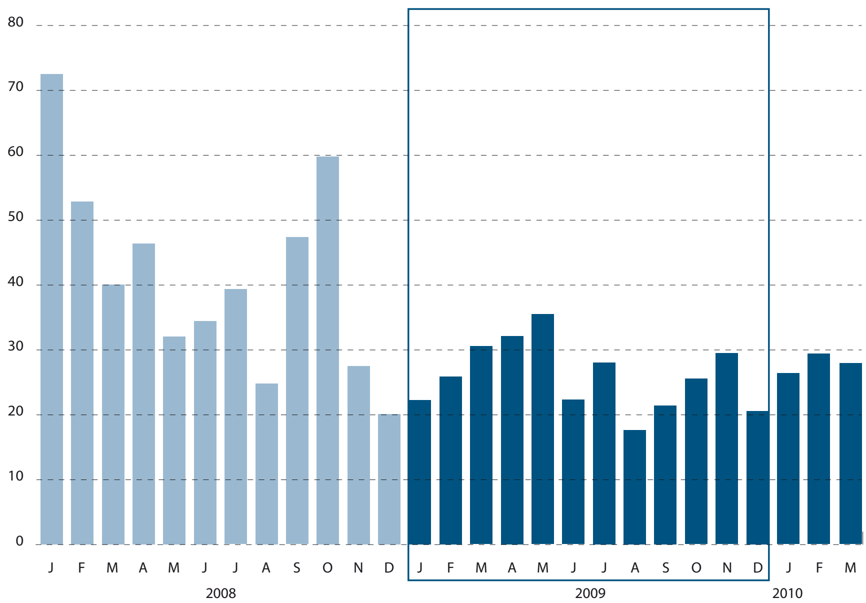


source : Reuters

NUMBER OF TRADES PER MONTH

From January 2008 to March 2010

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		
					Number of shares		Value
		high	average	low	total	average (daily)	(millions of euros)
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	25.604	21.655	26,030,277	1,301,514	662.1
March 09	22	25.830	23.881	21.120	30,723,275	1,396,513	734.6
April 09	20	28.635	26.482	23.440	32,323,875	1,616,194	851.7
May 09	20	29.110	27.267	25.600	35,695,873	1,784,794	980.5
June 09	22	28.140	25.987	24.450	22,401,830	1,018,265	586.1
July 09	23	32.500	27.750	24.790	28,195,708	1,225,900	794.3
August 09	21	35.000	32.728	30.920	17,717,858	843,708	580.3
September 09	22	36.680	35.090	32.590	21,512,856	977,857	754.9
October 09	22	36.985	34.575	31.610	25,658,818	1,166,310	886.9
November 09	21	32.690	31.231	29.940	29,633,144	1,411,102	925.9
December 09	22	32.485	31.441	30.060	20,661,509	939,160	640.4
January 10	20	35.600	33.768	31.500	26,512,539	1,325,627	897.4
February 10	20	34.420	32.339	30.205	29,925,943	1,496,297	971.1
March 10	23	37.260	36.010	33.995	27,031,779	1,175,295	970.1

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*		
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
2009	€ 123	69%	154,177,396	€0.80 *

(*) Recommended dividend submitted to the Annual Shareholders' Meeting of May 27, 2010

CORPORATE RESPONSIBILITY AND SUSTAINABILITY

The principles of corporate responsibility and sustainability are reflected throughout Capgemini's longstanding 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 2009, the Group Board of Directors decided to launch an Ethics & Compliance Program both based and building on the ethical culture that has existed in our Group for 43 years. A Chief Ethics and Compliance Officer, a member of the Group Management Board, was therefore appointed to lead and coordinate the formalization, development, implementation, and promotion of the Ethics & Compliance program.

I - CORPORATE RESPONSIBILITY, AND SUSTAINABILITY

1.1 Our commitment and strategy

Capgemini is committed to responsible and sustainable business practices which deliver value to its stakeholders, including customers, shareholders, investors, business partners, suppliers, employees, the community, and the environment. 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.

Our Corporate responsibility and sustainability priorities are based on six pillars underpinning all aspects of our business. 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:

1. **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 its business practices.
2. **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 well-being of all our employees. We have a culture whereby we respect and value the diversity of our people as individuals.
3. **Clients.** Collaborating with our clients. We undertake to understand their real business needs and strive to 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 service offerings.
4. **Communities.** Ensuring a positive impact on the communities in which we live and operate. As a major global employer we work on both national and international levels with local authorities and organizations on community projects. We encourage the involvement of our employees in community development.
5. **Suppliers & Business Partners.** Working closely with suppliers and business partners. We are committed to sound and sustainable procurement procedures and to ensure that our suppliers and business partners adhere to the same sustainability principles as we do.
6. **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, business 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.

Our approach to these issues is to provide global top-down leadership and strategic vision, and to ensure we create the right environment for our people to be able to 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 that activity is anchored in a proper framework and program for implementation.

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 sustainable growth of our business.

1.2 Our Values

Since the creation of the Group in 1967, our culture and business practices have been inspired and guided by our seven core Values. These are the guiding principles that we collectively and individually stand for and that are at the heart of our approach as an ethical and responsible business.

These Values are not only rules of behavior: they also provide the basis for our rules of conduct and principles of action. They shape our sustainable ethical culture, our "Group DNA," producing a mindset encompassing integrity and ethical behavior.

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

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

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

Trust means the willingness to empower both individuals and teams 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 widespread idea and information-sharing.

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

1.3 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 operation. The "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.

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.

1.4 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.

In 2009 with the appointment of our Chief Ethics and Compliance Officer we launched a program to review and refresh our business practices. As part of this Ethics and Compliance program, we have produced a Code of Business Ethics to be launched in 2010 and we have built a network of Ethics and Compliance Officers covering each country in the Group.

1.5 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 behavior, 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 documents outlining the "Fundamentals, Guidelines and Policies of the Group", contain direction to all Group employees about their conduct and how we conduct business. The Blue Book is mandated at Group level and is enforced in all the 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 any corrective action required 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 S.A. or any other Capgemini-related securities, particularly 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 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 its clients. We are members of relevant trade bodies in our industry and undertake an advisory role with regard to 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 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.

1.6 How do we measure up?

Analyst measurement of corporate responsibility and sustainability performance is taken very seriously and we welcome measurement by respected third parties. We are pleased to respond to such organizations. The Group cooperates with several external ratings agencies that evaluate companies' performance in terms of social, environmental and corporate responsibility.

This gives us a clearer vision and evaluation of our achievements, targets and priorities in each area.

Analysts

Forrester's new report recognizes Capgemini's strong presence in technologies that provide a platform for Green IT services and broader corporate sustainability consulting. The report compared 15 different providers on capabilities including IT planning/governance, data center, distributed IT, and IT support for other business processes. Capgemini received "full capability" marks for all services in the distributed IT category. (Forrester: Market Overview: Green IT Services)

A recent report from **NelsonHall** highlights our UK Environment Agency win as the last major first-generation public sector contract from the UK. This strategically important deal centers on Green IT and sustainability issues, and is one of the largest UK public sector awards in 2009. The analyst cites the environment agency's aim to cut its carbon emissions by half, in a landmark deal with sustainability at its core.

Financial indexes

FTSE4GOOD

Capgemini has once again been included in the FTSE4GOOD Index for 2009, and is also included in the FTSE4Good Index Series, the ASPI Eurozone® and the Ethibel Excellence Index®. In 2009, Capgemini was a constituent of ECPI, and included in the ECPI Ethical Index Economic and Monetary Union (EMU). The EMU ECPI Ethical Index is designed to select the top 150 listed companies in the EMU market that are eligible investments in terms of sustainability according to ECPI screening methodology.

GS SUSTAIN

Capgemini was included in the first quartile in the Global Software & Services ESG framework. The GS SUSTAIN framework for mature industries is designed to identify companies best-positioned to sustain competitive advantage and superior returns through analysis of 1. return on capital, 2. industry positioning, and 3. management quality with respect to environmental, social & governance (ESG) issues.

VIGEO

Vigeo assesses Capgemini every two years. In 2009, our ratings report assessed Capgemini as demonstrating proactive behavior on sustainability issues, linked to an overall high level of sustainability reporting for the sector. We received particularly high scores on career management due to our strong HR policies, widespread career management tools and advanced training opportunities. We have been proactive in addressing environmental protection and are in the process of developing a sustainability offering. Our overall rating improved for 2009 compared to 2007.

CARBON DISCLOSURE PROJECT

Capgemini participated again in the Carbon Disclosure Project (CDP) in 2009.

Highlights from our 2009 awards include:

- Group CFO Nicolas Dufourcq was named one of Europe's Best CFOs for Technology/Software by the magazine Institutional Investor, as a result of a survey conducted by research analysts and asset managers from leading finance firms.
- Each year InfoWorld honors the top 25 IT leaders who have made exceptional contributions to their companies -by leveraging IT as the main vehicle to overcome particular challenges thereby giving them a boost. Our Global Chief Technology Officer (CTO), Andy Mulholland achieved an InfoWorld CTO 25 Award for 2009.
- Our UK Company Secretary Julie Pereira received a special mention at the recent Britain's Best Boss awards ceremony. The organizers commended Julie for "*using agile working practices to motivate her team*". These national awards recognize and celebrate the best UK managers, those who see the bigger picture and help their employees achieve a healthy work-life balance.
- Our Group Chief Audit Officer, Philippe Christelle, was appointed a member of the Haut Conseil du Commissariat aux Comptes, French authority for the audit profession, by Michèle Alliot-Marie, *Ministre d'Etat, garde des Sceaux, ministre de la Justice et des Libertés* (French Minister of Justice)
- The Equipment Leasing and Finance Association (ELFA) selected Cameron Krueger, Vice President from the Financial Services GBU North America Banking team, for its 2009 Distinguished Service Award. This award is presented to individuals who have devoted significant time, effort and expertise to ELFA throughout their careers, for the betterment of the equipment finance industry.
- Capgemini's Ed Stark was recognized one of Consulting Magazine's "Top 25 Consultants" for 2009.
- Capgemini ranked Gold in the UK Business in the Community (BitC) Corporate Responsibility Index.

- Cap Gemini was in the Top 3 CAC40 French listed companies with a positive image, reflected in the international media.
- The Capgemini 2009 World Insurance Report won the Printing Award.
- The Microsoft Most Valuable Professional (MVP) awards recognize the distinct achievements of innovators contributing innovative solutions to products or technologies in the Microsoft world. Mobile solutions expert Christian Forsberg won the Microsoft MVP in the Device Application Development category for the ninth time; Andreas Sjöström was named Microsoft MVP in Mobility for the 7th time; and Patrik Löwendahl was Microsoft MVP .Net and C# for the 6th time.
- Capgemini Netherlands received the Computer Services Industry (CSI) Teaming Award 2008 during the IBM Business Partner University.
- Oracle named Capgemini UK its Partner of the Year for Customer Service.
- Capgemini UK won the IBM Software Group UK Business Partner of the Year award for 2008, which demonstrates the strong relationship we have with IBM. The strength of this alliance is a prime example of Capgemini's Collaborative Business Experience®, spanning across our clients, partners, vendors, and colleagues.
- Capgemini obtained the SAP Pinnacle Award - Top Contributor to SAP Communities of Innovation – BPX.
- Teradata Partner Impact Awards – Capgemini was awarded the Europe, Middle East and Africa (EMESA) Systems Integrator (SI) Partner of the Year and Innovation Awards.
- Oracle's Enable the Eco-Enterprise awards acknowledge the environmental leadership of its customers, recognizing 15 worldwide customers and their respective partners from a wide-range of industries. Capgemini was named winning partner of San Diego Gas & Electric (SDG&E) for supporting them in their eco-initiative.
- The Partner of the Year award is the most prestigious of the annual awards given by Oracle. With this award, Oracle recognized the importance of Capgemini as a partner.

As a key partner, EMC is a member of the Capgemini Global Partner Portfolio. EMC's prestigious Partner of the Year award went to Capgemini for its contribution to Content Management and Archiving (CMA).

II - PEOPLE

2.1 Human Resources (HR) priorities

Our HR priorities focus principally on the following areas:

- Career Development:
  - Managing our talent while taking care of career aspirations
  - Offering the right professional challenges and development opportunities
  - Managing our pyramids to reflect the new industrialized business models
  - Leveraging the wide range of learning opportunities available that link to our competency models
  - Favoring resource optimization at local and global levels
- Leadership Talent Pool:
  - Focusing on talent pool management and succession management
  - Increasing our Executive Development offerings and fostering leadership development at all levels in the organization
  - Increasing mobility within the leadership pool
- A strengthened Group University:
  - Increasing the delivery of regional programs (the University now established in three continents: France-Les Fontaines, India-Hyderabad and North America-Chicago)
  - Improving our virtual training offerings through e-learning programs
  - Adapting new training programs permanently to new or evolving technologies, competencies and the offshore delivery model.
- Balanced recruitment in liaison with the market evolution
- Global initiatives (Employee Shareholding Plan @ESOP) and local programs to foster people retention
- Diversity:
  - Promoting gender diversity
  - Increasing support for people with disabilities
  - Mirroring our local communities
- Corporate responsibility and sustainability
- HR Service Delivery
  - Developing Employee Self Service to support increased mobility and virtual working; accelerating HR BPO, leveraging shared services to deliver high-touch HR services to our people;
  - Improving mobility services with a strong focus on the safety and security of our personnel

2.2 Continuing sustained headcount growth

The development of the Group workforce over the last ten years is a reflection of the economic cycles that have affected the Consulting and Technology sectors. The strong organic growth of the late 1990s coupled with the takeover of Ernst & Young Consulting in 2000 meant that 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 Y2K, the introduction of the euro and the development of the Internet.
During the three subsequent years, under the twofold effect of:
i) general economic degradation due to the emergence of major international crises, culminating in the 9/11 attacks and the war against Iraq;
ii) the bursting of the Internet bubble;
investment slowdown in the information technology sector led to downsizing our workforce.
2004 was marked by a return to growth mainly as a result of staff transfers (over 5,300 people were transferred upon signature of two large outsourcing contracts, notably Aspire in the United Kingdom). 2005 was a year of consolidation with renewed large-scale recruitment, then 2006, in a buoyant market, featured an upturn in employment with double-digit growth in recruitment again. This growth accelerated 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% due to acquisition of BAS B.V. in the Netherlands and organic workforce growth of more than 6% entirely in the offshore markets (India, Poland, Latin America, China and Morocco). The economic crisis that broke out in 2008 led to a distinct slowdown in recruitment at the end of the year and a large part of 2009, picking up gradually in the last quarter. So, despite the concomitant slowdown in departures, the workforce declined by 1.2% overall for 2009 despite its lowest dip to 2.9%. However, the decline landscape

differs from one region to the next: the onshore countries posted a fall of nearly 6% and their offshore counterparts reached summits exceeding 10%, which has contributed significantly to the Group's transformation. From late 2004 to the close of 2009, the workforce grew by 53% essentially – but not only – in the offshore markets, namely 31,000 people i.e., the full size of the Group on its thirtieth anniversary in 1997.

Year	Average headcount		End-of-year headcount	
	Numbers	Evolution	Numbers	Evolution
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%
2009	90,237	4.3%	90,516	-1.2%

*48,304 if excluding the contribution of Transiciel, only incorporated as at December 31.

The acquisitions of Kanbay and BAS B.V., the strong organic growth in recently-developed regions in addition to the economic crisis, whose impact has been more significant in Continental Europe, have appreciably and continuously modified the geographical distribution of the Group's personnel. Its evolution is summarized in the table below:

	December 31, 2007		December 31, 2008		December 31, 2009	
	Numbers	Mix %	Numbers	Mix %	Numbers	Mix %
North America	8,857	10.6%	8,379	9.2%	7,950	8.8%
United Kingdom & Ireland	8,482	10.2%	7,985	8.7%	7,844	8.7%
Nordic Countries	3,942	4.7%	4,049	4.4%	3,681	4.1%
Benelux	9,492	11.4%	12,291	13.4%	11,163	12.3%
Germany and Central Europe	6,274	7.5%	7,534	8.2%	7,724	8.5%
France and Morocco	21,138	25.3%	21,392	23.4%	20,032	22.1%
Southern Europe and Latin America	6,836	8.2%	7,913	8.6%	8,114	9.0%
Asia-Pacific	18,487	22.1%	22,078	24.1%	24,008	26.5%
TOTAL	**83,508**	**100%**	**91,621**	**100%**	**90,516**	**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 26% 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 due to new contracts being signed in this particular region. India's development has therefore followed a sharp upwards trend over the last five years; its headcount has risen from just under 2,000 people in 2004 to more than 22,000 in 2009. Likewise, Poland, with headcount just below 500 in 2004, overstepped the 3,700 mark by the end of 2009. Lastly, since 2007, the Group has grown in Latin America (Argentina, Chile, Brazil and Guatemala) where it employed a little under 1,700 people in late 2009.
- The significant fall in headcount in the Nordic Countries and Benelux and, to a lesser extent, in France, North America and Southern Europe, was mainly due to business slackening as a result of the economic downturn.
- The United Kingdom sustained a fall in headcount in 2008, due to the scope of the Aspire contract being reduced (with extension of the global contract term), but its workforce stabilized in 2009.

• The slowdown in Local Professional Services resulted in a reduction in jobs for almost all countries.

In 2009, despite the ambient crisis, the company nevertheless recruited more than 13,000 people. Although lower than for prior years, (22,500 recruits in 2008, 24,800 in 2007 but 18,600 in 2006 and 14,500 in 2005), this figure nevertheless remained high but countries and regions were not all similarly affected by the slowdown. A reduction in recruitment was recorded for the first half of 2009 before a strong turnaround in the latter half of the year. The offshore countries contributed to the recruitment dynamics, once again very marked in India, posting 44% of 2009 recruitments and organic growth in headcount of more than 1,600. Whereas 2008 was a year of diversified offshore recruitments with strong growth in Poland, 2009 was a year of heavy recruitment activity for Latin America, progressing by 33% when all other offshore countries were recruiting at levels well below 2008.

The economic downturn also generated a significant slowdown in staff turnover (percentage of voluntary departures) in the three first quarters of 2009 with a slight upturn at the end of the last quarter, terminating the year at 10.1% whereas the last few years had seen sharp rises (14.1% in 2004 to 15.4% in 2005, 16.6% in 2006, 18.6% in 2007 and 17.2% in 2008). So the number of voluntary departures fell sharply compared to the prior year, i.e., slightly less than 9,500 compared with 15,100 people in 2008. The decrease in departures, recorded for 2009, is a standard occurrence in Consulting and Technology Services i.e., a falling indicator when market visibility is low and renewed mobility when the market recovers its buoyancy. This rate is closely watched with the aim of remaining in line with industry norms through appropriate programs and actions to suit the specificities of each business line (Capgemini “discipline”) or geographic region. Turnover in India also decreased considerably during the first half year of 2009, falling below the 10% mark at the end of May, then rising gradually in the second half of the year to reach 14% in late 2009 compared to just under 20% in 2008, and more than 30% three years ago.

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 2008, both for Technology Services and Local Professional Services, whereas it progressed on a yearly basis in Consulting Services attaining an overall increase compared to 2008.

	2008				2009			
Quarterly utilization rates	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**
Consulting Services	67	67	63	65	63	67	68	71
Technology Services	79	81	80	80	77	78	80	81
Local Professional Services	82	83	83	83	80	81	81	82

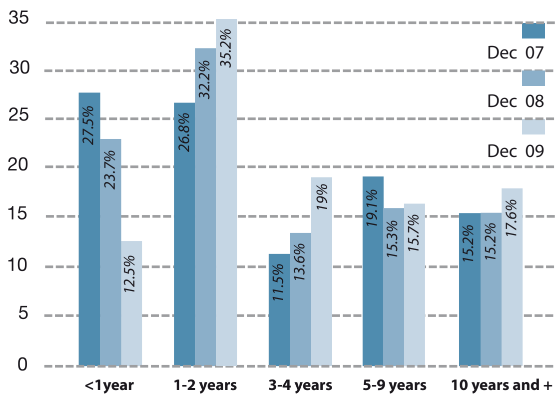
It should be noted that utilization rates are not monitored for Outsourcing Services, for which the indicator does not reflect performance evolution.

Since 2003, the Group measures and follows the evolution of indicators designed to fine-tune knowledge of its workforce structure. The indicators include average seniority, average age and gender breakdown. An in-house tool has been developed so that a coherent view can be obtained of our entire population, and its evolution on a monthly basis, specifying the percentage actually covered.

BREAKDOWN OF WORKFORCE BY SENIORITY: EVOLUTION 2007-2009

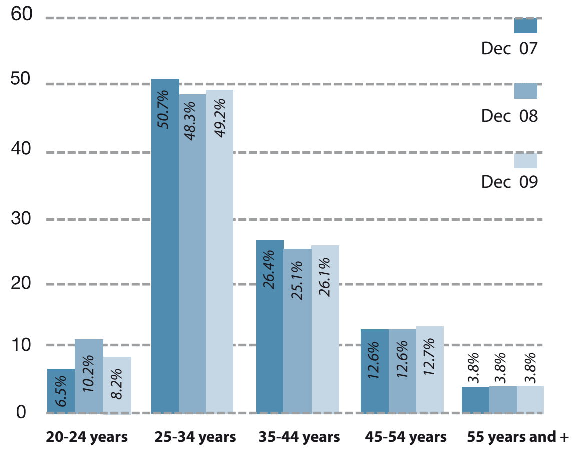
The coverage interval for the data below is 97% of year-end headcount. Evolution of average seniority reflects the Group’s recruitment policy over the last few years. 2009 showed in a sharp decrease in the number of employees with less than one year’s seniority. This situation followed on from three years of strong recruitment, culminating in a record 2007, and the proportion of people with seniority ranging from 1 to 2 years and 3 to 4 years in the company has clearly increased. On the other hand, 2002 and 2003 were years of selective recruitment, the hiring process taking off gradually in 2004 and gaining speed in 2005.

These combined factors in addition to a significant fall in staff turnover explain the slight rise in percentage of people with 5 to 10 years’ seniority in the Group. Moreover, the low turnover rate automatically helped to increase the percentage of people with more than 10 years’ seniority in 2009.



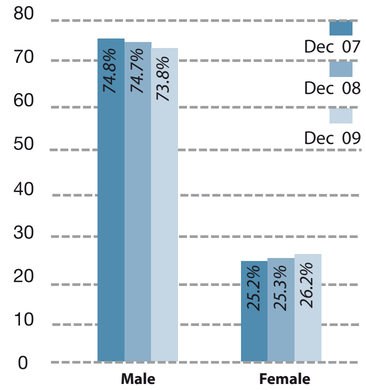
BREAKDOWN OF WORKFORCE BY AGE: EVOLUTION 2007 -2009

The coverage interval for the data below is 96% of year-end headcount. Overall evolution in average age has increased out in 2009 at 35.3 years after falling in the previous year from 35.4 years in 2007 to 35 years in 2008. The rise is explained the slowdown in overall recruitment for 2009 and by the low recruiting activity in India (where the average age is 5 years younger than for the entire Group) and in Central Europe (likewise, the average age is considerably lower than the Group average). After reaching a 50% peak in 2007 due to the rise in younger recruits, the percentage of headcount within the 25–34 bracket is 49.2% for 2009, increasing i.e., by 0.9 point compared to 2008. The 35–44 bracket also increased, by 0.9 point, mainly as a result of a fall in staff turnover. On the other hand, the 55 years and + bracket remained stable compared with the two prior years



BREAKDOWN OF WORKFORCE BY GENDER: EVOLUTION 2007-2009

The coverage interval for the data below is 96% of year-end headcount. The percentage of women in the workforce progressed in 2009. This improvement is mainly due to the strong growth in recent years of BPO, a predominantly feminine activity –despite the development of countries such as India where the gender ratio is 79/21 and of disciplines such as Outsourcing with its lower incidence of women. So in 2009, the decline in headcount in the Netherlands and in Local Professional Services, the two employing a greater proportion of men than average, helped to improve the global percentage of women. Nonetheless, many regions still record a rise in number of women (same scope of reference). BPO development has therefore enabled large numbers of women to be taken on board in Poland where the ratio is 26/74 or in Latin America where the ratio is 43/57. This overall gender breakdown is a clear reflection of the market we address inasmuch as information technology attracts essentially engineering graduates: predominantly men. On the other hand, Consulting, in more diversified recruitment market, shows a ratio of 64/36.



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 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
- providing employees with 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 social responsibility and sustainability, diversity and code of business ethics

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. This type of framework only can make it 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, including 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 2009, we continue to see a significant increase in cross-border assignments and travel across the globe as a result of globalization and of our delivery model. In order to ensure the physical safety of its employees, travel to potentially high-risk countries is subject to strict rules and must be approved in advance. If trouble breaks out in a country where the Group's employees are present, Capgemini 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 mobility-support service provider. A geo-localization tool has been set up to identify where our employees are located at any time, in case of emergency. Prior to departure, they also receive travel alerts, including cultural tips and customs.

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 offers the opportunity for jobs to be filled by existing employees prior to being advertised outside the company.

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, 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 apace 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 Centers, video and online TV
- On-the job training
- Easily accessible databases for knowledge sharing
- Management of professional interest communities
- Forums and team rooms
- KM 2.0 communities, blogs and wikis

A 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, open to all employees, was used by over 41,700 employees in 2009, and usage of e-courses and online books saw another big jump. Overall more than 64,000 employees have been trained in 2009 for a total volume of 2.9 million hours. Employees use MyLearning for informal and just-in-time learning in addition to for registering for more formal, structured learning events.

Further information on training metrics will be published in *The Other Face of Capgemini 2009*.

MyLearning contains all the Group programs and, for many regions, local curricula. The catalog of courses includes a range of training options to suit different learning styles, including close to 10,000 e-learning courses and more than 21,000 books, on-line mentoring, test-preps, online examinations, language courses, live virtual training sessions and meetings, and classroom teaching. Classroom instruction is provided either at local training centers, through external suppliers, or at the Group University. In 2009, we continued to increase the development of our own e-learning courses using the dedicated "Financial Services" e-learning development capability.

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

2009 is paving the way for a new training delivery model, with a very significant increase (+180%) in the number of people trained (37,911) but with a slight decrease in the number of hours of training due to the focus on developing e-learning in the personal development plans of our employees. e-learning sessions reached more than 30,000 employees in 2009 vs. a little less than 4,000 in 2008.

Central delivery halved in 2009 to 2,752 participants due to a higher focused strategy targeting in house training programs on critical global topics. However, some training previously delivered centrally is now delivered regionally and as a result regional training has grown by 17% (4 408 employees) , principally in Europe and India.

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

The overall feedback scores for the University programs remained high at 4.2 out of a possible 5.0 points.

In 2009, our Capgemini University achieved the Corporate Learning Improvement (CLIP) Accreditation, for a 5-year period, of the European Foundation for Management Development (EFMD) initiated at the beginning of 2008. The EFMD highlighted that the University is a benchmark in terms of its positioning within the company, its facilities, its organization, its resources, and its programs. It is clearly making a significant strategic contribution to the company.

The University continued its development and its Business Priority and University Weeks reaching 2,110 people (stable number of participants), linking them into the Group transformation program and strategic challenges. The Weeks took place in Les Fontaines, but they also expanded to the Americas and India, and included the first BPW simultaneously delivered in three locations as one single event.

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

The Certification process

Internal certification

This in-house peer review process enables 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 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.

Some 1,100 additional people have been certified within our five main areas of technical expertise, an increase of more than 17% compared to 2008 and internal certification now covers now close to 7,600 people within the Group. Most improvement came from the software engineers certification channel.

External certification

The Group has a longstanding external certification policy enhanced by online learning programs that provide the ability to study for external affiliation, including test preps and online mentoring. 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
Centers of excellence around the world continue to consolidate and strengthen capabilities to support our distributed and increasingly global delivery model. Relevant external certification combined with our internal certification programs support these objectives. More than 80 Capgemini centers, including Accelerated Delivery Centers, Application Management Services Centers, Infrastructure Management Service Centers, Business Process Outsourcing Centers, and Technical Excellence Centers now have some form of certification. Centers in India, 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 effective knowledge dissemination, for sharing success and creating a sense of belonging with local teams, and with the Group in all its dimensions:

- The Group's intranet, Talent, which provides real-time news and information, continued to grow in 2009, with over 3 million hits. Talent features best practices and tools for use around the Group, as well as links to local country-specific intranet sites, training sites and communities. A News Alert is sent daily to some 7,000 subscribers and a weekly e-mail edition is sent to all Capgemini employees every Friday, with the highlights of what has been happening around the Capgemini Group. The successful Talent experience has led to a new approach to intranet site management across the Group: local intranet sites (24 regional and 10 community sites) now share the same content management platform, allowing a seamless information flow from one site to another, through RSS syndication. A combination of push and pull, the platform as a whole enjoyed over 22 million hits in 2009. In 2009, the fully customizable MyDesk was deployed on every intranet to act as the Group's aggregator for internal and external news, information and services, using RSS and bespoke widgets.

- Talent also runs themed annual communications campaigns and awards programs, designed to recognize and reward people from all parts of the Group. In 2009, the theme was Demonstrate the Power of the Group, a campaign designed to mobilize the Group's team members around the need to demonstrate our power in everything we do. Each month, hundreds of employees responded with individual stories from the field, participated in the monthly quizzes or downloaded the promotional posters and brochures for further distribution. Widely re-used and adapted locally, the campaign also benefited strong from the management community, which adopted this theme in their own communication.

- In 2009, Group Internal Communications played a key role in designing and deploying communications to support shareholdership initiatives (the BSAAR program, aimed at some 1,200+ managers in the spring and @ESOP, targeting 98% of the Group's team members in the fall).

- Group Communications-produced newspapers and rich media, including videos, podcasts, and blogs, boost communication 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 to ensure that everybody has the chance to benefit from these events.

- A dedicated channel for our executive community 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. Vice-presidents also receive a Key Messages document every time the Group publishes important news to the markets and press, like financial results or acquisition.

- To ensure greater consistency and to protect the Group's image throughout the various newsletters, opinion surveys, and communications messages created internally, Group Internal Communications maintains a set of applications, which allow editors to focus on content and the system to package their production, in line with our visual identity guidelines.

- We recognize that many contributors to newsletters, intranet sites, and other communications channels are not communications professionals. To help address this and raise the quality of the internal communications across the Group, in 2009 Group Internal Communications ran a new 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, including 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 for 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, share best practice quickly and easily, and access Group tools and methodologies.

- The Group University consistently provides a vital platform for international communication and exchange, with a strong communications voice on both Talent and its own intranet site.

While the wealth of global communications initiatives offered 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 part of daily management, drawing on various local initiatives developed through newsletters, intranet sites, information meetings and both formal and informal 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 the US arm of Sogeti. In 2009 as well as in 2008, all employees of the Group, from all sectors, were invited to participate: close to 55,000 employees responded, giving an improved participation rate of 64%. 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 the Group's 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 has always granted share based instruments (stock options, performance shares…) on a regular basis in line with its 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), to 2,298 beneficiaries under the sixth plan (launched in May 2005 and closed in July 2008), and to 507 beneficiaries under the first performance shares plan. The Management Report, presented at each Cap Gemini S.A. Shareholders' Meeting, provides a detailed yearly breakdown of these grants.

Concurrently, stock option grants to Executive Corporate Officers form a tiny percentage of the aggregate options distributed. Under the fifth and sixth plans, for example, 1.1% of the aggregate options was granted to Directors, namely 1.8% of current grants (i.e., from 6 series of grants). Regarding performance shares, the resolution set a limit of 5% to be granted to Directors and the volume effectively granted represented 4,35% of the total attribution. Moreover, share based instruments have never been granted on an automatic and/or annual basis.

Detailed information regarding the stock options or performance shares 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 are provided in pages 156, 157 and 195 of this Reference Document.

To date, the Group is no longer 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 resolution has not been utilized in 2009.

3.6 Employee access to stock holding

Capgemini also expanded access to its capital to a large number of employees through an international employee stock ownership plan, launched for the first time in 2009, in 19 countries, and largely subscribed since some 14,000 employees subscribed to the offer, making the employees collectively a significant shareholder of the Group.

In addition, Capgemini launched a product whose performance is related to its share price: the BSAAR. This product was sold to Group managers, who had decided to invest in the company over a long term period (minimum of 4 years and maximum of 7) to support Group developmentand to be exposed through a risk/reward mechanism to Cap Gemini share price performance, at a price of €3.22 on the basis of an external valuation, supported by an AMF-approved prospectus.

3.7 Diversity, equal opportunities and working conditions

With more than 90,000 employees in some 30 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:

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

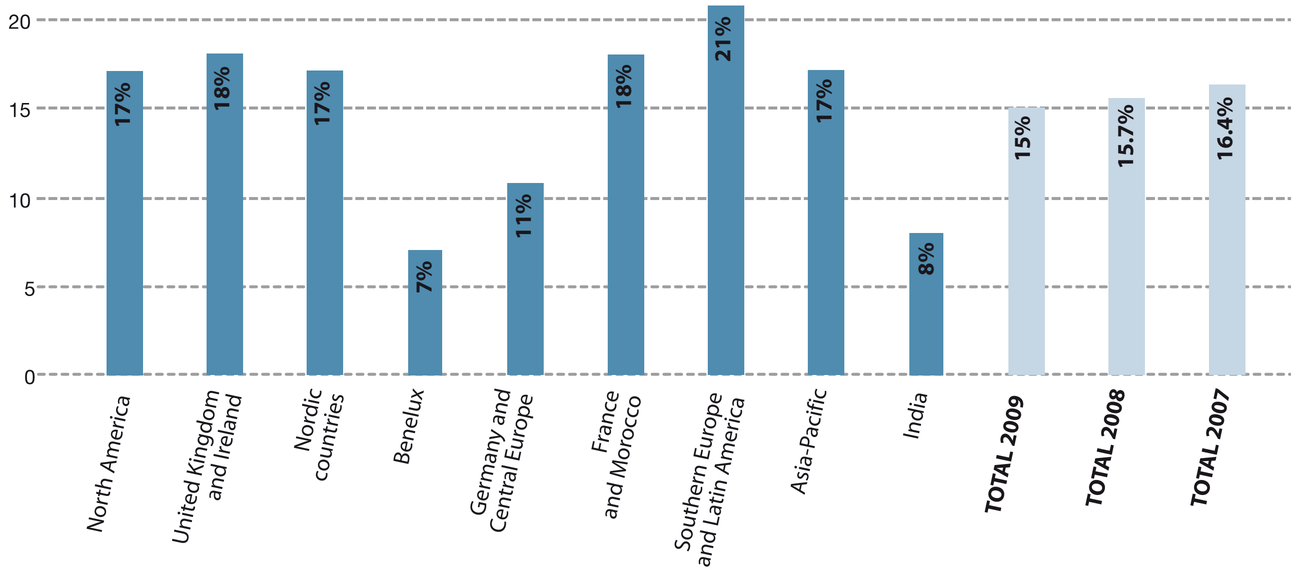
We actively promote the principles of diversity in our employment practices. Our aim is to encourage individuals from diverse backgrounds who are innovative, enthusiastic, culturally aware and committed to delivering a truly collaborative experience to our clients, in particular by:

- 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 December 31, 2009 was as follows:

PROPORTION OF WOMEN IN TOP EXECUTIVE POSITIONS PER OPERATING UNIT



After two years of growth in 2006 and 2007, the proportion of women occupying top executive positions fell by 0.7 point again compared with the previous year despite an increase of almost 1% in the global percentage of women in the company irrespective of grade (26.2%). 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 2009, 9% of Vice President promotions concerned women, a percentage lower than in 2008 (16%) which was a record high number, 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 and are challenging the business to form a high-profile talent pool. 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.

Some people highlights from around the Group

Across the **Group** we celebrated the occasion of International Women's Day on March 8, 2009, a Group-wide mobilization to celebrate the diversity of talented women at every level of the Group, share initiatives to promote gender equality, take stock of progress and achievements, and challenge certain attitudes and behaviors.

Capgemini Group committed to investing in the youth of France. Group launched a program offering placements to 1,000 young people over two years in France. In 2009, we recruited more than 600 young people through apprenticeships and internships.

Capgemini France signed the charter of employability of people with disabilities. Our Group pledged to pursue jointly with the government its actions for the employment of people with disabilities. The Capgemini France IT department worked together with Mission Nationale Handicap on WEEE management, resulting in an agreement being signed with the "protected sector". This agreement will enable Capgemini France to rollout a national WEEE management process, involving disabled workers employed by a protected sector company.

Capgemini France sponsored an iPhone application for deaf persons.

Capgemini UK was listed for the fourth time in the *The Times annual* Top 50 places "Where Women Want to Work". Capgemini UK also received the "Women of the Future" Corporate Award. In 2009, Capgemini UK also obtained "Positive About Disabled People" Two Tick Accreditation and launched a GBLT network called OUTfront UK.

Sogeti Sweden was also rated as the number one employer of choice for female IT professionals in a survey made by Exido (among both men and women, Sogeti Sweden came in 5th place). Sogeti Sweden received the "Rocket of the Year" award in the Universum Communications list.

Capgemini Sweden was listed in the business publication *Veckans Affärer* as one of the 40 best employers in Sweden. The ranking was based on equality, offering a good working environment and career opportunities for women. Capgemini Sweden was named one of the Best Employers in Sweden by Universum Communications, a global employer branding company. The reward was obtained as a result of a survey encompassing 39,000 people from over 180 companies in Sweden. Our Swedish business has a gender ratio of 50/50 in its management team.

Capgemini Norway's top management team is composed 50% of women.

Capgemini Italy played its part in encouraging diversity by participating as the principal sponsor in the 51st AIESEC Global Leaders' Summit "Activating Diversity" on February 17 in Rome. The event took place at La Sapienza, one of the most prestigious universities in Italy, under the patronage of representatives of top Italian and European Institutions. Our colleagues in Italy have also come up with an inventive way of helping employees return to work after a long time out. Their Restart! project aims to welcome back workers who have spent a long time away from the company for personal reasons. It is especially helpful to women returning from maternity leave or those back from long-term sick leave.

Capgemini Spain was awarded again with the Alcobendas council's prize for fostering equal opportunities and work-life balance. In 2008 Capgemini Spain was finalist.

Our **German Capgemini SD&M** company has been recognized as one of the Best Employers for 2009. In the annual award ceremony organized by the Great Place to Work® Institute Germany, we were placed in 13th position in the 501–5,000 employees' category.

Capgemini North America has launched a tailored campus hire on-boarding program. The program is focused on high interaction with new hires, integration within their teams, and experience of working at Capgemini India. Sherry Jones was acknowledged as an influential business woman by Consulting Magazine for exceptional customer service.

Capgemini Belgium obtained the "Top Employer 2009" award with an exceptional score of 5/5 in all five areas (primary work conditions and secondary working conditions, opportunities for internal promotion, company culture, learning and development).

Health and safety in the workplace

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

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

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

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.

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: in our 2009 Global Employee Survey **91%** of our **people strongly agree** that they **"feel personally responsible for their client's satisfaction" – an increase of 1% over 2008 survey.**

4.2 Developing client offerings with a sustainability focus

We are increasingly working together with our clients to create solutions to meet their sustainability needs. In 2009, the Environment Agency of England and Wales partnered with Capgemini for a green IT contract, which aims to be the greenest in government.

Capgemini continues to develop its corporate responsibility and sustainability capability in both existing and new client service offerings. Our market position, through our TechnoVision 2012 and 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, Outsourcing and Local Professional Services also enable us to provide this type of service for our clients. A selection of our offerings includes:

Cloud Computing is the use of massively scaled offsite IT resources, easily 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 workload is 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 optimize resources, thus contributing to increased sustainability.

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 accomplish this effectively while simultaneously improving service, production, and delivery.

Business Models and Sustainable Energy, Capgemini is now officially entitled to draw up carbon reports with the Bilan Carbone (Carbon measurement) methodology established by ADEME, the French agency for energy and energy savings.

Carbon Planning, In the US and the UK, Capgemini is working with clients, such as the Electric Power Research Institute (EPRI) and Rolls-Royce Energy, on the impacts of their technologies on overall carbon output and identifies markets for low carbon devices for generation of electricity.

Carbon Markets - In France and Australia, Capgemini has partnered with the Caisse des Dépôts to create the French and Australian Carbon markets.

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 a company more sustainable.

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

- IT infrastructure virtualization and consolidation, working with specialized companies to develop state-of-the art data centers, 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, and optimization of server farms
- Facilities infrastructure: reviewing the data center portfolio to reduce the number of centers, closing those that have inefficient infrastructures, and 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 **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:

- **Acting now for a positive 2018, preparing for radical change -** The next decade of business and sustainability, co-authored with Forum for the Future.
- **Sustainable Procurement - Taking the initiative.** Capgemini brings a new perspective to sustainable procurement and creates long term shareholder value by integrating economic, environmental and social criteria into business decisions.
- **Green by Design -** The Capgemini Consulting approach to Lean Design can reduce your carbon footprint and support sustainable growth
- **The Smart Working approach to performance excellence**
- **The Smart Working -** How smartening up puts you ahead of the pack
- **Sustainable ICT -** How the three Capgemini pillars support a greener future

- **Sustainable IT -** Effective strategies for environmentally responsible information technology
- **Sustainable IT Transformation Roadmap**
- **Green IT Report -** Computer Equipment Lifecycle Survey (CELS)
- **10 Steps to Green IT -** Many business executives recognize the need to act on carbon footprint reduction and green IT. However, a myriad of information exists – some of it contradictory – and it can be difficult to determine where to start. Capgemini presents a 10-step guide to formulating a green IT strategy.
- **Integrated Thin-Client Managed Service -** Cut costs, complexity and carbon footprint
- **Green ITIL -** Capgemini explains how the ITIL life cycle provides easily implemented opportunities to adopt sustainable IT
- **Framework for Green Success -** Today governments are under immense pressure to increase efficiency, improve services and reduce costs, and are looking to IT to help them deliver. But issues such as data security, sustainability and the environment are adding further complexity in attaining these targets
- **Smart Metering -** Working with Bell Canada and other partners in the Smart Energy Alliance (SEA), Capgemini has created a tool to enable and empower consumers with the information they need to make the right conservation choices
- **Future Consumer: How Shopper Needs and Behavior Will Impact Tomorrow's Value Chain -** Capgemini reveals growing importance of health, sustainability and other rising customer expectations that will guide future consumer preferences and buying behavior
- **2018 Future Value Chain - Succeeding in a Volatile Market**. Capgemini, HP and SAP looked at eight trends, including the declining economy, social structure, cost and availability of raw materials and the increasing awareness of sustainability with a particular focus on the Asian market
- **Serving Consumers in a Sustainable Way** deals with the effect of consumer and retail organizations' current focus on sustainability with on-shelf availability and costs in the physical supply chain for consumer goods

Key recognition for the Group in 2009

- The Group has been recognized in a Forrester Report on Green IT Services. The Report recognizes Capgemini's strong presence in technologies that provide a platform for Green IT services and broader corporate sustainability consulting. The report compared 15 different providers on capabilities including IT planning/governance, data center, distributed IT, and IT support for other business processes. Capgemini received "full capability" marks for all services in the "Distributed IT" category.
- Sogeti was awarded IBM Rational's top award for the Outstanding Quality Management Solution by a Systems Integrator 2009 and Sogeti received the Excellence in System z Solution Award at the 2009 IBM Beacon Awards.
- A Business Process Outsourcing (BPO) team in India was named Runner Up in the Lean Services category at the fifth annual Symbiosis International University for Management (SCMHRD) Six Sigma Excellence Awards.
- Capgemini triumphed for the second year running at the *Computer Weekly* IT Blog Awards. Our CTO Blog won the best CIO/IT Director blog, while technology blog *Capping IT Off* won the "Company - Large Enterprise" category and social media expert Rick Mans, from Capgemini Netherlands was honored as joint runner-up in the IT Twitter User of the Year.
- The EquaTerra UK Service Provider Performance and Satisfaction Study 2009 reconfirmed our position in the market. This year, our UK outsourcing business bettered last year's excellent performance and won the coveted number one spot for "General Satisfaction". For all measures, we continue to be in the top half of all fourteen tables occupying the top 10 positions in most cases, including the top three in seven key tables. We are also above average in satisfaction ratings for every measure.
- Capgemini was named a Top 25 Technology Provider by American Banker, Bank Technology News and IDC Financial Insights. FinTech 25 recognized Capgemini for fifth consecutive year as one of the largest, global enterprise technology companies.

V - IN THE COMMUNITY

Capgemini actively encourages employees at all levels to get involved in the communities in which it lives and works, and to donate time, energy and creativity to them. Joining forces to help others strengthens team spirit, improves communication skills and gives us a better understanding of the communities around us.
Capgemini wants to ensure a positive impact on the communities in which it lives and operates. As a major global employer, we work on both national and international levels with local authorities and organizations on community projects.

Our community activities range from partnerships with various foundations, fundraising drives and direct financial contributions to a wide range of volunteer projects. Our focus on community projects is very much aligned to our corporate purpose and values. Our main community projects focus on Education and Diversity. Our conviction is that education is the key to help countries and communities develop; our focus is to help build Skills for the Future. We acknowledge that diversity is a source of richness and competitive advantage and our aim is to support diversity and nurture future talent in all its forms.

Our intention is to provide as many opportunities as we can for our employees to engage in actions for which they have passion and commitment. Community programs are therefore at three levels in the organization, global, national and local.

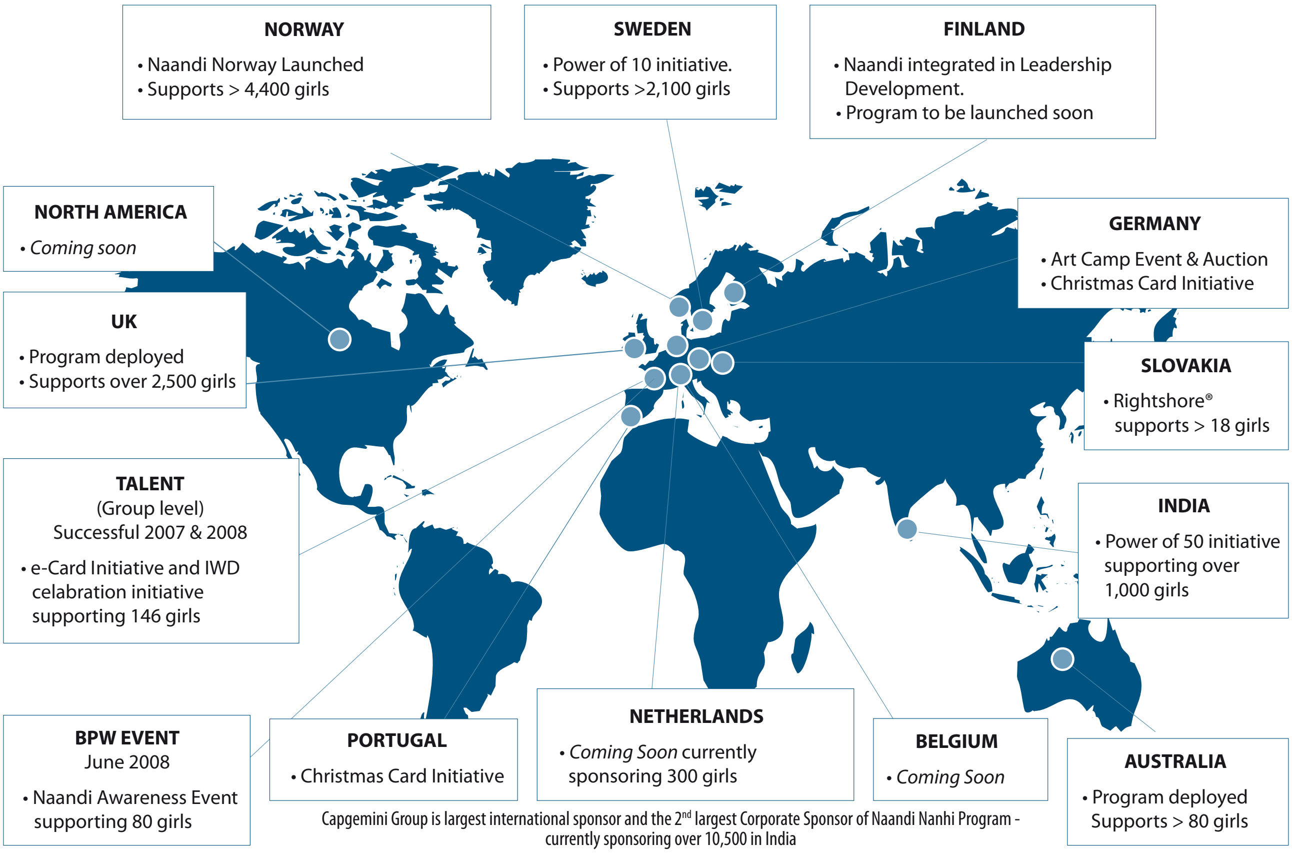
Our global Naandi initiative

Our partnership with the Naandi Foundation – Nanhi Kali Initiative (focused on girl-child education support) in India has a direct positive community impact in India and supports and is aligned with our corporate responsibility and sustainability strategy. In 2009, we sponsored over 10,500 girls in India as a result of several schemes and initiatives across the Group; we are the largest corporate sponsor internationally and the second largest overall. Nanhi Kahli has been formally 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 its leadership development programs. Other countries that are active are: France, the Netherlands, Germany and Portugal.

Naandi Norway, which was established in 2007 at the initiative of Capgemini Norway, received the first Harry Hole Award in November 2009. This prize, funded by famous Norwegian crime novelist, Jo Nesbø, is named after his crime novel hero Harry Hole. The prize is awarded to organizations working to prevent illiteracy.

Our partnership offers Indian girls dignity, education, equality and empowerment: the same attributes that our people seek for themselves and the company for which they work. Our partnership with Naandi is about changing the way we think, 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



Capgemini Group is largest international sponsor and the 2nd largest Corporate Sponsor of Naandi Nanhi Program - currently sponsoring over 10,500 in India

Our Sogeti–PlaNet Finance initiative

Our professional services business Sogeti has been a partner of PlaNet Finance since its creation in 1998, a partnership that has made a significant contribution to alleviating poverty in some of the world's poorest communities.

PlaNet Finance is an international non-profit organization created to reduce poverty in the world through the development of microfinance. We have provided the technical support to set up the organization and since 2005, we have managed PlaNet Finance's computer system by hosting computer applications including intranet, electronic messaging and on-line training as well as providing services related to its human resources. In 2009, Sogeti continued to ensure the maintenance of the PlaNet Finance IT systems in France and in its subsidiaries through dedicated resources.

This successful partnership was recognized by Sogeti's premier business alliance partner IBM, which awarded the Group the 2008 IBM Beacon Award for Outstanding Corporate Citizenship. In 2009 Sogeti sponsored the Micro Finance Award to honor and reward the best micro-entrepreneurs:

- in the category "Women", the prize was awarded to Aminata Tamba (Senegal), supported by Caurie Microfinance; sponsored by Sogeti

- in the category "Farming/Food Safety", the prize was awarded to Gang Ding, supported by the IMF MicroCred Nanchong, and sponsored by Capgemini.

Global Financial services and WeKare
Our **Global Financial Services** business supports WeKare, a registered society dedicated to improve the lives of the under-privileged in India.

Highlights of national and local initiatives around the Group
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 supports 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 a strategic roadmap, NPOKI provides performance management best practices, tools and technical assistance to NGOs delivering international healthcare.

Capgemini Australia has set up an annual budget for paid leave for which full-time and part-time employees can apply to devote time to invest in their chosen community projects and initiatives. A committee has been set up to approve initiatives proposed.

The *BPO Americas* team has joined hands with Niños del Lago (Children of the Lake), a charity organization committed to helping impoverished children in Guatemala, to improve innocent lives marred by years of civil war and social upheaval. The launch of this partnership was announced at a press conference attended by various members of the Guatemalan media and the CEO of BPO Americas David Poole, Head of BPO Latin America Leonardo Mongillo, and Head of BPO Customer Care & Intelligence Robbie Brillhart.

Capgemini Italy colleagues quickly teamed together to help victims after the earthquake hit southern Italy. Colleagues were asked to donate meal tickets to a charity that converted them into cash to provide first aid, medicine and basic necessities for the earthquake victims.

Capgemini Guatemala received the United Way Heroes Volunteerism Award through its local representative Fondo Unido. Over 800 Capgemini and Transactel employees took part in a day of service, which became the largest voluntarism activity of the year with over 800 participants. The day was dedicated to build three classrooms for children with Down Syndrome.

VI - SUPPLIERS AND BUSINESS PARTNERS

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

Capgemini has set out "Guidelines on Ethical Procurement" and wishes to develop long-term, sustainable relations with selected suppliers. Should a supplier fail to respect these ethical guidelines, Capgemini is then entitled to cancel the contract subject to no compensation.

Our procurement procedures involve:
- treating suppliers fairly
- selecting vendors based on value, performance and price
- providing justifiable and transparent selection decisions
- preserving the confidentiality of supplier information
- managing supplier risk
- ensuring supplier contracts have effective clauses corresponding to our Sustainable Procurement Principles
- maintaining an arm's length relationship with suppliers
- taking no 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 entry barrier where practical.

Contractors' and suppliers' staff are expected to work according to the same corporate responsibility and sustainability standards as our own employees; in tandem, we treat contractors and suppliers with the same Health & Safety and Diversity standards 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 chains.

Our core principles are:

1. **Human rights –** Respect for human rights when dealing with supplier stakeholders at large e.g., team members, clients, suppliers, shareholders and communities. Suppliers should support the principles of the Universal Declaration of Human Rights. They must avoid using equipment that is used in the

violation of these rights or the manufacture or transfer of arms to oppressive regimes.

2. **Compliance with applicable international, national, state and local laws –** We recognize that local customs, traditions and practices may differ but expect that suppliers comply at least with local, national and international laws, including (but not limited to) all environmental, health and safety and labor laws. We expect suppliers to support International Labor Organization core conventions on labor standards.
3. **Forced or compulsory labor –** Our suppliers must not use forced, bonded or compulsory labor and employees must be free to leave their employment after reasonable notice. Employees must not be required to lodge deposits, money or papers with their employer.
4. **Child Labor –** We refuse to accept the use of child labor in the supply chain:
   - one should be employed who is below the legal minimum age for employment in the country.
   - Children (below the age of 18) must not be employed for any hazardous work or work, which 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 foster a work/life balance and to foster the personal development and training of team members.
7. **Disciplinary practices –** Employees must be treated with respect and dignity. Any physical or verbal abuse, harassment, threats and/or other forms of intimidation are prohibited.
8. **Freedom of association –** Insofar as permissible by the relevant laws, respect should be given for freedom of association.
9. **Health and Safety –** A safe and healthy working environment for all employees must be provided in accordance with the international standards, laws and regulations. This includes making sure that adequate facilities, training and access to safety information are provided. All applicable policies, procedures and guidelines must be adhered to. Where suppliers work on Capgemini premises, or on behalf of Capgemini – for example for the use, handling, transport or disposal of hazardous materials or the disposal of electronic equipment – they must confirm that they understand their obligations. They must also confirm that they have management processes and controls in place, and agree, whenever applicable, to be fully responsible for any liability arising from their actions.
10. **Confidentiality and intellectual property –** We require our suppliers, contractors and their team members to preserve the confidentiality of any information to which they have access in accordance with applicable laws. We also expect them to protect all intellectual property belonging to Capgemini, its customers, suppliers and/or 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 to implement environment-friendly policies for the following, in particular:
    - waste and disposal
    - improved efficiency when using finite or scarce resources (such as energy, water, raw materials)
    - protection of biodiversity
    - climate change – CO_2, methane, other climate change gases and other with impact on climate change
    - other environmental impacts such as noise, water and ground pollution
    - management, operational and technical controls to minimize the release of harmful emissions into the environment

6.3 Sustainable Procurement Program

Capgemini has developed a program referred to as Sustainable Procurement in Partnership, which reviews every category of goods and services procured from suppliers. The program encompasses:

- review of our supplier base in terms of risk and size of spend
- full review of prioritized 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, who are required to complete an outline questionnaire.

A detailed survey has been built and our suppliers are expected to comply with our Core Principles of Sustainability. In 2008, our Global Chief Procurement Officer community, committed to assessing all top suppliers, on the basis of risk and spend, by 2009. The program was rolled out to our major countries in 2009, and supplier assessments covered 74% of total Global Procurement spend.

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

- supply chains utilizing low cost countries where primary supplier organization has not assessed and managed risk appropriately
- excessive use of scarce, endangered or new natural resources
- category specific standards: the environmental impacts, in particular, of items procured can be reduced by specifications for particular categories of items (for example, procurement of energy from renewable resources, recycled paper); we have a

- continually evolving set of standards which we apply to specific categories of items

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

TOP TEN SUPPLIERS IN 2009

In millions of euros	Amount	% Revenues
FUJITSU	386	4.61%
BRITISH TELECOM BT GROUP	118	1.41%
ACCENTURE (UK) LIMITED	50	0.59%
MANPOWER	41	0.49%
ING GROUP NV	37	0.44%
JVS BEHEER BV	36	0.44%
PARTENA BE	31	0.37%
LUCENT TECHNOLOGIES - DALLAS	31	0.36%
HEWLETT - PACKARD	33	0.39%
UNISYS	27	0.32%
TOTAL	**789**	**9.43%**

VII - THE GROUP AND THE ENVIRONMENT

At Capgemini, we recognize our responsibility to safeguard the environment and are taking steps to minimize the environmental impact of our activities. As a service provider, Capgemini is recognized as having a low impact on the environment. We are sensitive to environmental considerations and continually strive to reduce our impact while protecting the safety and well-being of our people, clients, partners, and the environment and community in which we operate.

Environmental policy

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
- raising employee awareness of these issues
- using the best practices available in this area
- setting up indicators to monitor progress

Our environmental initiatives focus on four areas:

- **Energy use** (real estate, facilities and equipment) – We continue to monitor our power consumption actively in our office and data centers with a view to reduction. We also provide training in environmental compliance for facilities managers. All departments are expected to streamline office space to the maximum, monitor and optimize power consumption, and adopt advanced energy saving systems when opening new office buildings.
- **Business travel** – We have continued to deploy numerous videoconferencing facilities across the Group and other collaborative working tools to facilitate remote and flexible working. This capability has enabled us to reduce business travel, in particular between our offices in India and locations in Europe and North America. We are also looking at our company car schemes and promote hybrid options as the preferred vehicles.
- **Waste management** (including reduction and recycling) – Capgemini aims to recycle waste materials as far as possible by providing recycling facilities in our offices, environmentally-friendly disposal and recycling of electronic equipment in accordance with local laws and using appropriately certified/licensed organizations to remove special waste.
- **IT asset management and procurement** – We continue to deploy new IT equipment that requires less energy. We have numerous communication campaigns to encourage our employees to “switch-off” and unplug their equipment when not in use. In our procurement activities we increasingly take into account environmental aspects when purchasing new equipment.

Highlights in 2009

- In 2009, our Capgemini UK, Capgemini Netherlands and Sogeti Netherlands entities achieved ISO14001 certification for their environmental management systems; both our UK and Netherlands businesses have made significant progress in their environmental programs.
- Our Global OS business ranked fourth in the 2009 Green Outsourcing Survey overall, measured by the *Black Book Top Green Outsourcing Vendors* survey, based on client feedback. Regionally, we came first in Europe and in Australia.
- Capgemini UK was listed in *The Sunday Times* “Best Green Companies 2009”.
- Capgemini Norway received the *Miljøfyrtårn* (Green Beacon) certificate and was the first large IT company in Norway to be honored with the *Miljøfyrtårn* at a ceremony held in the Oslo Town Hall.
- Our Global Capgemini Consulting business worked in partnership with five prestigious universities on project offerings for sustainable development innovation, rewarding projects with the *Trophée de l’Innovation et du Développement Durable* (TIDD - French Trophy for Innovation and Sustainability).
- Sogeti France partnered the *Semaine du Développement Durable* (Sustainability Week) organized by the Ministry of Ecology, Energy & Sustainable Development.

More information and our latest Corporate responsibility and Sustainability report can be found on our website at http://www.capgemini.com/about/corporateresponsibility/community/ and in the report: *The Other Face of Capgemini*.

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*), as amended by the Law of July 3, 2008 and the Order of January 22, 2009, (ii) the recommendations set out in the corporate governance code published by AFEP-MEDEF (French private business associations) in December 2008 (to which the Board of Directors decided on December 11, 2008, Cap Gemini would from now on refer) and finally (iii) the principles of good governance in effect within the Group for some 42 years.

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 Combined Shareholders' Meeting of April 25, 2002 within the scope of the New Economic Regulations law (NRE).

1. The Board of Directors

The Combined Shareholders' Meeting of May 11, 2006 decided, on the recommendation of the Board of Directors, to reduce the term of office of Company directors from six to four years (applicable with immediate effect to current terms of office).

Thirteen directors currently sit on the Board:
- two of these directors, **Bernard Liautaud** and **Pierre Pringuet**, were appointed last year at the Combined Shareholders' Meeting of April 30, 2009,
- two further directors, **Daniel Bernard** and **Thierry de Montbrial**, were initially appointed at the Combined Shareholders' Meeting of May 12, 2005 and their four-year terms of office were renewed last year at the same Combined Shareholders' Meeting on April 30,
- the terms of office of these four directors will therefore expire the day of the Ordinary Shareholders' Meeting called to approve the 2012 financial statements;
- the terms of office of the nine other directors, who have sat on the Board for a longer period, were renewed for a period of four years at the Combined Shareholders' Meeting of May 11, 2006 and therefore expire today. 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 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 Capgemini's business as a service provider. The Board operates on a collegial basis, and its conduct is underpinned by the values adhered to 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 2009, the Board met nine times (six times during the first six-months and three times during the second six-months), representing a total of 109 theoretical attendances for all directors. The average attendance rate was 85% (93/109). This rate was better in the second six-months (95%) than in the first, as a number of unscheduled meetings were convened during the first six-months, as a result of several operations launched by the Company (decision in principle to launch a redeemable share subscription and/or purchase warrants issue, launch of a bond issue convertible or exchangeable for shares and launch of an international employee share ownership plan).

Meetings of the Board of Directors last three hours on average. At least 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 (this documentation is however 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 share price of the Cap Gemini share to that of various general and sector indexes and to its main competitors; and
- where appropriate, a table providing a breakdown of the last known consensus.

For many years, the Company's Board of Directors has applied the best corporate governance practices now recommended by the AFEP-MEDEF corporate governance code. Accordingly, the Board has:
- prepared, adopted, applied (and amended where useful or necessary) highly detailed Internal Rules of Operation (see section 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 3);
- adopted a system for allocating attendance fees, whereby all such fees are indexed to attendance at Board and Committee meetings (see section 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, nine out of the thirteen directors qualify as independent (Daniel Bernard, Yann Delabrière, Jean-René Fourtou, Michel Jalabert, Phil Laskawy, Bernard Liautaud, Thierry de Montbrial, Ruud van Ommeren and Pierre Pringuet),
- 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:
  - understanding of Group businesses, its management team, organization and competitive position;
  - 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, including an open question encouraging respondents 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 then 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, who cooperate efficiently;
- information received by the Board of Directors, particularly 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, with significant progress having 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, thereby enabling them to 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 are being gradually put in place.

The Board of Directors is assisted by two non-voting directors who were previously directors and who were appointed non-voting directors in July 2002. The directors in question are **Pierre Hessler** and **Geoff Unwin**, who replaced **Phil Laskawy** (a non-voting director subsequently appointed director) and **Chris van Breugel**. Their terms of office were renewed for a period of two years at the Combined Shareholders' Meeting of April 17, 2008 and therefore expire today. The Company's directors have on several occasions indicated their satisfaction with the contribution of non-voting directors to Board meetings (the attendance rate for non-voting directors was quite remarkable in 2009 at 100% !). 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, primarily:

- the possibility of holding Board meetings using video conference or telecommunications facilities;
- 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);
- 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 transactions 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 clarify the scope of (and 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.

- the Board of Directors represents shareholders and its principal role is to determine the key strategies of the Company, to monitor their implementation, to ensure the smooth running of the day-to-day operations of the Company and to resolve, through deliberations, any issues that may arise in respect of such operations. With the exception of the Chairman and the Chief Executive Officer, the directors have no individual power and actions and decisions must therefore be taken on a collegial basis. The role of the four specialized Committees created by the Board is to study and document the issues that the Board has scheduled for discussion and to present to full Board meetings, recommendations on the subjects and sectors within their remit.
- The Chairman represents the Board of Directors and prepares, organizes and leads its work. He sets the date and agenda of meetings, ensures that directors are always able to carry out their duties and have all information necessary for this purpose, and oversees the proper operation of the Company's bodies and the correct implementation of Board decisions. He acts as a liaison between Board members and Group Management and to this end stays constantly informed of the Group's position and decisions taken (or planned) which are likely to have a major impact on business. He chairs Combined Shareholders' Meetings, to which he reports on the activities and decisions of the Board of Directors.
- The Chief Executive Officer has the widest powers to act in all circumstances in the name of the Company. The Internal Rules of Operation stipulate nonetheless that he must seek and obtain prior approval from the Board of Directors – or from its Chairman acting under delegated powers – for any decision which is of major strategic importance or which is liable to have a material effect on the financial position or commitments of the Company or those of one or more of its principal subsidiaries. This applies in particular to:
  - the approval and 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 issue of securities conferring immediate or future access to the share capital);
  - 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.

3. Board Committees

Some ten 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 was 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), the Board of Directors decided on July 27, 2005 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 Chairmen 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 this new Committee.

Following the appointment of two new directors at the Combined Shareholders' Meeting of April 30, 2009 (Bernard Liautaud and Pierre Pringuet) and the expiry on the same day of the term of office of Marcel Roulet, a non-voting director (who did not seek reappointment), the Board of Directors decided on June 17, 2009 to appoint Bernard Liautaud to the Strategy & Investments Committee and the Ethics & Governance Committee and Pierre Pringuet to the Audit Committee and the Selection & Compensation Committee. All appointments will of course be reviewed the day after the Combined Shareholders' Meeting of May 27, 2010, which will vote on the renewal or appointment of nine directors out of thirteen.

These four 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 work of these 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 Combined Shareholders' Meeting.

3.1 Audit Committee

This Committee - in accordance with the Order of December 8, 2008 enacting a European Directive – is tasked with following-up questions concerning the preparation and control of accounting and financial information, assessing the appropriateness and the consistency of the accounting policies and methods used to prepare the full-year and interim financial statements, checking the efficiency of internal control and risk management procedures, ensuring the quality of processes to prepare published information and finally assessing the various engagements carried out by the Statutory Auditors and giving its opinion on whether their audit engagement should be renewed.

The Audit Committee currently has four directors: **Yann Delabrière** (Chairman), **Michel Jalabert**, **Phil Laskawy** and **Pierre Pringuet**.

It met six times in 2009, with an attendance rate of 81% (22 out of 27 attendances). At the beginning of 2009, it reviewed the financial statements of the Group and the parent company for the year ended December 31, 2008 as well as the accounting treatment of significant events that took place during that year.

It also reviewed the Order of December 8, 2008 enacting the European Directive of May 17, 2006 on the statutory audit of accounts and conferring a legal status on the Audit Committee. It confirmed that the Internal Rules of the Committee were already in line with the provisions of the Order and suggested a few amendments to ensure an even closer match. These amendments were later approved by the Board of Directors.

In the middle of the year, the Committee reviewed the Group's interim financial statements at June 30, 2009, focusing in particular on impairment tests performed on goodwill, deferred taxes, the recognition of the redeemable share subscription or purchase warrants (BSAAR), performance shares and the new OCEANE bond issue, the impact of UK employee pension plans and the monitoring of major contracts.

In addition, 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 in charge of support services, IT and procurement, on operations and developments at production centers, the role of the "flying squads" who perform audits on risk-sensitive topics and the program to reduce production costs (particularly through the better reuse of existing tools), etc.;
- **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 have issued recommendations to make the accounting and financial procedures more efficient. Finally, 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, criteria for the grant of shares subject to performance conditions, career and succession planning, etc.) and making sure that the policy is both consistent – while complying with specific local requirements – and closely aligned with individual and collective performances in the Business Unit to which the manager concerned belongs. It is consulted by Group Management prior to any decisions concerning the appointment or replacement of Executive Committee members and Strategic Business Unit 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 share ownership, Group savings schemes, etc.) and submits proposals it considers appropriate on this issue to the Board of Directors.

The make-up of this Committee is currently as follows:

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

This Committee met five times in 2009, with an attendance rate of 96% (27 out of 28 attendances).

In accordance with the Committee's brief, it ensured throughout

2009 the consistency of the Group's senior executive management and compensation policy and the Chairman regularly reported on the Committee's work and presented recommendations to the Board of Directors concerning the following areas:

- the general compensation policy of the Group and its subsidiaries;
- the calculation of compensation due to the two executive corporate officers (the Chairman and Chief Executive Officer) and members of the Executive Committee and Group Management Board. These recommendations focused:
  - at the beginning of 2009, on:
    - a review of individual performance in 2008 compared with the objectives set at the beginning of the year;
    - calculation of the variable portion of 2008 compensation paid in the first quarter of the next year;
    - a review of the fixed and variable portions of so-called "theoretical" compensation for 2009,
    - setting objectives to be used at year-end as a basis for calculating the actual variable portion due,
  - at the beginning of 2010, on the same elements as above but for the following year (performance review, fixed compensation and selection of objectives for 2010);
- on the implementation of three share ownership systems open to all Group employees, which were discussed and adopted by the Combined Shareholders' Meetings of April 17, 2008 and April 30, 2009 (international employee share ownership plan, redeemable share subscription or purchase warrants issue and the grant of performance shares), replacing the existing stock option scheme. The sixth and last stock option plan, which was authorized by the Combined Shareholders' Meeting of May 12, 2005, expired in July 2008 at the end of the grant period. In particular, the Committee reviewed (and forwarded to the Board of Directors for approval) the list of the 507 beneficiaries receiving the 1,148,250 performance shares granted in March 2009 and the list of the 1,225 managers and executives given the opportunity to subscribe for 2,999,000 redeemable share subscription or purchase warrants (BSAAR), finally subscribed by half of them in July 2009 (629);
- on the 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.

Finally, the Committee considered the question of Mr. Hermelin's employment contract and issued a recommendation on this subject to the Board of Directors (see Section 4.10 of the Management Report).

3.3 Ethics & Governance Committee

The Committee's main brief is to verify that the Group's seven core values (Honesty, Boldness, Trust, Freedom, Team Spirit, Modesty and Fun) are correctly applied and adhered to, defended and promoted by the Group's corporate officers, senior management and employees in all of its 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 more generally with overseeing the application of best corporate governance practice within Cap Gemini S.A. and its main subsidiaries. The Ethics & Governance Committee is responsible, for example, for all matters relating to the selection, appraisal, independence and compensation of the Company's directors and non-voting directors. It must keep up-to-date (and be ready to implement) the list of measures to be taken, should the question of the succession of the Chairman or the Chief Executive Officer suddenly arise. It must handle and propose 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 has five directors: **Serge Kampf** (Chairman), **Daniel Bernard**, **Bernard Liautaud**, **Phil Laskawy** and **Bruno Roger**. The Committee held only one full meeting in 2009 (participation rate of 4 out of 5 attendances, or 80%). Several less formal meetings were however held throughout the year to discuss the "governance" remit of the Committee, between the Chairman and certain of its members or between several Committee members, in the absence of the Chairman. The day the Committee met in full, it interviewed **Philippe Christelle**, the Internal Audit Director, who presented a special report describing the ethical framework in which the Group is supposed to operate and the developments and revisions performed during the last 12 months. It also interviewed **Hervé Canneva**, the Group Ethics and Compliance Officer, appointed by the Committee on March 1, 2009, who presented a draft Ethics Charter formally documenting a mandatory program comprising a Code of conduct, control procedures and sanctions. The primary objectives of this charter are to promote an ethical culture ensuring perfect integrity in the conduct of business and the management of employees, to implement measures stopping or reducing non-compliance with the core values of the Group, as well as prevailing laws and regulations (e-learning and/or residential training program) and finally to provide an institutional framework for the actions required to deal with the problems arising as a result of these measures.

The Committee also assessed the advantages and disadvantages of a possible review of the system for allocating attendance fees adopted in July 2006 (see Section 4 below). Finally, it discussed the make-up of the Board of Directors, considered the different scenarios for changes in the governance of the Group and examined, at the end of 2009, the consequences and implementation conditions of the law requiring the "balanced" representation of men and women on Boards of Directors.

3.4 Strategy & Investments Committee

This Committee reviews the various strategic options open to the Group to ensure its continued growth, improve its profitability and maintain its independence going forward. It determines the amount of investments required to implement each of these possible strategies and recommends a choice or at least establishs an order of priority. It must also ensure it has the necessary resources to oversee the subsequent implementation by management of the strategy decided by the Board of Directors and assess potential or strategically important alliances or acquisitions. More generally, the Committee deliberates on any direction or issue considered relevant to the Group's future, provided it does not compromise the smooth functioning of operations and guarantees operating and financial stability.

The Strategy & Investments Committee currently has five directors: **Bernard Liautaud** (Chairman), **Daniel Bernard**, **Paul Hermelin**, **Thierry de Montbrial** and **Bruno Roger** and a non-voting director, **Geoff Unwin.**

This Committee met three times in 2009, with an attendance rate of 100% (18 out of 18 attendances). During the first quarter of 2009, the Committee examined the strategic plans of the four Group businesses in the different regions where the Group is located, the synergies between each business and the three other businesses and the impact on these businesses of the difficult economic climate. For this purpose it interviewed Paul Spence, Director of Outsourcing Services, Pierre-Yves Cros, Director of Consulting Services, Henk Broeders, Chairman of the Committee for the global coordination of Technology Services and finally Luc-François Salvador, Director of Local Professional Services. Once of the major tasks of the Committee this year was to prepare the discussions and work of the Board of Directors, which met exceptionally for one and a half days in June 2009 at the Capgemini University in Gouvieux (Oise), to consider the topic "Strategy, markets and competition". Finally, based on its work, which highlighted the future of the Group as a "service integrator" presenting original offerings with a high technology content, it established its own roadmap for 2010.

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 Combined 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: only the Chairmen of the specialized Committees and the Chairman of the Board of Directors continue to receive a fixed fee of €20,000 per annum, given their special responsibilities and the additional workload required to discharge their duties;
- payment of a fixed amount of €3,000 per attendance at official meetings of the Board or, for permanent members, one of the four specialized Committees. This fixed amount may be reduced if circumstances require the Company to hold an exceptional number of meetings, resulting in aggregate attendance fees exceeding the €700,000 threshold;
- payment of attendance fees for the half-year then ended, as opposed to once per annum as was previously the case.

In addition, Serge Kampf and Paul Hermelin decided to waive, with effect from January 1, 2009, their right to receive attendance fees for their duties as directors of Cap Gemini S.A., a decision warmly welcome by the Board of Directors.

Consequently, under this formula and as a result of this decision, total attendance fees paid to directors and non-voting directors in respect of 2009 amounted to €534,000 (€300,000 for the first six-months and €234,000 for the second six-months), only 75% of the maximum authorized by the Combined Shareholders' Meeting.

5. Compensation of executive corporate officers

The Board verified and had it confirmed that the compensation of the Chairman and the Chief Executive Officer is determined by the Board of Directors, pursuant to "exclusive" powers (Articles L.225-47 and L.225-53 of the French Commercial Code), that these exclusive powers confer an institutional – and not a contractual – nature on this compensation, and as such (contrary to the claims of certain observers), the determination and review of this compensation is not subject to regulated agreement procedures. This is, of course, subject to compensation being specifically paid for the performance of corporate officer duties and in consideration for actual services rendered to the Company. This is obviously the case for Cap Gemini. The principles and rules approved for calculating the compensation due to executive corporate officers as well as the breakdown of total compensation paid in respect of 2009 to each executive corporate officer are set out in section 4.10 of the Management Report.

6. Shareholder participation at Combined Shareholders' Meetings

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

7. Shareholding structure of the Company share capital and information likely to have impact on a takeover bid for the Company's shares

Details of the Company's shareholding structure are provided in the "Specific Information" chapter on page 188 of this Registration Document.

No shareholders' agreement or other shareholder pact exist.

B. INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES IMPLEMENTED

2009 was marked by the continuation of the Green Project to transform the finance function, which included the following main actions:

- a major update and extension of the accounting and operational procedures and policies manual applicable in the Group (TransFORM2010)
- the continued roll-out of the single integrated management system (GFS Project), which took over in 2008 the deployment of convergent solutions at functional component level, but based on separate platforms (NOP project). All Scandinavian Business Units, the Financial Services GBU entities, the Consulting and Technology Services Business Units in North America and finally, in France, the subsidiaries Capgemini Service and Capgemini Télécom Média Défense, joined India in this single body. Expressed as a percentage of migrated employees, GFS covered one third of the Group and NOP solutions nearly 50% at December 31, 2009. Progress was therefore achieved with the desired standardizing of management systems.
- the transfer of the accounting functions of our subsidiaries to the shares services centers located in Cracow (Poland) and Calcutta (India) commenced in 2005 stabilized during the year, with the definition of global target processes common to the different countries served.
- launch of the roll-out of the new time input and monitoring system for employees and sub-contractors (NOE project) that should enable a single input and better cooperation between "delivery" and "finance" communities.

1. Objectives and principles of Group internal control procedures

Capgemini'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:

- compliance with relevant laws and regulations;
- respect for the Group's core values and guidelines set 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 Group employees implementing 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, obtained the approval of the Board of Directors and circulated in all Group subsidiaries 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.
- subsidiaries and Strategic 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 24 auditors reporting directly to both the Group's Chairman and its Chief Executive Officer. Although managed centrally, the Internal Audit function has become highly international to accompany the Group's changing structure. Ten different nationalities are now represented and a Bombay desk in India has seven auditors. Internal Audit is tasked with reviewing the internal control procedures set up in the Strategic Business Units and in the Business Units to ensure that they comply with the principles and rules laid down by the Group and with the procedures devised by the individual Business Units 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 occasionally 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 Strategic Business Unit 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 2009, the Internal Audit team performed 44 engagements in entities belonging to all of the Strategic Business Units, covering half of the Group's Business Units. Each engagement represented an average of 46 field audit days and culminated in a mandatory action plan to be implemented by the audited entity's management as a means of resolving immediately 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 presents annually to the Audit Committee a comprehensive report on the department's work (particularly the preparation and processing of financial and accounting information) and to the Ethics & Governance Committee a specific report on compliance with the Group's Ethics Charter. 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:

- The Executive Committee, comprised of 15 members, 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 comprised of the 15 members of the Executive Committee plus a variable number of other senior Group managers. Its main brief is to contribute to the deliberations of the Executive Committee on any matter of general interest submitted to it and to assist in the implementation of decisions taken. It also acts as the baU (business as Usual) Steering Committee, a work program defined in the Fall of 2009 to substantially accelerate revenue growth, optimize our internal organization and strengthen the culture of excellence and performance within the Group.
- 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 General Manager (also Chief Financial Officer), who also handles procurement, internal information systems and risk management for commercial propositions. He is also responsible for the technical and support department, 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" (110 audits of this type were carried out in 2009).
- 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 the 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 Ethics & Compliance Department **(Hervé Canneva)**: it is well known that the excellent reputation of Capgemini has been built up over more than 40 years in compliance with the core values governing the conduct of business. This reputation is a fundamental asset of the Group, which helps establish the basis for long-term growth. The Board of Directors' decision to launch a global program focusing on Ethics and legal compliance seeks to protect and strengthen this reputation. Since its creation, the Group has adopted an approach founded on seven key values and its Ethic Charter, as well as professional ethics based on the tools and processes set out in the Blue Book.

  However, given the decentralized structure of the Group and its rapid expansion in certain new countries exposing it to new cultures and a constantly changing environment, the need to ensure all Group employees are aware of and share without equivocation our values, principles and rules, is more essential than ever. This program therefore seeks to perpetuate and strengthen a corporate culture based on ethics and promote professional integrity in every-day behavior. It represents a global approach to a common culture aimed at ensuring uniform action in compliance with legislation and internal policies, with a special focus on compliance with certain professional practices set out in the Ethics Code, the latest version of which will be circulated to our 90,000 employees. The program will, therefore, be widely circulated and special training sessions are currently being developed to increase employee awareness of Ethics and legal compliance.
- The Strategy Department **(Cyril Garcia)** is tasked with documenting deliberations on strategic issues by Group Management, the Board of Directors, its Chairman and the 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.

In the major countries where the Group operates, a "Country Board" structure has been created bringing together the heads of the Group's businesses in these countries (Consulting Services, Technology Services, Outsourcing Services, Financial Services, Local Professional Services). Chaired in the majority of cases by a member of the Executive Committee, the role of these Boards is to steer the coordinated development of the Group for a certain number of major clients and, more generally, provide commercial coordination for either major operations in the launch stage or existing clients.

This system is supplemented by **two special-purpose Committees**, each comprised 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).

Internal control within a decentralized operating structure

The Group's operations are based on a decentralized model consisting of basic operating entities in the countries where the Group conducts business and grouped together into Strategic Business Units. The size of these Strategic Business Units has been deliberately kept small enough to allow their managers to form strong relationships with their staff and remain in touch with clients and operations on the ground. It has management and performance measurement tools that allow the Strategic Business Unit manager to remain in close contact with staff and clients in his/her sector and to contribute fully to the Group's results and development. Business Unit managers are fully responsible for meeting quantifiable targets relating to financial performance (growth, profitability, etc.), business development, management quality, client satisfaction within his/her unit, and the correct application of and compliance with internal control procedures.

These Business Units are grouped together in eight countries or regions: North America, France, the United Kingdom and Ireland, Benelux, Germany and Central Europe, the Nordic countries, Southern Europe and Latin America and the Asia Pacific region.

The eight Strategic Business Units each have substantial management autonomy. Three Strategic Business Units are tasked with managing three of the Group's four business lines: Consulting, Outsourcing, and Local Professional Services (Sogeti). The fourth business line – Technology Services – is divided into four regional Strategic Business Units: 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 Strategic Business Unit covers the Group's activities 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 Business Unit, for all issues that fall within its remit,
  - the Strategic Business Unit or the Country Board for all issues that concern several or all Business Units under their authority;
  - the Group (Group Management, Executive Committee, etc.), for all decisions outside the scope of responsibility of a Strategic Business Unit or region which must be taken at Group level due to their nature (acquisitions, divestments, etc.), or for other major operations whose financial impacts exceed well-defined materiality thresholds.

  This process has been formalized in an authorization matrix which requires both prior consultation and the provision of sufficient information to the parties involved. Recommendations submitted to the final decision-maker must include the views of all interested parties as well as 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, reviews of solutions may be carried out during the final pre-sale phase in order to bring to the Group Review Board's attention any potential operational 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.;
  - 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.

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

• **Human resources risk**

Each Business Unit 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 appraisal 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 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 signed strategic partnership contracts 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 and sustainable development.

• **Country risk**

The Capgemini Group restricts operations to countries able to offer satisfactory guarantees in terms of individual security. Work on client engagements in certain countries classified as "at risk" is subject to approval by the Group Review Board. Rules and procedures have been drawn up for "at risk" territories in which the Group conducts engagements in order to satisfy 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. 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 comprised of central, 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 arising on these contracts and their recommended risk mitigation plan. The Group Review Board authorizes the Special Business Deals submitted to it for approval or opinion and, in this framework, is called on to assess the legal risks of certain major contracts.

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 23 to the consolidated financial statements. In addition, risks arising on employee benefit obligations are controlled through the active management of financial commitments under the United Kingdom defined benefit pension plan, which represents almost 88% 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 Group's financial functions are organized to reflect its operating structure, that is, both by Business Unit and country. Each Business Unit has a dedicated financial controller (reporting to the corresponding Strategic Business Unit's financial controller) who is responsible for ensuring that the results of its activities are accurately reported in the accounts in accordance with Group accounting rules and methods. The financial controller verifies that services are correctly billed and paid for, checks profit estimates for ongoing projects and assesses their accounting impact, and ensures the quality of the information contained in the financial reports and accounting packages used as the basis for preparing the Group's consolidated financial statements. These Business Unit financial controllers report to the financial controller of the Strategic Business Unit, whose main responsibility is to ensure that financial and accounting information is reported to the parent company on a timely basis. Their direct superior is the Group Chief Financial Officer in order to safeguard the independence required when preparing accounting results. Operational control is, therefore, decentralized.

The geographic areas have a Legal Financial Director, who also reports to the Group Chief Financial Officer and whose duties and responsibilities include ensuring that all financial staff in the region are well-versed in the Group's accounting policies and methods, checking compliance with local taxation and statutory reporting requirements, helping maintain an effective internal control environment, liaising with shared service centers and the Statutory Auditors, setting accounts closing and financial reporting timetables, signing off on the consolidation packages of the subsidiaries under his or her authority, signing the representation letter and bringing any and all matters that he or she sees fit to the attention of the Chief Financial Officer.

All financial staff is required to apply the Group's accounting procedures and policies contained in the TransFORM manual, which sets out:

- the fundamental rules of internal control;
- what information must be reported, when, and how often;
- management rules and procedures;
- accounting policies, rules and methods;
- performance indicators.

b. Budgets, forecasting, financial reporting and consolidation

In order to exercise effective control over their operations, the Group requires Business Units to submit weekly, monthly, quarterly, half-yearly and annual reports of all budget, forecast, operational and accounting information required for the general management of the Group:

- **Budget and forecasting process**: budgets form the basic building blocks in the management control process. They are debated and negotiated at length between the different Group Business Unit managers and their superiors, with each budgetary item decided based on past performance, the Group's chosen strategic priorities and available information concerning expected market trends. Group Management sets quantified targets for each geographic area, Strategic Business Unit and their component Business Units. The budget preparation process is a key moment in the relationship between the different levels of the Group's management and makes it possible to create a substantial link between the variable portion of the compensation paid to Business Unit managers and the attainment of Business Unit and corresponding Strategic Business Unit budgetary targets. A forecast operating income statement (for the current month, the following six months and the full year) is prepared monthly by each Business Unit manager. Variances from budget are analyzed so that any corrective action plans that may be needed can be drawn up as quickly as possible.
- **Operational reporting process:** Information reporting is structured by geographic area and business. This allows revenues and costs to be analyzed on a monthly basis 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 Strategic Business Unit jointly by the manager and financial controller, and is submitted to Group Management for review. This report gives a detailed breakdown of actual performance, forecasts for the following six months and actions taken in the event of material variances between actual and budget figures. Reconciliations are performed systematically to ensure that financial information derived from the operational reporting system is 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 inter-company transaction balances), highlighting current accounting issues requiring specific attention, and describing

the control procedures applied during the preparation of the consolidated financial statements. The consolidation process is based on accounting packages by geographic area, which must be signed off by the person responsible for preparing them. Income statements, balance sheets and other key management indicators required for subsequent analysis are stored in a single database maintained at Group level. Access to this information system is strictly controlled.

c. Financial information

- **Controlling financial information**: 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 Business Unit 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 Business Unit concerned to ensure the security and validity of transactions and accounting entries;
  - Statutory Auditors, who it need merely be noted here, carry out an ongoing review of internal control procedures with an impact on the preparation and quality of the financial statements as part of their attest engagement.
- **Communicating financial information**: this is subject to rigorous internal control, with a particular focus on three key media used to report financial information:
  - the 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 35 years (the first edition concerned the 1975 fiscal year). The preparation of the report, its content, illustrations, design and distribution are therefore subject to particular attention on the part of Group Management and, above all, the Chairman. All the sections of the Group's Annual Report are written internally by staff and managers of the Group who are each responsible for designing and setting out a chapter on their area of competence, within the general framework proposed by the Communications Department. The Reference Document, which is 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, the Chief Financial Officer, or employees in charge of investor relations during the meetings.

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, 2009

This is a free translation into English of the statutory auditors' report issued in French prepared in accordance with Article L.225-235 of the French Commercial Code on the report prepared by the Chairman of the Board of on the internal control procedures relating to the preparation and processing of accounting and financial information issued in French and is provided solely for the convenience of English speaking users.

This report should be read in conjunction with, and construed in accordance with, French law and the relevant professional standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Cap Gemini S.A., and in accordance with Article L.225-235 of the French Commercial Code (Code de commerce), we hereby report to you on the report prepared by the Chairman of your Company in accordance with Article L.225-37 of the French Commercial Code for the year ended December 31, 2009.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report describing the internal control and risk management procedures implemented by the Company and providing the other information required by Article L.225-37 of the French Commercial Code in particular relating to corporate governance.

It is our responsibility:

- to report to you on the information set out in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information; and
- to attest that 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 and risk management procedures relating to the preparation and processing of financial and accounting information set out in the Chairman's report. These procedures mainly consisted of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report is based, and of the existing documentation;
- obtaining an understanding of the work performed to support the information given in the report and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of financial and accounting information that we may have identified in the course of our work are properly described in the Chairman's report.

On the basis of our work, we have no matters to report on the information given on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, set out in the Chairman of the Board's report, prepared in accordance with Article L.225-37 of the French Commercial Code.

Other information

We attest that the Chairman of the Board's report sets out the other information required by Article L.225-37 of the French Commercial Code.

The Statutory Auditors

Neuilly-sur-Seine, February 18, 2010

PricewaterhouseCoopers Audit

Edouard Sattler   Serge Villepelet

Paris La Défense, February 18, 2010

KPMG Audit

Division of KPMG S.A.

Jean-Luc Decornoy
Partner

Jacques Pierre
Partner

MANAGEMENT REPORT

PRESENTED BY THE BOARD OF DIRECTORS
TO THE COMBINED SHAREHOLDERS' MEETING OF MAY 27, 2010

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

Demand for consulting and IT services, which had demonstrated remarkable resistance through 2008, suffered a marked slowdown in 2009, as the desire to make savings in discretionary expenditure led to the postponement and sometimes even the cancellation of numerous investment projects. This trend intensified in the second half of the year across all economic sectors, with the exception of the "banking and insurance" sector, already in sharp decline for over a year.

In this difficult context, Capgemini Group reported revenues of €8,371 million in 2009, down 3.9% on last year (and 5.5% like-for-like, that is, at constant exchange rates and Group structure). This amount reflects highly contrasted trends (across regions, businesses and sectors), which confirm the soundness of the choices made in recent years: in this way, for example, Outsourcing Services proved particularly well adapted to the current concerns of contractors, also – another example - public sector clients (and to a lesser extent "Energy and Utility" sector clients) maintained investment levels. Note also that this fall in revenues had only a relatively limited impact on Group profitability, as the operating margin rate is still 7.1%, down only 1.4 points. The fall in operating profit was more substantial (down 2.7 points to 4.0%), but this was due to a particularly high level of non-recurring expenses, generated by measures taken to adapt to the deterioration in the environment.

After an income tax expense which fell in line with the drop in profitability (and part of which does not correspond to actual cash outflows thanks to the offset of existing tax losses carried forward in certain countries) and after net finance costs up significantly due to the sharp fall in short-term interest rates, and therefore the return on cash investments, net profit for the year is €178 million.

The payment of last year's dividend (€1 per share, or a total of €144 million) was more than offset by several operations to strengthen equity, amongst which the subscription of three million redeemable share subscription or purchase warrants (BSAARs) by 629 key managers of the Group and the €165 million share capital increase realized by the set-up of the first global employee share ownership plan. Both these operations reflect the confidence managers and employees place in the future outlook of the Group. After including the net profit for the year and thanks also to the excellent management of working capital requirements, net cash and cash equivalents total €1,269 million at December 31, 2009. The solidity of Cap Gemini S.A.'s balance sheet was further strengthened during the first half of the year by a new issue of OCEANE bonds convertible or exchangeable for new or existing shares, aimed at ensuring upstream the refinancing of the OCEANE bond issue maturing on January 1, 2010 and enabling the Group to extend the maturity of its debt.

1.1 Operations by region

France retained its number one spot in 2009 among the Group's regions (revenues of €1,949 million, 23.3% of the Group total), despite a slump of 6.1%. Technology Services resisted well, reporting a slight increase. While Outsourcing Services reported a slight downturn, this was mainly due to the marked reduction in a major contract (which was forecast and in line with expectations) rendering any comparison unfavorable. As would be expected, Local Professional Services and Consulting Services reported the least favorable trend (both reporting a decrease in revenues of approximately 9%): the former offers clients a common means of leverage whenever they decide to reduce day-to-day expenditure, while Consulting Services are penalized by a short sales cycle and substantial exposure to the telecoms sector. Nonetheless, France reported a limited downturn in its operating margin: at 6.2% it is down less than one point, thanks to Outsourcing Services which improved its performance on 2008 and Consulting Services which managed to maintain its margin at a remarkable level.

The **United Kingdom and Ireland** region (revenues of €1,852 million, 22.1% of the Group total) was the only major region of the Group to report an increase in like-for-like revenues (+7.5%), while published revenues fell 3.6% due to the substantial depreciation of the pound sterling. This remarkable growth is mainly tied to the fact that Outsourcing Services account for over three-quarters of activity in the region. Another characteristic particularly favorable in the current context, is its substantial presence in the public sector: while not completely indifferent to the crisis, this sector continues to invest and outsource part of its functions to optimize costs. This being said, the advantage drawn from the "double-digit" growth of Outsourcing Services and the robustness of the public sector is partially offset by the weakness of other sectors and particularly financial services. The operating margin was €165 million (8.9% of revenues, up 0.4 points), enabling the United Kingdom and Ireland region to be the most profitable of the Group's four major regions in 2009, in both percentage and value terms.

North America reported revenues of €1,590 million in 2009 (19.0% of the Group total) down 8.5% like-for-like, but only 4.7% on published figures due to the appreciation of the US dollar. The activities most tied to the economic cycle (Consulting Services, Technology Services and Local Professional Services) bore the full brunt of a crisis which had the United States at its epicenter, posting slumps of close to 10%. Outsourcing

Services enjoyed numerous successes, in particular in Business Process Outsourcing (BPO), but was penalized by the substantial downsizing of a major contract entering the final phase, resulting in a marked drop in business volume in this sector, particularly in the second half of the year. Conversely, this second half also enjoyed a net improvement in Technology Services activities in the financial services sector (with fourth-quarter growth on the same quarter in 2008). Profitability resisted well in the North America region (although at a low level: 4.9%), falling only 0.6 points thanks to the stability of Outsourcing Services which were not affected by the decrease in revenues.

Benelux (€1,397 million, 16.7% of Group revenues) reported, thanks to the acquisition of BAS BV at the end of 2008, good growth in business volume (+7.3%), although on a like-for-like basis revenues fell 12.9%. This marked decrease is mainly due to the particularly high percentage of financial services clients. These clients made major adjustments to their demand for services from the beginning of the year and again in the second half, resulting in substantial over-capacity. All our four businesses were affected by the downturn, with only Local Professional Services showing better resistance. With an operating margin of €122 million, the region continues to enjoy high profitability (8.7% of revenues), although down significantly on prior years. Faced with this situation, a number of measures were implemented from the first half of 2009 to preserve margins (change in management and layoffs in certain units, etc.), which enabled a return to a double-digit operating margin in the second half.

The **Germany/Central Europe** region (Switzerland, Austria and Eastern European countries) is the Group's leading "small" business unit: €531 million, 6.3% of total revenues, down 10.3% (and even 11.0% like-for-like). Outsourcing Services and Sogeti remain marginal businesses in this region and their relative stability only partially offset the substantial downturns reported by Consulting Services and Technology Services. Region profitability also fell significantly (especially in the second half), although remains at a quite satisfactory level (9.7%, the best of the four "small" regions).

The **Nordic countries** (Sweden, Denmark and Finland) reported revenues of €488 million (5.8% of total revenues) some 15.7% below 2008 (9.9% excluding exchange rate impacts). This decrease is above all due to a less diversified activity portfolio than in the other regions and in particular the extremely limited role played by Outsourcing Services. At 7.3%, profitability is down over two points, although the good resistance of Sogeti is of note at this level.

The **Southern Europe/Latin America** region (€434 million, 5.2% of revenues) suffered a slight downturn of 3.3% (and 3.6% like-for-like), as a result of contrasted trends: while Spain and Portugal suffered a marked drop, Italy enjoyed growth of close to 7%, confirming the high quality of local management. However, the improvement in the operating margin in Italy was insufficient to offset the downturn reported in the rest of the region, which overall reports a disappointing operating margin (€10 million, 2.3% of revenues).

The **Asia/Pacific** region (€130 million, 1.6% of revenues) enjoyed growth of 6.7% (4.4% like-for-like), thanks in particular to sustained activity in the local Indian market and the renewed dynamism of the "financial services" sector in the second half of the year. The operating margin (€69 million) must not be compared directly to revenues, as only sales to local clients are recognized in this region (internal sub-contracting revenues for clients belonging to other Group regions are recorded in the accounts of the region which invoices the client). Furthermore, part of the margin realized with clients of other regions is recorded in the accounts of the Asia/Pacific region, slightly complicating the direct interpretation of profitability figures for the different Group units.

1.2 Operations by business segment

Technology Services accounted for exactly 40.0% of total revenues in 2009 and therefore remained the Group's powerhouse, despite a slump of 7.4% like-for-like, particularly marked in the second half of the year. This downturn was not uniform across all regions, although client unwillingness to launch major projects was a constant. This resulted in a marked decrease in management indicators and particularly the utilization rate. The active management of employees - recruitment freeze, transfers, layoffs when no other solution exists - helped in the fourth quarter to return this utilization rate to an acceptable level (81%). Prices resisted well in a rather prejudicial context, falling 4% on average, with pressure particularly aggressive in certain market sectors. At 6.9%, the operating margin rate is down 3.3 points on 2008.

Outsourcing Services (36.4% of total revenues) is the only business to report slight growth in 2009 (+0.3% like-for-like) underlining the contribution of this discipline to the overall balance of the Group. Employee numbers increased nearly 7%, primarily to accompany the strong development of BPO activities. Outsourcing Services is also the only business to report a (marked) improvement in profitability, with an increase in the operating margin rate from 5.4% in 2008 to 7.2% this year.

Local Professional Services (Sogeti) represents the third largest Group business, with revenues equal to 16.9% of total revenues, but down 8.3% on a like-or-like basis. After a substantial drop in the first quarter, utilization rates improved steadily each quarter to finish the year at a level very close to that of last year (82%). This improvement was partially due to a reduction in employee numbers (close to 8% at December 31, 2009) and the remarkable resistance of prices, which fell only 1%. These different indicators explain the maintenance of the operating margin rate at a satisfactory level (9.7%), although down significantly on last year.

Consulting Services now represents only 6.7% of total revenues, down 14.7% like-for-like. Due to short sales cycles and the discretionary nature of a number of its assignments, Consulting Services was the only one of our four businesses to suffer the effects of the crisis from the fourth quarter of 2008. Extremely strict employee management (11% reduction in employee numbers year-on-year) and the transfer of a number of consultants to assignments closer to new client concerns (primarily cost reduction), enabled a remarkable turnaround in the utilization rate, which increased to 71% in the fourth quarter, five points above that in the fourth quarter 2008. Selling prices fell significantly (8%), although part of this decrease was due to the dynamism of Consulting Services in Latin America, where the business more than doubled revenues but selling prices are considerably below those in other countries, thereby diluting the average. Despite this fall in revenues, Consulting Services successfully maintained its operating margin rate at 11.4%, down only 1.4 points on 2008.

1.3 Headcount

At December 31, 2009, the total Group headcount was 90,516 compared to 91,621 one year earlier, representing a relatively limited decrease of 1,105 employees (-1.2%), reflecting:

- 13,615 additions, comprising:
  - 13,072 new hires (including 5,762 in India, 1,287 for Sogeti and 942 in Poland);
  - and 543 transfers in connection with (i) small Group acquisitions (particularly the acquisition of IACP which provides the Group with a presence in Vietnam) and (ii) Outsourcing Services contracts signed with certain clients;
- and 14,720 departures comprising:
  - 9,467 resignations (as is usual in periods of economic crisis, the attrition rate fell 7 points to 10% from 17% in 2008);
  - 250 transfers outside the Group following business divestments or the end of certain Outsourcing Services contracts;
  - 5,003 layoffs and unsuccessful trial periods.

1.4 Order book

New orders recorded during the year totaled €9,280 million, down 2% like-for-like on 2008. Activity remained particularly dynamic in Outsourcing Services (+14%) and was maintained at an acceptable level in the other businesses, where the book-to-bill ratio remained greater than 1.

1.5 Other significant events

- The **redeemable share subscription or purchase warrants** (BSAAR) issue launched by the Group in May 2009 and targeting key managers of the Group was a great success, as evidenced by a subscription rate of 130%. All 2,999,000 warrants issued were therefore purchased by 629 managers from 22 countries. The majority of eligible managers thus risked a personal investment of €15,000 on average, to be more closely tied to the development of the Group and its stock market performance. These 629 managers included all members of the Executive Committee and close to 90% of the 100 top managers of the Group.

- On **September 17, 2009,** Capgemini Australia announced the signature of an agreement to acquire the Australian software testing company Nu Solutions. Thanks to this acquisition, Capgemini is now the leader in the Australian managed testing services market, has enriched its client portfolio in the "financial services" sector and has strengthened its presence in the Australian public sector.

- On **October 29, 2009,** following five years of successful service and program delivery, Capgemini Group strengthened its partnership with its main client, Her Majesty's Revenue & Customs (HMRC), the UK's tax authority, which undertook to channel its main IT expenditure through the Aspire contract in return for a reduction in its IT running costs.

- On **November 5, 2009,** Capgemini announced the launch of five global service offerings in highly promising market segments, aimed at increasing the order book by €800 million in 2010. Two new service lines were created, one in November regarding data management (Business Information Management) and one in December dedicated to applications development and maintenance (Application Lifecycle Services). Before the end of March 2010, three additional offerings will be launched focusing on applications testing (Testing, undertaken jointly by Capgemini and its subsidiary Sogeti), smart meters and networks (Smart Energy Services), and assisting clients with virtualization and cloud computing (Infostructure Transformation Services).

- On **December 16, 2009,** Cap Gemini increased its share capital as part of an international share ownership plan reserved for employees and concerning 6 million new shares, ranking for dividends from January 1, 2009 and issued at a price of €27.58. These shares were subscribed for a total amount of €165,480 thousand. Here again, the success of this issue represents a major sign of employee confidence in the Group's future and resulted in a substantial increase in the portion of Group share capital held by employees (close to 4% on December 16). It also bears witness to the truly multi-cultural nature of Capgemini, as there were subscribers in all countries (19) where the plan was available. Quite naturally, the majority of subscribers belong to the four major regions of the Group (France, the United States, the Netherlands and the United Kingdom) however, it is interesting to note that 10% of our Indian employees and 7% of our Chinese employees subscribed to the share issue.

II - COMMENTS ON THE CAPGEMINI GROUP CONSOLIDATED FINANCIAL STATEMENTS

2.1 Consolidated Income Statement

Consolidated revenues totaled €8,371 million for the year ended December 31, 2009, down 3.9% on 2008 (and 5.5% like-for-like that is, at constant exchange rates and Group structure), while **operating expenses** (€7,776 million) fell only 2.4%.

An analysis of costs by nature reveals:

- a decrease of €148 million (-2.8%) in personnel costs despite an increase in the average headcount of 3,743 employees (4.3%): this was the direct consequence of the expansion of our resources in low production cost countries, generating a fall in the gross average salary of a Group employee from €3,813 per month in 2008 to €3,575 per month in 2009, a decrease of 6.2%. Three years ago, in 2006, the gross average salary was €4,440 per month, 25% higher. Overall for 2009, the "Salaries and payroll taxes" account (excluding travel expenses) represented 58% of consolidated revenues compared to 56.7% last year, an increase of 1.3 points. Conversely, travel expenses, which are tightly controlled, now represent only 3.9% of revenues compared to 4.5% in 2008 and 4.5% in 2007,
- an increase of 0.3 points in the "purchases/sub-contracting" account (24.9% of revenues) and the "rental expenses" account (3.6% of revenues).

An analysis of costs by function reveals that:

- the cost of services rendered fell only €112 million, while revenues fell €339 million; the weight of this account therefore increased from 74.4% to 76.1% of revenues;
- gross margin is therefore only 23.9% compared to 25.6% in 2008;
- selling costs are unchanged in amount on 2008 and represent 7.5% of revenues;
- measures rolled-out in recent years to scale back administrative expenses produced a further decrease of €75 million (-8.8%): these expenses now represent only 9.3% of revenues, compared to 9.8% in 2008 and 10.7% in 2007.

The **operating margin** is €595 million (7.1% of revenues), compared to €744 million (8.5% of revenues) last year.

Other operating income and expense represented an overall net expense of €262 million in 2009, up 66% on the 2008 net expense of €158 million. Restructuring costs alone increased €110 million on 2008 (€213 million compared to €103 million), 70% of these costs correspond to layoffs necessitated by an unfavorable economic climate, particularly in the Netherlands and Spain. The remaining balance comprises:

- costs of €52 million associated with streamlining the Group's real estate assets, mainly in the Netherlands, the United Kingdom and France;
- industrialization and migration costs of €10 million associated with the implementation of "rightshoring" solutions, mainly in the Netherlands and the United States.

Other operating expenses include costs of €16 million for the integration of companies acquired in 2008 (mainly the integration of BAS B.V. purchased on December 1, 2008) and an impairment of €12 million on goodwill in respect of a German subsidiary.

The combination of the fall in the operating margin and the hike in other operating income and expenses produced a substantial drop in **operating profit** (€333 million in 2009, compared to €586 million in 2008, a fall of 43%).

Net finance costs represented 1.2% of revenues in 2009 (€93 million against €19 million last year), compared to an average of 0.2% over the last three years. This poor result is partly due to the marked drop in the rate of return on cash investments and partly to the additional financial expenses generated by the OCEANE bond issue performed on April 20, 2009 pursuant to the "principle of precaution". This downturn was further accentuated by an increase (particularly in the United Kingdom) in the finance cost on defined benefit pension obligations, itself due to the substantial fall at the end of 2008 in the value of financial assets combined with a decrease in the average rate of return expected on plan assets.

The income tax expense was €61 million in 2009, close to half the 2008 expense (€116 million). The current income tax expense is €24 million (€87 million en 2008), representing the net balance of income tax paid of €53 million (€37 million in taxes on profits - mainly in the Netherlands, India, Canada and Germany - and €16 million in taxes not based on profits payable in North America, India, Italy and France) and current income tax repayments of €29 million recorded in the Netherlands, France and the United Kingdom. The remaining €37 million (€29 million in 2008) corresponds to the net deferred tax expense and primarily relates to:

- the utilization of tax loss carry forwards against taxable income (€67 million), mainly in France (€46 million), the United Kingdom and Germany;
- the recognition of net deferred tax income of €18 million on temporary differences;
- the recognition of deferred tax assets for €6 million on tax losses available for carry forward incurred during the period.

Profit for the year is €178 million in 2009, only 40% of the profit of €451 million realized in 2008. Basic earnings per share is €1.23, compared to €3.14 in 2008 (diluted earnings per share is €1.22, based on 157,065,374 shares, compared to €2.97 based on 156,466,779 shares at December 31, 2008).

2.2 Consolidated Statement of Financial Position

Total equity totaled €4,213 million at December 31, 2009, representing a €274 million increase on end-2008, chiefly attributable to:

- profit for the year of €178 million;
- the three share capital increases for a total of €225 million (net of issue costs) resulting from the set up of an employee share ownership plan named ESOP (for €164 million), the exercise of stock options (for €52 million) and finally the issue of redeemable share subscription or purchase warrants (BSAAR) for €9 million;
- the matching entry to the expense relating to stock options, performance share grants and the employee share ownership plan (ESOP) for €19 million;
- the recognition in equity of actuarial losses arising on provisions for pensions and other post-employment benefits, net of deferred tax, for €120 million and the positive change in the fair value of cash flow hedges, net of deferred tax, for €27 million;
- the recognition of the "equity" component of the convertible bond issue performed on April 20, 2009 ("OCEANE 2009"), net of deferred tax, for €42 million;

- the payment of the 2008 dividend (€143 million);
- an increase in translation reserves for €42 million.

Fixed assets totaled €3,287 million at December 31, 2009, identical to the December 2008 figure. This stability stems in reality from several movements with offsetting impacts:

- a €24 million net increase in goodwill, generated by small acquisitions during the year for €11 million (including IACP Informatique in France and Vietnam), offset by the impairment of goodwill in Germany (for €12 million) and combined with translation gains of €26 million due to the appreciation of the pound sterling against the euro;
- a net decrease of €24 million in intangible assets due chiefly to total acquisitions (€26 million) of less than the amortization expense (€42 million) and the finalization of the purchase price allocation for companies acquired in 2008 (mainly BAS B.V.) leading to a decrease of €9 million;

- stable property, plant and equipment (dip of €1 million), with the depreciation expense for the year and disposals (€121 million and €27 million respectively) more than offsetting acquisitions (€139 million) and translation gains (€8 million).

Accounts and notes receivable totaled €2,067 million at December 31, 2009 compared to €2,396 million the previous year. Net of advances from customers and amounts billed in advance (and excluding work-in-progress) the figure came to €1,406 million (against €1,682 million at end-2008), representing 60 days' worth of 2009 revenues (67 days at end-2008, an improvement of 7 days). This reduction in payment periods can be observed across all Group regions, but is particularly marked in Benelux.

Accounts and notes payable, consisting mainly of trade payables, amounts due to personnel and accrued taxes (other than on income), stood at €2,026 million at December 31, 2009, compared to €2,096 million at December 31, 2008.

Provisions for pensions and other post-employment benefits totaled €680 million at December 31, 2009, compared to €503 million at December 31, 2008. This €177 million increase was mainly due to an actuarial loss of €159 million recognized mainly in the United Kingdom and the United States and resulting from the decrease in the discount rate applied to obligations in 2009, partially offset by an increase in plan assets following the rally in the financial markets in 2009.

Consolidated cash and cash equivalents totaled €2,597 million at December 31, 2009, compared to €1,805 million at end-2008. This €792 million can mainly be attributed to:

- cash generated by operating activities during the period (€495 million);
- a net cash inflow of €564 million generated by the "OCEANE 2009" bond issue;
- a cash outflow of €263 million for the early partial redemption of the "OCEANE 2003" bond issue;
- the payment of 2008 dividends (€143 million);
- cash outflows for the purchase of property, plant and equipment, net of disposals, for €95 million and a few acquisitions of small companies for an amount net of cash acquired of €11 million;
- a positive exchange impact from the translation of the different foreign currency cash items into euros for €60 million.

Borrowings totaled €1,328 million compared to €1,032 million at December 31, 2008. This €296 million increase is mainly due to the "OCEANE 2009" bond issue (with a debt component of €510 million), partially offset by the early partial redemption of the "OCEANE 2003" bond issue (€258 million).

Consolidated net cash and cash equivalents stood at €1,269 million at December 31, 2009, compared to €774 million one year previously (+€495 million).

III - OUTLOOK FOR 2010

While the IT services market was hit, particularly in the second half of 2009, by a substantial slump in demand, it would appear to be stabilizing in the first half of 2010. The Group has, in particular, noted that clients are once again showing a certain appetite for larger projects. At the same time, we note in several geographic areas a turnaround in the attrition rate, which generally reflects an upturn in activity (employees headhunted and more ready to accept job offers). As comparative figures for the first half of 2009 remain high, Capgemini will record a further fall in revenues in the first half of 2010, before a return to growth in the second half of the year. For 2010 as a whole, the Group forecasts a slight contraction in revenues of between 2 and 4% on a like-for-like basis, with an operating margin rate of between 6 and 6.5%.

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

4.1 Income Statement

The Company's operating income for the year ended December 31, 2009 amounted to €199 million (including €198 million in royalties received from subsidiaries), compared with €202 million for 2008 (including €201 million in royalties).

Operating profit remained stable at €164 million in 2009, compared to €163 million last year, despite the fall in royalties received from subsidiaries, which was offset by a decline in operating expenses and particularly advertising campaign costs (deployed primarily in 2009 on Internet media).

Net financial income is significantly below the 2008 figure (mainly due to the sharp drop in rates of return on cash investments), but remained positive at €31 million, reflecting:

- €99 million in income relating mainly to dividends received from subsidiaries (€44 million), interest income on cash investments (€14 million), swap interest relating to the 2003 OCEANE bond issue (€12 million), interest on loans granted to subsidiaries (€8 million) and finally provision reversals (€19 million).
- €68 million in expenses primarily corresponding to the interest expense relating to the 2003, 2005 and 2009 OCEANE bond issues (€32 million), amortization of the bond redemption premium (€9 million) and a charge to provisions for investments in a French subsidiary (€18 million).

After net non-recurring income of €2 million (compared to a €17 million expense in 2008), which was mainly attributable to the capital gains and losses on disposal of investments and after a tax benefit of €27 million, the Company reported a net profit of €224 million in 2009, compared with €260 million in 2008.

4.2 Balance sheet

Net investments rose from €8,128 million at December 31, 2008 to €8,181 million at end-2009. This €53 million increase is mainly attributable to:

- share capital increases of certain European subsidiaries in the amount of €116 million (of which €50 million in France and €40 million in Spain);
- partial or full repayment of several loans granted to subsidiaries in the amount of €40 million;
- a provision for impairment of investments in a French subsidiary in the amount of €18 million.

Shareholders' equity stood at €8,134 million, representing a €307 million increase on the previous year-end. This rise essentially corresponds to the difference between

- profit for 2009 (€224 million) plus:
  - the exercise of 2,332,459 stock options by Group employees resulting in the payment of €52 million to the Company;
  - the share capital increase reserved for employees totaling €164 million net of expenses,
  - and the grant of redeemable share subscription or purchase warrants (BSAAR) resulting in the payment of €9 million to the Company net of expenses
- and the May 11, 2009 dividend payment of €1 per share on the 145,844,938 shares making up the Company's share capital at December 31, 2008, representing a total payment of €144 million (taking into account the 2 million treasury shares held by the Company at the dividend payment date).

Borrowings totaled €1,679 million at December 31, 2009, up €221 million compared to December 31, 2008. This increase was mainly attributable to

- the April 20, 2009 issue of new bonds convertible/exchangeable into new or existing Cap Gemini shares (OCEANE 2009) in the amount of €575 million,
- the concomitant partial redemption of the OCEANE bonds issued in June 2003 (OCEANE 2003) in the amount of €263 million,
- the €71 million decrease in bank overdrafts following the change in the Group's cash pooling arrangement (Cash Pooling International), for which the Company acts as the centralizing entity
- finally the reduction in the Group's outstanding inter-company loans in the amount of €26 million.

Cash and cash equivalents net of financial debt came to negative €140 million at December 31, 2009, representing a substantial improvement on the negative balance of €358 million a year earlier, due to:

- the collection of brand royalties in the amount of €213 million,
- the €225 million, net of expenses, generated by the share capital increase reserved for employees (ESOP international share ownership plan), the exercise of stock options and the issue of redeemable share subscription or purchase warrants,
- payments relating to share capital increases carried out by several subsidiaries in the amount of €116 million in 2009
- the dividend payment totaling €144 million.

At December 31, 2009, external accounts payable of Cap Gemini S.A. totaled €820,000, of which €731,000 are not yet due. Group accounts payable not yet due totaled €5,654,000.

4.3 Appropriation of earnings

During its meeting of February 17, 2010, the Board of Directors decided to recommend to the Ordinary Shareholders' Meeting, the following appropriation of net profit for the year:

Net profit for 2009	€224,022,251.99
• allocation to the legal reserve which would then be entirely funded:	- €175,164.00
i.e. a balance of:	**€223,847,087.99**
• retained earnings of previous years:	€303,520,091.55
i.e. distributable earnings at December 31, 2009 of:	€527,367,179.54
therefore allocated to:	
• payment of a dividend of €0.80 per share :	€123,341,916.80
• retained earnings for the balance:	€404,025,262.74
giving a total of:	**€527,367,179.54**

It should be noted that this dividend of €0.80 for each of the 154,177,396 shares bearing interest on January 1, 2009, 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.

Considering the regulations set forth by Euronext Paris, the ex-dividend date will be Monday, May 31, 2010 and the dividend will be payable from Thursday, June 3, 2010. If, at the time of payment of the dividend, the Company still holds some of its own shares, the dividend amount for these shares will be allocated to retained earnings.

Pursuant to Article 243 bis of the French Tax Code, dividends paid over the past three fiscal years were as follows: €145,844,938 for 2008 (€1 per share); €145,425,510 for 2007 (€1 per share); €100,857,266.30 for 2006 (€0.70 per share). All of these dividends were fully eligible for the above-mentioned 40% tax rebate.

4.4 Share capital and ownership structure

In 2009, the Company's share capital increased from €1,166,759,504 to €1,233,419,168 following

- the issue of 2,332,459 shares through the exercise of stock options granted previously to Group employees;
- the issue of 5,999,999 shares subscribed under the share capital increase reserved for employees (ESOP).

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, no shareholder held, directly or indirectly, more than 5% of the Company's share capital or voting rights at year-end.

During the fiscal year:

- Crédit Suisse Groupe AG reported that it successively exceeded and fell below (indirectly through its subsidiaries) the 5% disclosure thresholds for the Company's share capital and voting rights,
- Société Générale reported that it successively exceeded (directly and indirectly) and fell below (directly) these 5% thresholds,
- FMR (Fidelity Investment) LLC reported that it fell below these 5% thresholds.

The breakdown of the Company's share capital as known at December 31, 2009 is provided on page 188 of this Reference Document.

4.5 Stock options

The VIth stock options plan, as authorized by the Extraordinary Shareholders' Meeting of May 12, 2005, expired on July 12, 2008. As the Board of Directors has not since sought the plan's renewal, no new stock options were therefore granted by the Board during fiscal year 2009.

In the event of a notice of authorization of a takeover bid or exchange offer for some or all of the Company's shares published by Euronext, option holders will be entitled, if they so wish, 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 2009, 2,332,459 shares were subscribed (2,239,594 shares on exercise of options granted under the Vth Plan and 92,865 shares on exercise of options granted under the VIth Plan). 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 Performance shares

The Extraordinary Shareholders' Meeting of April 17, 2008 authorized the Board of Directors to grant "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. It is authorized that up to a maximum of 5% of this total number of performance shares (i.e., 0.05% of the share capital) may also be granted 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. Finally, these performance shares will only vest at the end of:

- a period of two years, in which case the beneficiary will undertake 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 grant, will be equal to the number of shares indicated on the grant 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 granted to certain employees, excluding members of senior management comprising the Group Management Board, subject to a maximum of 15% of the total number of shares granted and of 1,000 shares per beneficiary.

As you were notified last year in the Board's management report to the Combined Shareholders' Meeting of April 30, 2009, the Board of Directors used this authorization to grant 1,148,250 shares on March 5, 2009, i.e., 0.79% of the share capital duly noted at the date of this decision. This percentage is below the ceiling of 1% set by this authorization. As this was the only grant performed in this respect, it should be noted that out of this total:

- 1,083,500 performance shares were granted to 440 Group employees; and
- 64,750 shares (i.e. 5.64% of the total amount of shares granted, below the 15% maximum threshold set pursuant

to the authorization) not subject to performance conditions were granted to 69 employees, none of whom are members of the Group Management Board. The maximum number of shares not subject to performance conditions granted to each beneficiary is less than or equal to 1,000.

Out of the 1,083,500 performance shares, 50,000 shares were granted to Paul Hermelin, Chief Executive Officer of the Company, i.e. an amount well below the maximum of 5% of the total set by the Combined Shareholders' Meeting and representing a potential dilution of 0.03% at December 31, 2009. These 50,000 performance shares may not be sold by Paul Hermelin until the end of his term as corporate officer and the Capgemini grant policy strictly forbids the use of hedging instruments.

Note also, that in a desire to maintain the high level of motivation of Group employees and managers and therefore align their interests and concerns with those of the shareholders, you authorized the Board of Directors last year to grant new performance shares, for the same amounts and under similar conditions, during a maximum period of 18 months (i.e. until October 31, 2010). We confirm that the Board did not use this authorization during fiscal year 2009.

4.7 Redeemable share subscription or purchase warrants

The Extraordinary Shareholders' Meeting of April 17, 2008 authorized the Board of Directors to issue redeemable share subscription or purchase warrants (BSAAR) to employees and executive officers of the Company and its subsidiaries, with no pre-emptive subscription rights for shareholders, and under the following conditions:

- a maximum par value issue amount of €24 million, or a total maximum number of 3 million shares with a par value of €8;
- approval by the Board of Directors (after prior review by the Selection and Compensation Committee) of the list of persons authorized to subscribe, the maximum number of warrants that may be subscribed by each beneficiary and all the features of these warrants (particularly the subscription price determined – after an opinion has been issued by an independent expert – according to the various criteria impacting its value, and primarily the strike price, the period of non-transferability, the exercise period, the trigger rate, the redemption period, the interest rate, the dividend distribution policy of the Company, the share price and volatility, etc. the issue methods, as well as the terms and conditions of the issuance agreement, it being specified that a warrant shall confer entitlement to subscribe to - or purchase - one Company share at a price equal to a minimum of 120% of the average closing price of the Company's share for the 20 trading days prior to the date on which all these methods, terms and conditions have been approved).

The Board of Directors used this authorization by approving, on April 29, 2009, the principle of an issue of Redeemable Share Subscription or Purchase Warrants, the list of eligible beneficiaries (employees and corporate officers of the Group and its French and foreign subsidiaries) offered the opportunity to subscribe and the maximum number of warrants to be subscribed by each beneficiary both as of right and above and beyond such rights.

On May 13, 2009, as authorized by the Board of Directors, the Chief Executive Officer set the subscription period from May 14 through June 17, 2009, the subscription price (€3.22 per warrant) and the price for the subscription or purchase of one share through the exercise of the warrants (€34, or 129.33% of the average closing price of the Company's share, ex-dividend, for the 20 trading days prior to May 13, 2009, i.e. an average of €26.29), as well as the final terms and conditions of the issue (see Note 9 / C to the consolidated financial statements). The expert appointed by Cap Gemini issued an independent opinion on this subscription price of €3.22, and concluded that it was reasonable on the grounds that it fell within the range of market value estimates obtained from his own valuation work.
Subscription requests from eligible beneficiaries exceeded the offer and 2,999,000 Redeemable Share Subscription or Purchase Warrants were subscribed in total by 629 of the eligible beneficiaries (including 63,990 by Paul Hermelin).

4.8 Employee shareholdings

Pursuant to the 13th resolution adopted by the Combined Shareholders' Meeting of April 30, 2009, on December 16, 2009, the Company carried out a share capital increase reserved for employees and corporate officers of the Company and its French and foreign subsidiaries who are members of the Capgemini Group Savings Plan. Around 14,000 Group employees in 19 countries subscribed to this share capital increase, either directly or indirectly through the Employee Savings Mutual Fund (FCPE). Pursuant to Article L. 225-102 of the French Commercial Code, the Board of Directors notes that at December 31, 2009, the employees and officers who subscribed to the capital increase under a Capgemini Group Savings Plan together held 3.71% of the Company's share capital.

Finally, to satisfy the requirements of the laws governing employee savings plans, you are asked to authorize the Board of Directors, assuming that it shall use one of the authorizations to increase share capital, to decide whether or not to reserve a portion of such increase for members of Group Savings Plans, bearing in mind that this could only concern a maximum of 1,500,000 new shares.

4.9 Authorization to buy back the Company's shares

Shareholders are reminded that last year, the Ordinary Shareholders' Meeting renewed the authorization granted to the Company to buy back its shares. This authorization was used in 2009 in connection with the ongoing liquidity agreement with CA Cheuvreux. The purpose of this agreement is to improve the liquidity of the Cap Gemini share and stabilize the share price. In 2009, CA Cheuvreux acquired 1,146,861 Cap Gemini shares on behalf of Cap Gemini S.A., at an average price of €28.29 per share, representing 0.74% the share capital at December 31, 2009. During the same period, CA Cheuvreux also sold 1,402,861 Cap Gemini shares at an average price of €28.72 per share equivalent to 0.91% of the share capital at December 31, 2009. At the year-end, the liquidity account balance comprised 121,000 treasury shares (0.08% of the share capital) and approximately €10 million.

Shareholders are reminded that Cap Gemini S.A. purchased 2,000,000 of its own shares, representing 1.3% of the share capital, between January 17 and January 25, 2008, at an average price of €34.48 per share. These purchases were aimed at neutralizing part of the potential dilution relating to employee share-based incentive instruments.

This total of 2,121,000 shares represents €72,684,128 on the basis of their average acquisition price (€34.27) and €67,808,370 on the basis of the closing price for Cap Gemini shares on December 31, 2009 (€31.97).

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

- provide market-making and liquidity for the Cap Gemini share within the scope of a liquidity agreement;
- grant shares to employees and corporate officers (on the terms and by the methods provided for by law), in particular in connection with a plan involving the grant of performance shares, the company savings plan or an international employee share ownership plan;
- grant shares to holders of securities conferring entitlement to the capital of the Company upon exercise of the rights attached thereto in accordance with the applicable regulations;
- purchase shares to be retained with a view to remitting them in the future in exchange or payment for potential external growth transactions;
- 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 share capital, at a maximum price of €51 per share, these purchases taking place within the scope of:

- Articles L. 225-209 and seq. of the French Commercial Code (which also authorize 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.

4.10 Compensation of corporate officers

(amounts before taxes)

in euros	Compensation in respect of 2008			Compensation in respect of 2009		
Serge Kampf : Chairman	Paid in 2008	Paid in 2009	Total	Paid in 2009	Paid in 2010	Total
Gross fixed compensation	840,000	-	840,000	840,000	-	840,000
Variable compensation	-	617,000	617,000	-	399,000	399,000
Exceptional compensation	n/a	n/a	n/a	n/a	n/a	n/a
Attendance fees	35,000	35,000	70,000	n/a	n/a	n/a
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	n/a	n/a	n/a	n/a	n/a	n/a
TOTAL	**875,000**	**652,000**	**1,527,000**	**840,000**	**399,000**	**1,239,000**
Paul Hermelin : Chief Executive Officer	Paid in 2008	Paid in 2009	Total	Paid in 2009	Paid in 2010	Total
Gross fixed compensation	1,320,000	-	1,320,000	1,320,000	-	1,320,000
Variable compensation	-	982,800	982,800	-	624,500	624,500
Exceptional compensation	n/a	n/a	n/a	n/a	n/a	n/a
Attendance fees	24,000	24,000	48,000	n/a	n/a	n/a
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	n/a	n/a	n/a	n/a	n/a	n/a
TOTAL	**1,347,600**	**1,006,800**	**2,354,400**	**1,323,600**	**624,500**	**1,948,100**

As is the case for nearly all of the Group's managers and in accordance with a formula in effect practically more than 30 years, the "theoretical" compensation (i.e. if objectives are exactly met) of the two executive corporate officers comprises:

- a fixed portion, equal to 60% of the "theoretical" total,
- a variable portion, equal to 40% of this total.

  This variable portion can be further divided into two equal halves:
  - V1 calculated based on a comparison of the Group's consolidated results for the fiscal year (revenues, operating margin, common and corporate costs) and the same results forecast in the budget (A/B). The V1 portion can be between 0% and 200% of its "theoretical" amount: it is nil when the above calculation corresponds to a weighted result of less than 50% of the budget, is limited to twice this theoretical amount when the performance is equal to or more than 120% of the Group's budget and varies on a straight-line basis between these two amounts.
  - V2 calculated based on the percentage achievement of a certain number of personal objectives set at the beginning of the fiscal year by the Board of Directors (seven for Serge Kampf and also seven for Paul Hermelin in 2009). These objectives are each assigned a coefficient, the total of which is 100: at the year-end, individual performance for each objective is graded from 0% to 200%, and the total number of points determines the actual V2 amount payable with respect to the "theoretical" amount.

Total actual compensation can therefore vary from 60% (fixed + V1 and V2 variable components both equal to nil) to 140% of the "theoretical" total (fixed of 60% + V1 and V2 variable components both equal to the maximum two-times the theoretical amount).

For 2009, the results of these calculations were as follows:

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

- for the V1 portion, the calculation of the percentage attainment of the Group's three financial objectives used as measurement instruments gave a combined total of 70.91/100, corresponding to a V1 portion for Serge Kampf of €280,000 x 0.7091 = €198,548.
- 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 gave a total of 107.2/100, corresponding to a V2 portion of €280,000 x 1.072 = €300,160.

Serge Kampf's 2009 variable compensation therefore came to €498,708, or 89.1% of his theoretical variable compensation (€560,000).

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

- for the V1 portion, the calculation of the percentage attainment of the Group's three financial objectives used as measurement instruments gave the same combined total of 70.91/100, representing a V1 portion for Paul Hermelin of €440,000 x 0.7091 = €312,004;
- 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 gave a total of 106.5/100, corresponding to a V2 portion of €440,000 x 1.065 = €468,600.

Paul Hermelin's 2009 variable compensation therefore came to €780,604, or 88.7% of his theoretical variable compensation (€880,000).

Following these calculations, Serge Kampf and Paul Hermelin, aware of the impact of the 2009 results – which are below the budget set at the beginning of the year – on the compensation of other Group managers, proposed to symbolically waive 20% of their respective variable compensation. The Board thanked them for this proposal which was finally accepted after discussion: the 2009 variable compensation of Serge Kampf and Paul Hermelin was therefore reduced to €399,000 (71.2% of theoretical variable compensation) and €624,500 (71.0% of theoretical variable compensation) respectively. As such, Serge Kampf's total compensation for 2009 was €1,239,000 (88.5% of his theoretical compensation of €1,400,000) and Paul Hermelin's total compensation for 2009 was €1,944,500 (88.4% of his theoretical compensation of €2,200,000).

It should be noted that:

- Serge Kampf and Paul Hermelin's performance appraisals for 2009 were discussed and assessed by the Selection & Compensation Committee (as in previous years), which submitted its recommendations to the Board of Directors where they were debated, approved and adopted;
- Serge Kampf and Paul Hermelin waived their right to collect attendance fees as Cap Gemini S.A. directors from January 1, 2009;
- 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 2009, 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 in the preceding table in "Benefits in kind");
- for the 21th consecutive year, Serge Kampf decided not to ask the Company to reimburse the expenses he incurred in 2009 in the performance of his duties (business travel, entertainment, etc.), with the exception of the TGV train travel between Paris and Grenoble, the historical headquarters of Cap Gemini, where he has kept his main office and where part of the Group's corporate affairs are still conducted;
- Serge Kampf has never requested and has never been awarded any stock options or performance shares;
- in 2009, Paul Hermelin was granted 50,000 performance shares by the Board of Directors;
- Paul Hermelin exercised during 2009, 70,000 of the options he had received as part of the October 2004 grant, that expired in September 2009.

Employment contract of executive corporate officers

The Board of Directors decided, based on the conclusions of the Selection and Compensation Committee, to continue to provide Paul Hermelin after the date of renewal of his current term as corporate officer, with the benefit of the employment contract which he signed with Cap Gemini in 1993. This contract was suspended in its entirety on May 24, 1996, the date on which Paul Hermelin received and accepted his initial term of office as member of the Management Board. The Board of Directors' decision not to terminate his employment contract is based on the sole desire to protect – given his seniority and the excellent services he has rendered to the Company over the last 17 years – Paul Hermelin's entitlement to pension benefits. This decision, which is in accordance with the AMF recommendation which states that "an issuer is in compliance with the code where the retention of the employment contract of an executive is justified by his length of service as an employee within the company and his personal position", is in no way made so that Paul Hermelin would be entitled to any severance pay stipulated in his employment contract, since his contract does not contain any such entitlement and is subject only to the general provisions of his collective bargaining agreement. In this respect the Board would highlight that

- neither the Chairman nor the Chief Executive Officer of the Company enjoy any specific compensation clause should they be asked to take early retirement as a result of one of its decision;
- Paul Hermelin has made a commitment to the Board of Directors to waive his employment contract when he reaches the age at which he may legally exercise his right to retire.

Executive corporate officers: position regarding employment contract and deferred remuneration	Employment contract	Supplementary pension scheme (please see below)	Indemnities and benefits following appointment, termination or change in function	Indemnities in respect of non-compete clause
Serge Kampf **Chairman** Term of office renewed on May 11, 2006 and ending at the 2010 Combined 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 Combined 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 made a major contribution to the Group's results over a long period of at least ten years. To be eligible for this scheme, beneficiaries must have ended their career within the Company. This scheme stipulates, in addition, 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 this 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 40.5% 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 2009.

Fiscal year 2010

Serge Kampf, noting the considerable pressure exercised on companies with a "dissociated" Chairman to remove any variable component from the latter's compensation (despite the existence of a variable component in a manager's compensation previously being considered as evidence of good man-management) and noting that an increasing number of these companies would appear ready to bow down to this pressure, he decided to propose to the Board of Directors a change to his 2010 remuneration structure to comprise only a fixed component. He also proposed to cap this fixed compensation at less than €1 million. The Board of Directors congratulated Serge Kampf and thanked him for this proposal and after finally accepting it, set Serge Kampf's compensation for 2010 at €960,000, highlighting that this represents a reduction of 31.4% on his 2009 "theoretical" compensation. It was also decided, at the recommendation of the Selection & Compensation Committee, to maintain Paul Hermelin's theoretical compensation unchanged (fixed + objective-based variable).

Attendance fees and other compensation received by corporate officers

Other than the attendance fees indicated below the thirteen non-executive corporate officers received no additional compensation (the rules governing the allocation of these attendance fees are presented on page 49 of the Registration Document).

in euros	Amount awarded in respect of 2008	Amount awarded in respect of 2009
Serge KAMPF	70,000	none
Daniel BERNARD	45,000	30,000
Yann DELABRIERE	59,000	53,000
Jean-René FOURTOU	50,000	34,000
Paul HERMELIN	48,000	none
Michel JALABERT	54,000	45,000
Phil LASKAWY*	45,000	27,000
Bernard LIAUTAUD *	n/a	31,000
Thierry de MONTBRIAL	51,000	51,000
Ruud van OMMEREN*	65,000	62,000
Terry OZAN*	45,000	42,000
Pierre PRINGUET	n/a	30,000
Bruno ROGER	45,000	39,000
TOTAL	**577,000**	**444,000**

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

The Board of Directors decided to continue to pay attendance fees to the three non-voting directors for 2009 (as in previous years), who therefore received the following compensation in respect of the last two years:

in euros	2008	2009
Pierre HESSLER	45,000	39,000
Marcel ROULET *	39,000	18,000
Geoff UNWIN **	33,000	33,000
TOTAL	**117,000**	**90,000**

* Marcel Roulet did not seek the renewal of his term of office by the Combined Shareholders' Meeting of April 30, 2009
** as required by law, the Company deducted withholding tax on the amounts paid to this non-resident beneficiary.

Attendance fees paid to directors and non-voting directors for 2009 amount therefore to €444,000 + €90,000 = €534,000 (or €485,250 after deduction of withholding tax on the amounts paid to non-resident beneficiaries) only 75% of the total amount of €700,000 authorized by the Combined Shareholders' Meeting of May 2006.

Stock subscription options, stock purchase options and performance shares

The tables below provide an overview of the performance shares granted to executive corporate officers in 2009 and historical information concerning stock options, bearing in mind no stock options were granted in 2009.

Performance shares granted during the year to executive corporate officers by Cap Gemini SA or other Group company	Plan number and date	Theoretical maximum number of shares granted during the year	Valuation of shares using the method adopted in the consolidated financial statements	Potential vesting date	Potential availability date
Serge KAMPF	n/a	n/a	n/a	n/a	n/a
Paul HERMELIN	1st plan	50,000	809,500	March 5, 2011	Obligation to hold shares definitively granted until the termination of corporate officer duties

Note also that the regulations of this first plan expressly forbid entering into any hedging arrangements in respect of the corresponding shares before the end of the holding period, equivalent to the restriction which also applies to stock option plans. Furthermore, all these plans reiterate the ban on selling shares during a period of one month and one day before the publication of the half-year and annual financial statements.

Historical information concerning stock options granted to corporate officers

Date of Shareholders' Meeting	05/23/00	05/12/05	05/12/05	05/12/05	05/12/05	05/12/05
Grant date	04/01/05	10/01/05	10/01/06	04/01/07	10/01/07	06/01/08
Plan number	5th plan	6th plan	6th plan	6th plan	6th plan	6th plan
Total number of shares granted	1,623,000	1,915,500	2,067,000	400,000	1,932,500	219,000
o/w granted to Serge Kampf	*0*	*0*	*0*	*0*	*0*	*0*
*o/w granted to Paul Hermelin **	*0*	*50,000*	*50,000*	*0*	*0*	*0*
o/w granted to the ten employees receiving the greatest number of shares	*220,000*	*109,000*	*200,000*	*86,000*	*114,000*	*60,000*
Start of exercise period	04/01/06	10/01/06	10/01/07	04/01/08	10/01/08	06/01/09
Expiry date	04/01/10	09/30/10	09/30/11	04/01/12	10/01/12	06/01/13
Subscription price (in euros)	27	30	43	55	44	40.5
Exercise conditions	10% after 1 year, 30% after 2 years, 60% after 3 years and 100% after 4 years					

* i.e. 0.06% of the maximum dilutive effect.

Complete historical information concerning stock options granted and share buy-backs is provided on pages 156 and 157 of the Registration Document.

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 options exercised during the year by executive corporate officers	Plan date and number	Number of options exercised during the year	Strike price	Exercise period
Serge KAMPF	n/a	n/a	n/a	n/a
Paul HERMELIN	5th 01/10/04	70,000	21	n/a

Performance shares newly available during the year to executive corporate officers	Plan date and number	Number of shares available during the year	Vesting conditions	Year of grant
Serge KAMPF	n/a	n/a	n/a	n/a
Paul HERMELIN	1st Plan	n/a	n/a	2009

Stock options granted by Cap Gemini S.A. to the ten employees (non-corporate officers) having received/exercised the greatest number of options are as follows:

Stock options granted to/exercised by the ten employees (non-corporate officers) having received the greatest number of shares	Total number of Stock options granted/ exerciced	Weighted average price	Plan number
Options granted during the year by Cap Gemini S.A. to the ten employees of all eligible companies having received the greatest number of shares	n/a	n/a	n/a
Options exercised (held previously by Cap Gemini S.A.), by the ten Group employees having exercised the greatest number of shares	236,750	23.08	5th and 6th plans

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

Performance shares granted to/exercised by the ten employees (non-corporate officers) having received the greatest number of shares	Total number of shares granted / exercised	Plan number
Performance shares granted during the year by Cap Gemini S.A. to the ten employees of all eligible companies having received the greatest number of shares	130,000	1st Plan
Shares exercised (held previously by Cap Gemini S.A.), by the ten Group employees having exercised the greatest number of shares	n/a	n/a

4.11 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 189 to 194 of the Registration Document.

4.12 Renewal of the terms of office of eight directors

The terms of office of 9 of the 13 directors comprising the Board of Directors were renewed for four years by the Combined Shareholders' Meeting of May 11, 2006: these terms of office therefore expire today.

Of these 9 directors, 8 have decided to seek renewal of their terms of office by the Combined Shareholders' Meeting. The ninth director, Mr. Jean-René Fourtou, has decided not to seek renewal due to the heavy workload associated with the role he continues to play within Vivendi, combined with numerous other commitments he has been unable to avoid elsewhere.

You are therefore asked today, to renew for a period of four years the terms of office of these 8 directors, by adopting each of the 8 resolutions submitted later in alphabetical order: Messrs. Yann Delabrière, Paul Hermelin, Michel Jalabert, Serge Kampf, Phil Laskawy, Ruud van Ommeren, Terry Ozan and Bruno Roger.

4.13 Appointment of a new director

You are asked to appoint Mrs. Laurence Dors as director for a period of four years, to replace Mr. Jean-René Fourtou.

After nine years (1990 to 1998) with the public sector (in the Ministry of Economy with Mr. Alphandéry, in the Cabinet Office of Mr. Juppé, Prime Minister and in the Ministry of Economy and

Finance with Mr. Strauss-Kahn), Mrs. Laurence Dors successively held executive management positions with Aérospatiale Matra, EADS and Dassault Systèmes before recently joining the Renault Group, as part of the CEO office.

4.14 Renewal of the terms of office of the two non-voting directors

The terms of office of the 2 non-voting directors currently sitting on the Board (Messrs. Pierre Hessler and Geoff Unwin) were renewed for two years by the Combined Shareholders' Meeting of April 17, 2008: these two terms of office therefore expire today and the Board of Directors propose their renewal for a period of two years.

4.15 Addition to the Bylaws

To enable the Board of Directors to appoint a Vice-Chairman from among its members, whose role would be to chair meetings of the Board of Directors or Shareholders' Meetings in the absence of the Chairman, you are asked to add this possibility to the Company's Bylaws.

4.16 Transactions carried out in 2009 by members of the Board of Directors and other senior managers involving Cap Gemini shares

Transactions carried out in 2009 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:

- Serge Kampf: did not perform any operations

- Paul Hermelin (Chief Executive Officer):
  - on June 26, 2009 sold 70,000 shares at a price of €25.45
  - on June 30, 2009 exercised 70,000 stock options at a price of €21;
  - on July 23, 2009 subscribed to 63,990 redeemable share subscription or purchase warrants at a price of €3.22.
  - on December 16, 2009 subscribed to Cap Gemini shares in the amount of €43,789.58 through the Capgemini Employee Savings Mutual Fund in connection with the employee share ownership plan for all eligible employees and corporate officers.

- Nicolas Dufourcq (Senior Executive Vice-President/Chief Financial Officer):
  - on June 3, 2009 exercised 25,000 stock options at a price of €21 and sold 25,000 shares at a price of €26.76;
  - on June 25, 2009 exercised 25,000 stock options at a price of €21 and sold 25,000 shares at a price of €25.11;
  - on July 23, 2009 subscribed to 63,990 redeemable share subscription or purchase warrants at a price of €3.22.
  - on December 16, 2009 subscribed to Cap Gemini shares in the amount of €23,787.57 through the Capgemini Employee Savings Mutual Fund in connection with the employee share ownership plan for all eligible employees and corporate officers.

- Alain Donzeaud (General Secretary):
  - on June 3, 2009 exercised 22,000 stock options at a price of €21 and sold 22 000 shares at the price of €27.51;
  - on July 23, 2009 subscribed to 28,064 redeemable share subscription or purchase warrants at a price of €3.22.
  - on December 16, 2009 subscribed to Cap Gemini shares in the amount of €8,099.72 through the Capgemini Employee Savings Mutual Fund in connection with the employee share ownership plan for all eligible employees and corporate officers.

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

A specific section of the Reference Document (see pages 23 to 43) entitled "Corporate Responsibility and sustainability", explains Group 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 (customers, suppliers and the general public at large).

VI - FINANCING POLICY AND MARKET RISKS

6.1. Financing policy and financial rating

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 Cap Gemini 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, Cap Gemini S.A. has pursued the dual aim of maintaining a solid financial structure and, to the extent possible, 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 (€2,597 million at December 31, 2009), 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, 2009, only 23% 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 syndicated credit line, use of leasing to finance property and IT equipment) and market financing (issue of OCEANE bonds convertible and/or exchangeable for new or existing shares for €437 million in June 2005 and €575 million in April 2009 (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, net of tax, as well as the potential dilutive impact for Cap Gemini S.A. shareholders, are determining factors for the Group in its choice of financing source.

Financial rating

The Group's ability to access financial and banking markets and the cost of accessing such markets for the implementation of its financing policy is partly dependant on its credit rating. The Company currently – and since January 21, 2008 – has a long-term credit rating of BBB- (stable outlook) attributed by the rating agency Standard & Poor's.

6.2. Market risks

Currency risks, interest rate risk, equity risk, liquidity risk and credit risk are set out in Note 23 to the consolidated financial statements of the Capgemini Group for the year ended December 31, 2009 in this Reference 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 4.9 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 (expiring therefore July 17, 2010) 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 par value amount of €1.5 billion for capital increases paid up by capitalizing reserves;
- a maximum par value amount of €465 million for capital increases with pre-emptive subscription rights, enabling the share capital to be increased to a maximum par value amount of approximately €1.6 billion, and a maximum of €3.5 billion in total issuance amounts;
- a maximum par value amount of €200 million for capital increases without pre-emptive subscription rights, enabling the share capital to be increased to a maximum par value amount of approximately €1.35 billion, and a maximum of €1.5 billion in total issuance amounts;
- a maximum aggregate par value 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 2009, the Board of Directors used one of these delegations of authority to issue 16,911,765 bonds convertible or exchangeable into new or existing shares (OCEANE) of the Company representing a nominal amount of €135 million (68% of the authorized amount of €200 million) and an issue amount of €575 million. The features of these bonds are described in detail in Note 16.11 to the consolidated financial statements.

In order that your Board remains in a position to initiate, should it appear useful or necessary and at the time it deems appropriate, the financial transactions best suited to the Company's requirements and at market conditions, we recommend that you replace its existing authorizations with several new similar authorizations but with adjusted dates and also supplement the system with two new authorizations to provide greater flexibility for market transactions:

- one authorization, for a maximum par value amount of €185 million, (approximately 15% of the share capital), to issue shares or securities conferring access to the share capital or granting a right to allocation of debt instruments, without pre-emptive subscription rights, in the form of a private placement and in accordance with the new provisions of Article L.225-136 of the French Commercial Code, as amended by Decree 2009-80 of January 22, 2009;
- the other authorization, for up to 10% of share capital annually, to issue shares or securities conferring access to the share capital or granting a right to allocation of debt instruments, without pre-emptive subscription rights, at a price at least equal to the weighted average of the last three stock market trading days preceding the price setting and less a potential maximum discount of 10%.

Lastly, in accordance with the AMF recommendation of July 6, 2009 – and eager as we are to always both comply with the principles of transparency and sound governance and respect shareholder rights – we ask you to approve specific resolutions for each type of transaction, namely:

- two separate resolutions involving on the one hand issues without pre-emptive subscription rights, with a public offering and, on the other hand, issues in the form of a private placement;
- two separate resolutions involving issues without pre-emptive subscription rights to provide payment for shares/securities tendered to a public exchange offer initiated by the Company (for up to €185 million or approximately 15% of share capital), or as payment for contributions-in-kind to the Company (for up to 10% of share capital).

The overall limits on the amounts of the issues that could be decided pursuant to these new delegations of authority would be slightly increased with respect to share capital increases with pre-emptive subscription rights (€500 million instead of the €465 million under the previous delegation), to take into consideration the significant increase in share capital over the last two years, bringing share capital to a maximum par value amount of approximately €1.7 billion (the maximum issuance amount remaining set at €3.5 billion).

Conversely, the maximum par value amount of a share capital increase without pre-emptive subscription rights would be reduced from €200 million to €185 million, bringing share capital to a maximum par value amount of approximately €1.4 billion, with the maximum issuance amount being reduced from €1.5 billion to €1.25 billion.

In other words, in the event the pre-emptive subscription right is eliminated, the maximum par value amount of share capital increases (the amount being reduced since the previous delegation) would be capped at approximately 15% of the share capital (as of December 31, 2009), a percentage also adopted for the new delegation of authority to increase share capital by a private placement.

Finally, the authorization to increase share capital by capitalizing reserves would not be changed, the maximum par value amount not exceeding €1.5 billion.

Accordingly, the share capital increases that could be performed under the delegations of authority you are asked to approve would be capped as follows:

- a maximum aggregate par value amount of €185 million, or approximately 15% of the share capital, and a maximum issuance amount €1.25 billion for all issues without pre-emptive subscription rights, i.e. (i) issues carried out by a public offering or by private placement at a price that is at least equal to the weighted average of the last three stock market trading days preceding the price setting and less a potential maximum discount of 5%, (ii) issues carried out at a price that is at least equal to the weighted average of the last three stock market trading days preceding the price setting and less a potential maximum discount of 10%, and (iii) issues in payment for shares/securities tendered to a public exchange offer initiated by the Company, or as payment for contributions-in-kind to the Company;
- a maximum aggregate par value amount of €500 million (instead of €465 million under the previous delegation) and a maximum issuance amount of €3.5 billion (unchanged) for all issues, with or without pre-emptive subscription rights, for securities convertible, redeemable, exchangeable or otherwise exercisable for new shares of the Company, or granting a right to allocation of debt instruments.

Any Greenshoe option will of course be included in these caps.

In the event that securities are issued without pre-emptive subscription rights, the Board of Directors may grant shareholders a non-transferable preferential right to subscribe for the securities within the timeframe and terms and conditions that it will determine.

Should the Board of Directors use one or more of these delegations of authority, the statutory auditors shall draw up a special report for the Combined Shareholders' Meeting.

A table summarizing the delegations of authority and powers granted by the Combined Shareholders' Meeting to the Board of Directors with regard to share issues is provided on pages 183 to 186 of the Reference Document.

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STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2009

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, 2009, 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the consolidated Group as at December 31, 2009, and of the results of its operations for the year then ended in accordance with IFRS as adopted by the European Union.

Without qualifying the opinion expressed above, we draw your attention to Note 1 to the consolidated financial statements describing the impact of new accounting standards applicable as from January 1, 2009.

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 abovementioned 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 €2,750 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 €887 million are recorded in the consolidated balance sheet. Notes 1-L and 12 to the consolidated financial statements describe the methods used to calculate the value of these assets. As part of our assessments, we verified the overall consistency of the information and assumptions used to perform these calculations.

These assessments were made in the context of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verification

In accordance with professional standards applicable in France, we have also verified the specific information required by law and given in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

The Statutory Auditors

Neuilly-sur-Seine, February 18, 2010

PricewaterhouseCoopers Audit

Edouard Sattler Serge Villepelet

Paris la Défense, February 18, 2010

KPMG Audit

Division of KPMG S.A.

Jean-Luc Decornoy Jacques Pierre

CONSOLIDATED INCOME STATEMENT

FOR THE LAST THREE FISCAL YEARS

in millions of euros	*Note*	2007 Amount	2007 %	2008 Amount	2008 %	2009 Amount	2009 %
Revenues	3	**8,703**	**100**	**8,710**	**100**	**8,371**	**100**
Cost of services rendered	4	6,518	74.9	6,478	74.4	6,366	76.1
Selling expenses	4	607	7.0	632	7.3	629	7.5
General and administrative expenses	4	938	10.7	856	9.8	781	9.3
Operating margin		**640**	**7.4**	**744**	**8.5**	**595**	**7.1**
Other operating income	5	2	-	20	0.2	7	0.1
Other operating expenses	5	(149)	(1.7)	(178)	(2.0)	(269)	(3.2)
Operating profit		**493**	**5.7**	**586**	**6.7**	**333**	**4.0**
Income from cash and cash equivalents	6	66	0.8	68	0.8	22	0.3
Gross finance costs	6	(70)	(0.8)	(66)	(0.8)	(65)	(0.8)
Net finance costs	6	(4)	-	2	-	(43)	(0.5)
Other financial income	7	35	0.4	86	1.0	75	0.9
Other financial expense	7	(38)	(0.4)	(107)	(1.2)	(125)	(1.6)
Net financial expense		**(7)**	**-**	**(19)**	**(0.2)**	**(93)**	**(1.2)**
Income tax expense	8	(48)	(0.6)	(116)	(1.3)	(61)	(0.7)
Share of profit of associates		2	-	-	-	(1)	-
Profit for the year		**440**	**5.1**	**451**	**5.2**	**178**	**2.1**
Weighted average number of ordinary shares			144,744,128		143,424,188		145,153,387
Basic earnings per share (in euros)	9		3.04		3.14		1.23
Weighted average number of ordinary shares (diluted)			159,292,070		156,466,779		157,065,374
Diluted earnings per share (in euros) (1)	9		2.84		2.97		1.22

(1) See Note 9. F) Earnings per share

BREAKDOWN OF INCOME AND EXPENSE RECOGNIZED DIRECTLY IN EQUITY

in millions of euros	2007	2008	2009
Exchange differences on translating foreign operations (1)	(171)	(105)	42
Remeasurement of hedging derivatives	4	(33)	29
Deferred tax on hedging derivatives	(1)	2	(2)
Actuarial gains and losses on defined benefit plans	(84)	(56)	(159)
Deferred tax on actuarial gains and losses	16	15	39
Other income	2	-	-
Other expenses	(6)	-	-
Total income and expense recognized directly in equity	**(240)**	**(177)**	**(51)**

Profit for the year (reminder)	**440**	**451**	**178**
If this income and expense recognized directly in equity had been recognized in profit or loss, profit for the year would have been as follows	**200**	**274**	**127**

(1) See Note - 23 Financial risk management, section I A Currency risk

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT DECEMBER 31 FOR THE LAST THREE FISCAL YEARS

in millions of euros	*Note*	December 31, 2007	December 31, 2008	December 31, 2009
Goodwill	10	2,577	2,726	2,750
Intangible assets	10	171	140	116
Property, plant and equipment	11	442	422	421
Total fixed assets		**3,190**	**3,288**	**3,287**
Deferred taxes	12	907	863	887
Other non-current assets	13	96	91	112
TOTAL NON-CURRENT ASSETS		**4,193**	**4,242**	**4,286**
Accounts and notes receivable	14	2,318	2,396	2,067
Other receivables and income tax	15	374	223	257
Short-term investments	16	1,594	1,290	2,109
Cash at bank	16	648	578	494
TOTAL CURRENT ASSETS		**4,934**	**4,487**	**4,927**
TOTAL ASSETS		**9,127**	**8,729**	**9,213**

in millions of euros	*Note*	December 31, 2007	December 31, 2008	December 31, 2009
Share capital		1,164	1,167	1,233
Additional paid-in capital		2,682	2,689	2,842
Retained earnings and other reserves		(435)	(368)	(40)
Profit for the year		440	451	178
TOTAL EQUITY (1)		**3,851**	**3,939**	**4,213**
Long-term borrowings	16	1,059	987	1,057
Deferred taxes	12	138	138	153
Provisions for pensions and other post-employment benefits	17	621	503	680
Non-current provisions	18	57	45	21
Other non-current liabilities	19	146	112	95
TOTAL NON-CURRENT LIABILITIES		**2,021**	**1,785**	**2,006**
Short-term borrowings and bank overdrafts	16	277	47	278
Accounts and notes payable	20	2,120	2,096	2,026
Advances from customers and billed in advance	14	743	639	567
Current provisions	18	28	20	28
Other payables and income tax	21	87	203	95
TOTAL CURRENT LIABILITIES		**3,255**	**3,005**	**2,994**
TOTAL EQUITY AND LIABILITIES		**9,127**	**8,729**	**9,213**

(1) Minority interests are negligible at December 31, 2009, 2008 and 2007

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE LAST THREE FISCAL YEARS

in millions of euros	*Note*	2007	2008	2009
Profit for the year		**440**	**451**	**178**
Impairment of goodwill	10	-	24	12
Depreciation, amortization and impairment of fixed assets	10-11	192	213	164
Net charges to provisions		(27)	(62)	(54)
Gains and losses on disposals of assets		5	3	4
Expense relating to stock options and share grants	5	22	22	19
Net finance costs	6	4	(2)	43
Income tax expense	8	48	116	61
Unrealized gains and losses on changes in fair value and other		1	(17)	18
Cash flows from operations before net finance costs and income tax (A)		**685**	**748**	**445**
Income tax paid (B)		**(79)**	**(94)**	**(56)**
Change in accounts and notes receivable, advances from customers and amounts billed in advance		(159)	(153)	294
Change in accounts and notes payable		70	12	(73)
Change in other receivables/payables		(20)	35	(115)
Change in operating working capital (C)		**(109)**	**(106)**	**106**
NET CASH FROM (USED IN) OPERATING ACTIVITIES (D=A+B+C)		**497**	**548**	**495**
Acquisitions of property, plant and equipment and intangible assets	10-11	(149)	(134)	(119)
Proceeds from disposals of property, plant and equipment and intangible assets		5	20	24
		(144)	**(114)**	**(95)**
Acquisitions of consolidated companies		(900)	(274)	(12)
Cash and cash equivalents of companies acquired		72	7	1
Net proceeds/payments on disposals/acquisitions of non-consolidated companies		1	-	3
Net proceeds/payments relating to other investing activities		(10)	(16)	(5)
Dividends received from associates		-	1	-
		(837)	**(282)**	**(13)**
NET CASH FROM (USED) IN INVESTING ACTIVITIES (E)		**(981)**	**(396)**	**(108)**
Proceeds from issues of share capital		34	10	225
Dividends paid		(101)	(143)	(143)
Net proceeds/payments relating to treasury share transactions		1	(75)	8
Proceeds from borrowing	16	11	10	569
Repayments of borrowings	16	(132)	(130)	(310)
Interest paid or received	6	22	29	(4)
NET CASH FROM (USED) IN FINANCING ACTIVITIES (F)		**(165)**	**(299)**	**345**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (G=D+E+F)	22	**(649)**	**(147)**	**732**
Effect of exchange rate movements on cash and cash equivalents (H)		(75)	(185)	60
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (I)	**16**	**2,861**	**2,137**	**1,805**
CASH AND CASH EQUIVALENTS AT END OF YEAR (G+H+I)	**16**	**2,137**	**1,805**	**2,597**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE LAST THREE FISCAL YEARS

in millions of euros	Number of shares	Share capital	Additional paid-in capital	Treasury shares (1)	Consolidated retained earnings and other reserves	Total income and expense recognized directly in equity(10)	Total Equity (2)
AT JANUARY 1, 2007	**144,081,808**	**1,153**	**2,659**	**(13)**	**(58)**	**(44)**	**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 (6)	-	-	-	(1)	-	-	(1)
Remeasurement and elimination of shares granted or available for grant to employees of the Capgemini Group (3)	-	-	-	4	(1)	-	3
Transactions with shareholders	**1,343,702**	**11**	**23**	**3**	**(83)**	**-**	**(46)**
Income and expense recognized directly in equity	**-**	**-**	**-**	**-**	**-**	**(240)**	**(240)**
Profit for the year	**-**	**-**	**-**	**-**	**440**	**-**	**440**
AT DECEMBER 31, 2007	**145,425,510**	**1,164**	**2,682**	**(10)**	**299**	**(284)**	**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 (6)	-	-	-	(73)	(2)	-	(75)
Remeasurement and elimination of shares granted or available for grant to employees of the Capgemini Group (3)	-	-	-	(1)	3	-	2
Transactions with shareholders	**419,428**	**3**	**7**	**(74)**	**(122)**	**-**	**(186)**
Income and expense recognized directly in equity	**-**	**-**	**-**	**-**	**-**	**(177)**	**(177)**
Profit for the year	**-**	**-**	**-**	**-**	**451**	**-**	**451**
AT DECEMBER 31, 2008	**145,844,938**	**1,167**	**2,689**	**(84)**	**628**	**(461)**	**3,939**
Increase in share capital upon exercise of options (3)	2,332,459	18	34	-	-	-	52
Increase in share capital under the employee share ownership plan (@ESOP)(4)	5,999,999	48	110	-	6	-	164
Valuation of performance shares, shares issued under @ESOP and stock options (3) (4) (5)	-	-	-	-	17	-	17
Issue of redeemable share subscription or purchase warrants (BSAAR) (7)	-	-	9	-	-	-	9
Dividends paid out for 2008	-	-	-	-	(143)	-	(143)
Adjustment to the number and value of treasury shares held under the share buyback program (6)	-	-	-	5	2	-	7
Remeasurement and elimination of shares granted or available for grant to employees of the Capgemini Group (3)	-	-	-	-	2	-	2
Equity component of the April 20, 2009 ("OCEANE 2009") bond issue (8)	-	-	-	-	42	-	42
Decrease in the equity component following the partial repurchase of the April 24, 2003 ("OCEANE 2003") bond issue (9)	-	-	-	-	(3)	-	(3)
Transactions with shareholders	**8,332,458**	**66**	**153**	**5**	**(77)**	**-**	**147**
Income and expense recognized directly in equity	**-**	**-**	**-**	**-**	**-**	**(51)**	**(51)**
Profit for the year	**-**	**-**	**-**	**-**	**178**	**-**	**178**
AT DECEMBER 31, 2009	**154,177,396**	**1,233**	**2,842**	**(79)**	**729**	**(512)**	**4,213**

(1) See Note I.K) Treasury shares.
(2) Minority interests are negligible at December 31, 2009, 2008 and 2007.
(3) The measurement and recognition of stock options is presented in Note 9.A) Stock option plans.
(4) On December 16, 2009, Cap Gemini S.A. issued 5,999,999 new shares under the employee share ownership plan, @ESOP (see Note 9.D) Employee share ownership plan - @ESOP)
(5) The measurement and recognition of performance shares is presented in Note 9.B) Performance share plan.
(6) See Note 9.E) Share buyback program.
(7) See Note 9.C) Redeemable share subscription or purchase warrants
(8) On April 20, 2009, Cap Gemini S.A. issued bonds convertible/ exchangeable into new or existing Cap Gemini shares ("OCEANE 2009", see Note 16 – Net cash and cash equivalents"). The equity component is presented net of related tax.
(9) Cap Gemini S.A. performed a partial early buyback of OCEANE bonds issued June 24, 2003 (see Note 16 – Net cash and cash equivalents), at the same time as the "OCEANE 2009" bond issue. This operation had a negative impact on reserves of €3 million and a negligible impact on the Income Statement. The equity component is presented net of related tax.
(10) Total income and expense recognized directly in equity comprises translation reserves, which presented a negative balance of €235 million at December 31, 2009, of €277 million at December 31, 2008 and of €172 million at December 31, 2007.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – Accounting policies

Pursuant to European Commission Regulation No.1606/2002 of July 19, 2002, the 2009 consolidated financial statements have been prepared in accordance with the international accounting standards issued by the International Accounting Standards Board (IASB), comprising International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and the related interpretations endorsed by the European Union at December 31, 2009 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, 2009. This essentially concerns IFRS 3 revised, *Business Combinations*, and IAS 27 revised, *Consolidated and Separate Financial Statements*. Early adoption of these standards in 2009 would not have substantially altered the Group consolidated financial statements.

The accounting policies applied by the Group are unchanged on those applied for the preparation of the 2008 consolidated financial statements. IAS 1 revised, *Presentation of Financial Statements*, IFRS 8, *Operating Segments* and the November 2009 amendment to IFRS 7, *Financial Instruments: Disclosures*, are applied for the first time in 2009.

Pursuant to IAS 1 revised, the Group has adopted a two statement presentation: a Consolidated Income Statement and a Breakdown of Income and Expense recognized directly in Equity.

Application of the amendment to IFRS 7 mainly led to the presentation in Note 24 - Financial Instruments, of the fair value hierarchy of financial assets and liabilities, in accordance with the principles set out in Note 1.M) Financial instruments.

With regards to IFRS 8, the study carried out on the first time application of this standard (see Note 1.S) Operating segments and Note 25 - Operating segments) reached the following conclusions:

- in its segment reporting, the Group presents segment information by geographic area and operating performance indicators by business segment.
- the cash-generating unit corresponding to Sogeti's "Local professional services" business was reallocated to the cash-generating units of the geographic areas in which the Group is located.

The consolidated financial statements for the year ended December 31, 2009 and the notes thereto were approved by the Board of Directors on February 17, 2010. The consolidated financial statements become definitive after their approval by the Combined Shareholders' Meeting, scheduled for May 27, 2010.

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 and assets and liabilities of jointly-controlled companies on a line-by-line basis, based on the Group's percentage interest in their capital.

Investments in associates over whose management Cap Gemini S.A. directly or indirectly exercises significant influence, without however exercising full or joint control, are accounted for by the equity method. This method consists of recording the Group's share in profit for the year of the associate in the Income Statement. The Group's share in net assets of the associate is recorded under "Other non-current assets" in the Consolidated Statement of Financial Position.

Details of the scope of consolidation are provided in Note 30 - List of the main consolidated companies by country.

All consolidated companies prepared their accounts at December 31, 2009 in accordance with the accounting policies and methods applied by the Group.

Inter-company transactions are eliminated on consolidation, as well as inter-company profits.

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

B) Use of estimates

The preparation of financial statements involves the use of estimates and assumptions which may have an impact on the reported values of assets and liabilities at the period end or on certain items of either the net result or the income and expenses recognized directly in equity for the year. Estimates are based on economic data and assumptions which are likely to vary over time and are subject to a degree of uncertainty. They mainly concern revenue recognition on fixed-price contracts accounted for on a percentage-of-completion basis, recognition of deferred tax assets, measurement of the recoverable amount of assets, pensions and other post-employment benefit obligations, the fair value of derivatives, and current and non-current provisions.

C) Foreign currency translation

The consolidated financial statements presented in this report have been prepared in euros.
The Consolidated Statements of Financial Position of subsidiaries denominated in foreign currencies are translated into euros at year-end rates of exchange with the exception of equity accounts, which are carried at their historical values. Income statements denominated in foreign currencies are translated into euros at the average rates of exchange for the year. However, for certain material transactions, it may be relevant to use a specific rate of exchange. Differences arising from translation at these different rates are recognized directly in equity under "Translation reserves" and have no impact on the Income Statement.

Exchange differences arising on monetary items which form an integral part of the net investment in foreign subsidiaries are recognized in equity under "Translation reserves" for their net-of-tax amount.

Exchange differences on receivables and payables denominated in a foreign currency are recorded in operating income or expense or financial income or expense, depending on the type of transaction concerned.

The exchange rates used to translate the financial statements of the Group's main subsidiaries into euros are as follows:

	Average exchange rates			Year-end exchange rates		
	2007	**2008**	**2009**	**2007**	**2008**	**2009**
US dollar	0.73072	0,68361	0,71958	0,68064	0,70077	0,69745
Pound sterling	1.46177	1.25885	1.12282	1.36091	1.02192	1.10619
Canadian dollar	0.68154	0.64214	0.63110	0.69498	0.57445	0.66494
Swedish krona	0.10809	0.10418	0.09423	0.10584	0.09108	0.09713
Australian dollar	0.61179	0.57736	0.56623	0.59769	0.48555	0.62360
Norwegian krona	0.12476	0.12196	0.11465	0.12541	0.10055	0.12016
Indian rupee	0.01767	0.01573	0.01487	0.01733	0.01446	0.01491
Polish zloty	0.26447	0.28543	0.23133	0.27766	0.24155	0.24243

D) Consolidated income statement

Income and expense are presented in the Consolidated Income Statement by function to reflect the specific nature of the Group's business more accurately. 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 expenses from operating margin. Other operating income and expense include the charge resulting from the deferred recognition of the fair value of shares, 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:

- net finance costs, including interest on borrowings calculated using the effective interest rate, less income from cash and cash equivalents;
- other financial income and expense, which primarily correspond to the impact of remeasuring financial instruments at fair value when these relate to items of a financial nature, disposal gains and losses and the impairment of investments in non-consolidated companies, net interest costs on defined benefit pension plans, exchange gains and losses on financial items, and other financial income and expense on miscellaneous financial assets and liabilities calculated using the effective interest method;
- current and deferred income tax expense;
- share of profit of associates;
- share of minority interests.

E) Earnings per share

Earnings per share are measured as follows:

- basic earnings per share are calculated by dividing profit or loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period, excluding treasury shares. The weighted average number of ordinary shares outstanding is adjusted by the number of ordinary shares bought back or issued during the period and is calculated by reference to the date of redemption or issue of shares during the year;

- diluted earnings per share are calculated by dividing profit or loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding as used to calculate basic earnings per share, both items being adjusted, where appropriate, for the effects of all potential dilutive financial instruments corresponding to (i) stock subscription options, (ii) bonds convertible/exchangeable into new or existing Cap Gemini shares, (iii) redeemable share subscription or purchase warrants and (iv) performance 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 using 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 term of the contract as the services are rendered. When the services are made up of different components which are not separately identifiable, the related revenues are recognized on a straight-line basis over the term of the contract.
The related costs are recognized as they are incurred. However, a portion of costs incurred in the initial phase of outsourcing contracts (transition and/or transformation costs) may be deferred when they are specific to a given contract, relate to future activity on the contract and/or will generate future economic benefits, and are recoverable. These costs are allocated to work-in-progress and any reimbursement by the client is recorded as a deduction from the costs incurred.

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

Revenues receivable from these contracts are recognized in the Consolidated Statement of Financial Position under "Accounts and notes receivable" when invoiced to customers and "Accrued income" when they are not yet invoiced. Advances from customers and billed in advance are included in current liabilities.

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 fair value at the acquisition date and may be adjusted during the 12 months following this date.

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 Income Statement.

Goodwill is not amortized but tested for impairment at least annually, or more frequently when events or changes in circumstances indicate that it may be impaired.

B. Intangible assets

Computer software and user rights acquired on an unrestricted ownership basis, as well as software developed for internal use which has a positive, lasting and quantifiable effect on future results, are capitalized and amortized over three to five years.

The capitalized costs of software developed for internal use represent costs that relate directly to its production, i.e. the salary costs of the staff that developed the relevant software.

Finally, on certain business combinations, where the nature of the customer portfolio or the market share held by the entity and the nature of the business performed, should enable the entity to continue commercial relations with its customers as a result of efforts to build customer loyalty, customer relations are valued in intangible assets and amortized over the known term of contracts held in portfolio at the acquisition date.

H) Property, plant and equipment

The carrying amount of property, plant and equipment is recorded in assets in the Consolidated Statement of Financial Position and corresponds to the historical cost of these items, less accumulated depreciation and any impairment. No items of property, plant and equipment have been revalued. Buildings owned by the Group are measured based on the components approach.

Subsequent expenditure (costs of replacing and/or bringing assets into compliance) are capitalized and depreciated over the remaining useful lives of the relevant assets. Ongoing maintenance costs are expensed as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the relevant assets. It is calculated based on acquisition cost less any residual value.

Property, plant and equipment are depreciated over the following estimated useful lives:

Buildings	20 to 40 years
Fixtures and fittings	10 years
Computer equipment	3 to 5 years
Office furniture and equipment	5 to 10 years
Vehicles	5 years
Other equipment	5 years

Residual values and estimated useful lives are reviewed at each period end.

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

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 period end that their recoverable amount may be less than their carrying amount. Goodwill is tested for impairment at least once a year.
The impairment test consists of assessing the value in use of each asset or group of assets generating cash flows that are separate from the cash flows generated by other assets or groups of assets (cash-generating units). The cash-generating units identified by the Group are the geographic areas.
The assessment is notably performed using the discounted cash flows method and the recoverable amount of each cash-generating unit is calculated based on various assumptions used in the budget procedure and three-year strategic plan extrapolated over a period of five years, including growth and profitability rates considered reasonable. Standard discount rates (based on the weighted average cost of capital) and standard long-term growth rates for the period beyond five years are applied to all valuations of cash-generating units. These rates are determined based on analyses of the business segments in which the Group operates. When the recoverable amount of a cash-generating unit is less than its carrying amount, the impairment loss is deducted from goodwill to the extent possible and charged to operating profit under "Other operating expenses".

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 borrowings. The asset is depreciated over the period during which it is expected to be used by the Group and the obligation is amortized over the lease term. Deferred tax is recognized as appropriate.

K) Treasury shares

Cap Gemini S.A. shares held by the Company or by any consolidated companies are shown as a deduction from equity, at cost. Any proceeds from sales of treasury shares are taken directly to equity, net of the tax effect, so that the gain or loss on the sale has no impact on Income Statement for the period.

L) Deferred taxes

Deferred taxes are:

- recorded to take account of temporary differences between the carrying amounts of certain assets and liabilities and their tax basis.
- recognized in the Income Statement or equity in the period, depending on whether the related transaction or event is recognized in the Income Statement or equity.
- measured taking account of known changes in tax rates (and tax regulations) adopted or practically adopted at the year-end. Adjustments for changes in tax rates (or tax laws) to deferred taxes previously recognized in the Income Statement or in equity are recognized in the Income Statement or equity, respectively, in the period in which these changes become effective.

Deferred tax assets are recognized when it is probable that taxable profits will be available against which the recognized deferred tax asset can be utilized. The carrying amount of deferred tax assets is reviewed at each period end. This amount is reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which to offset all or part of the deferred tax asset to be utilized. Any such reduction is reversed when it becomes probable that sufficient taxable profit will be available.

Deferred tax assets and liabilities are offset if, and only if, the subsidiaries have a legally enforceable right to set off current tax assets against current tax liabilities, and when the deferred taxes relate to income taxes levied by the same taxation authority.

M) Financial instruments

Financial instruments consist of:

- financial assets, including certain other non-current assets, accounts receivable, certain other receivables, cash at bank and short-term investments;
- financial liabilities, including long- and short-term borrowings 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 term of the instrument, or, where appropriate, a shorter period to the

net carrying amount of the financial asset or liability at initial recognition. The effective interest rate takes into account all fees paid or received, transaction costs, and, where applicable, premiums to be paid and received. 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 Consolidated Statement of Financial Position at fair value.

The subsequent measurement of financial assets and liabilities is based on either their fair value or amortized cost depending on their classification in the Consolidated Statement of Financial Position. Financial assets measured at amortized cost are subject to impairment tests as soon as there are indicators of a loss in value. Any loss in value is recognized in the Income Statement.

The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Amortized cost corresponds to the initial carrying amount (net of transaction costs), plus interest calculated using the effective interest rate, less cash outflows (coupon interest payments and repayments of principal, and redemption premiums where applicable). Accrued interest (income and expense) is not recorded on the basis of the financial instrument's nominal interest rate, but on the basis of its effective interest rate.

Financial instruments (assets and liabilities) are derecognised 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 relevant companies;

(ii) *aides à la construction* (building aid program) loans in France, security deposits and guarantees, and other long-term loans;

(iii) receivables which are expected to be settled beyond the normal operating cycle of the business to which they relate;

(iv) non-current derivative instruments;

(v) long-term financial investments.

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 is recorded in "Income and expense recognized directly in equity" until disposal or impairment;
  - in the event of 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 the Income Statement;
  - when the impact of a change in fair value has previously been recognized in "Income and expense recognized directly in equity" and there is objective evidence that the shares are impaired, or in the event of disposal, the impairment loss or impact of derecognition of the shares is recognized in financial income and expense, and offset by the write-back of the amount previously recorded in "Income and expense recognized directly in equity";
- non-current derivative instruments, which are recognized at fair value (see below section c) Derivative instruments),
- long-term financial instruments, which are recognized at fair value.

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 relevant future payments are discounted.

Short-term investments and cash at bank

These items are carried in the Consolidated Statement of Financial Position at fair value at the year-end. The impact of changes in fair value is recognized in Income from cash and cash equivalents.

b. Recognition and measurement of financial liabilities

Long-term and short-term borrowings

Borrowings mainly consist of bond issues, loans granted by credit institutions and obligations under finance leases.

All borrowings are initially recognized at fair value in the Consolidated Statement of Financial Position, 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 is recorded in financial expenses in the Income Statement and corresponds to the theoretical interest charge calculated by applying the effective interest rate to the carrying amount of the borrowing. 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 term of the loan to the initial fair value of the liability component of the loan.

Other financial liabilities
Except for derivative instruments measured 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 mainly comprise forward foreign exchange contracts and interest rate swaps.
Derivative instruments are initially recognized at fair value. Except as described below in the case of instruments designated as cash flow hedges, changes in the fair value of derivative instruments, estimated based on market rates or data provided by bank counterparties, are recognized in the Income Statement at the period end.
When cash flow hedges are eligible for hedge accounting, changes in the fair value of the hedging instruments are recognized firstly in "Income and expense recognized directly in equity" and subsequently taken to operating profit when the hedged item itself impacts the Income Statement.

d. Fair value hierarchy
Financial instruments valued at fair value after initial recognition, that is financial instruments at fair value through profit or loss, available-for-sale assets and derivative instruments, can be classified according to the following three fair value levels:
- Level 1: quoted prices (unadjusted) in active markets for identical financial assets or liabilities,
- Level 2: inputs other than quoted prices in active markets, that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices),
- Level 3: inputs that are not based on observable market data.

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 borrowings. Account is also taken of the impact of hedging instruments when these relate to borrowings.

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 assumptions. These unfunded plans correspond mainly to retirement termination payments and healthcare assistance;
- funded plans, where the benefit obligation is covered by external funds. Group contributions to these external funds are made in accordance with the specific regulations in force in each country.

Obligations under these plans are generally determined by independent actuaries using the projected unit credit method. Under this method, each period of service gives rise to an additional unit of benefit entitlement and each of these units is valued separately in order to obtain the amount of the Group's final obligation.

The resulting obligation is discounted by reference to market yields on high quality corporate bonds, of a currency and term consistent with the currency and term of the post-employment benefit obligation.
For funded plans, only the estimated funding short-fall is covered by a provision.

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

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

The impact of discounting pension benefit obligations as well as the expected return on plan assets is recorded net in "Other financial income" or "Other financial expense".

Actuarial gains and losses correspond to the effect of changes in actuarial assumptions and experience adjustments (i.e. differences between projected actuarial assumptions and actual data) on the amount of the defined benefit obligation or the value of plan assets. They are recognized in full in "Income and expense recognized directly in equity" in the year in which they arise.

P) Instruments conferring access to the share capital granted or proposed to employees

a) Instruments granted to employees

Stock options
Stock options have been granted to certain Group employees entitling them to purchase Cap Gemini S.A. shares over a period of five years, at a strike price set when the options are granted.

Stock options are measured at fair value, corresponding to the value of the benefit granted to the employee at the grant date. This amount is recognized in "Other operating expenses" in the Income Statement on a straight-line basis over the vesting period, with a corresponding adjustment to equity.

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

Performance shares
Performance shares were granted to a certain number of Group employees, subject to performance and continued employment conditions, as set out in Note 9 – Equity. Share grants become definitive after a vesting period of two or four years, depending on the geographic location of the subsidiaries employing the beneficiaries.

The shares are measured at fair value, corresponding to the value of the benefit granted to the employee at the grant date. This amount is recognized in "Other operating expense" in the Income Statement on a straight-line basis over the vesting period, with a corresponding adjustment to equity.

The fair value of performance shares is calculated using the "Monte-Carlo" model, which incorporates assumptions concerning the share price at the grant date, implicit share price volatility, the risk-free interest rate, the expected dividend yield and performance conditions. The expense recognized also takes into account staff attrition rates for eligible employee categories. These assumptions are updated each year.

b) Instruments proposed to employees

Redeemable share subscription or purchase warrants (BSAAR)
Redeemable share subscription or purchase warrants are proposed to employees and corporate officers of the Group. They confer entitlement to subscribe for Cap Gemini S.A. shares at a strike price determined at the date of grant. The exercise period commences the date of listing of the BSAAR warrants on the Euronext Paris market and terminates on the seventh anniversary of the issue date.

The issue price of these BSAAR warrants is equal to their market value and no benefit granted to beneficiaries is recognized in the consolidated accounts of the Company.

Employee savings plan
A leveraged employee share ownership plan offering the possibility to subscribe for shares at a discounted preferential rate was set up by the Group. When determining the IFRS 2 expense measuring the "benefit" granted to employees, the Group adjusts the amount of the discount granted by the Group to employees on the subscription price for the following two items:

- the cost of the non-transferability of shares granted to employees during a period of five years. This cost is measured taking account of the five-year lock-in period imposed on the employee. It corresponds to the cost of a two-stage strategy under which the market participant enters into a forward sale effective at the end of the five-year lock-in period and simultaneously borrows the amount necessary to buy a share available for immediate transfer. This borrowing is financed with the proceeds from the forward sale of the share and the dividends received during the lock-in period. This cost is calculated based on the following assumptions:
  - the subscription price is set by the Chief Executive Officer pursuant to the powers delegated by the Board of Directors. This subscription price is equal to the average Cap Gemini S.A. share price, adjusted for volumes, during the twenty trading days preceding the decision of the Chief Executive Officer, to which a discount is applied,
  - the grant date is the date at which employees are fully informed of the specific characteristics and terms and conditions of the offer and particularly the subscription price,
  - the loan rate granted to employees and used to determine the cost of the non-transferability of shares, is the rate at which a bank would grant a consumer loan repayable on maturity without allocation, to a private individual with an average risk profile, for a term corresponding to the term of the plan.
- the opportunity benefit reflecting the possibility granted to employees to benefit from market terms and conditions identical to those of the Group.

In those countries where an Employee Savings Mutual Fund (*Fonds Commun de Placement Entreprise*) cannot be set up or is not relevant, the employee share ownership plan (@ESOP) includes a Stock Appreciation Rights (SAR) mechanism. The benefit offered by the Group corresponds to the amount of the discount on the share subscription price.

The expense relating to this plan is recognized in full on completion of the share capital increase

Q) Provisions

A provision is recognized in the Consolidated Statement of Financial Position at the year-end if, and only if, (i) the Group has a present obligation (legal or constructive) as a result of a past event; (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (iii) a reliable estimate can be made of the amount of the obligation. Provisions are discounted when the impact of the time value of money is material.

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 translated into euros at the average exchange rate for the year. Exchange gains or losses resulting from the translation of cash flows relating to foreign currency assets and liabilities at the year-end exchange rate are shown in "Effect of exchange rate movements on cash and cash equivalents" in the Statement of Cash Flows. Consequently, the amounts shown in the Consolidated Statement of Financial Position are not representative of movements in cash flows.

S) Operating Segments

Group Management analyzes and measures activity performance:

- in the different businesses (Technology Services, Consulting Services, Outsourcing Services and Local Professional Services) and
- in the geographic areas/countries where the Group is present.

The business analysis enables the transversal management and monitoring of resources and service production in the eight strategic business units and therefore the roll-out of uniform expertise and know-how in all countries and regions.

The geographic analysis enables management to monitor the performance:

- of commercial development: it focuses on trends in major contracts and clients in Group markets across all its businesses. This monitoring seeks to coordinate the service offering of the different businesses in the territories, given their considerable interaction and to measure the services rendered. These analyses are performed by Group Management within the Coordination Committee of the geographical area, which brings together the business managers operating in a given area,
- at operational and financial level: management of treasury and support services, the operating investment and financing policies and the acquisition policy are decided and implemented by geographic area.

This led the Group to present its segment reporting for the 8 geographical areas grouping together the countries where it is located.

Costs relating to operations and incurred by Group holding companies on behalf of geographic areas are allocated to the relevant segments either directly or on the basis of an allocation key. Items not allocated correspond to headquarter expenses.

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

T) Exchange gains and losses on inter-company transactions

The results and financial position of a foreign subsidiary are included in the Group's consolidated financial statements using consolidation procedures, such as the elimination of inter-company balances and transactions. However, an inter-company short- or long-term monetary asset (or liability) cannot be eliminated against the corresponding inter-company liability (or asset) without showing the results of currency fluctuations in the consolidated financial statements. This is because the monetary item represents a commitment to convert one currency into another and exposes the Group to a gain or loss through currency fluctuations. Accordingly, in the consolidated financial statements, these exchange differences continue to be recognized in profit or loss or "Income and expense recognized directly in equity" if the underlying forms an integral part of the net investment in the foreign operation.

NOTE 2 – CHANGES IN GROUP STRUCTURE

A) 2007 and 2008

The main changes in Group structure in 2007 and 2008 were as follows:

- On February 8, 2007, the Group acquired 100% of Kanbay International Inc. ("Kanbay") which had a worldwide headcount of approximately 6,900.
- On March 1, 2007, the Group purchased 100% of the US company Software Architects Inc., which had more than 500 employees at the acquisition date.
- On May 2, 2008, the Group acquired the Chile-based Asesorias Latin America Shared Services Ltda. (renamed Capgemini Business Services Chile) and Brazil-based ARD - Prestaçao de Serviçios Administrativos Lda. (renamed Capgemini Business Services Brazil). Previous to the acquisition, the companies were administrative and financial service centers for the Unilever group in South America.
  The total cost of the acquisition amounted 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.

At December 31, 2009, the final allocation of the acquisition price was identical to that at December 31, 2008:

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

(1) Including €2 million in cash and cash equivalents.

- On December 1, 2008, the Group acquired Getronics Pinkroccade Business Application Services B.V. ("BAS B.V."), which had a headcount of 2,200 and is fully consolidated. The total cost of the transaction amounted to €259 million, including €6 million in fees directly attributable to the acquisition.

The final allocation of the acquisition price during 2009 mainly enabled the recognition of a deferred tax asset on the intangible assets relating to the contributions of Getronics prior to Capgemini's acquisition of BAS B.V., which are tax deductible in the Netherlands and can be summarized as follows:

in millions of euros	
Net assets acquired	1
Amortizable intangible assets, net of deferred tax liabilities	10
Deferred tax assets	23
Goodwill	225
TOTAL ACQUISITION PRICE	**259**

- 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 amounted 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.

B) 2009

In 2009, the Group acquired IACP Informatique in France, IACP Asia in Vietnam and Nu Solutions in Australia. The total cost of these acquisitions amounted to €14 million, including half a million euros in fees directly attributable to the acquisitions.
The IACP companies and Nu Solutions had a total of 264 employees at the acquisition date. They are fully consolidated.

At December 31, 2009, the provisional allocation of the acquisition price can be summarized as follows:

in millions of euros	
Net assets acquired (1)	(1)
Amortizable intangible assets	4
Goodwill	11
TOTAL ACQUISITION PRICE	**14**

(1) The amount of cash and cash equivalents acquired is not material.

The contribution of these companies to the Group's revenues for 2009 totaled €4 million (estimated at €15 million had the acquisitions taken place on January 1, 2009).

NOTE 3 – REVENUES

Revenues break down as follows by geographic area:

in millions of euros	2007 Amount	2007 %	2008 Amount	2008 %	2009 Amount	2009 %
North America	1,721	20	1,668	19	1,590	19
France	1,971	23	2,077	24	1,949	23
United Kingdom and Ireland	2,230	26	1,922	22	1,852	22
Benelux	1,168	13	1,303	15	1,397	17
Germany and Central Europe	558	6	592	7	531	6
Nordic countries	539	6	578	7	488	6
Southern Europe and Latin America	390	5	449	5	434	5
Asia-Pacific	126	1	121	1	130	2
TOTAL	**8,703**	**100**	**8,710**	**100**	**8,371**	**100**

The year-on-year decrease in revenues in 2009 was -3.9% based on the year-end Group structure and exchange rates and -5.5% on a like-for-like basis (constant Group structure and exchange rates).

NOTE 4 – OPERATING EXPENSES BY NATURE

The analysis of operating expenses by nature is as follows:

in millions of euros	2007 Amount	2007 % of revenues	2008 Amount	2008 % of revenues	2009 Amount	2009 % of revenues
Personnel costs	4,906	56.4	4,940	56.7	4,851	58.0
Travel expenses	393	4.5	389	4.5	330	3.9
	5,299	**60.9**	**5,329**	**61.2**	**5,181**	**61.9**
Purchases and sub-contracting expenses	2,268	26.0	2,138	24.6	2,082	24.9
Rent and local taxes	285	3.3	286	3.3	304	3.6
Depreciation, amortization and provisions and proceeds from asset disposals	211	2.4	213	2.4	209	2.5
TOTAL	**8,063**	**92.6**	**7,966**	**91.5**	**7,776**	**92.9**

Personnel costs break down as follows:

in millions of euros	2007	2008	2009
Wages and salaries	3,914	3,958	3,871
Payroll taxes	896	931	945
Pension costs related to defined benefit pension plans and other post-employment benefit expenses (1)	96	51	35
TOTAL	**4,906**	**4,940**	**4,851**

(1) See Note 17 – Provisions for pensions and other post-employment benefits.

NOTE 5 – OTHER OPERATING INCOME AND EXPENSE

in millions of euros		2007	2008	2009
Restructuring costs	I	(90)	(103)	(213)
Integration costs related to acquired companies	II	(27)	(7)	(16)
Expenses relating to share subscriptions, share grants and stock options (1)	III	(22)	(22)	(19)
Impairment of goodwill	IV	-	(18)	(12)
Other operating income	V	2	20	7
Other operating expenses	V	(10)	(28)	(9)
TOTAL		**(147)**	**(158)**	**(262)**

(1) These expenses are calculated as described in Note 9 - Equity.

I. RESTRUCTURING COSTS

In 2007, this caption primarily consisted of restructuring costs incurred within the scope of the MAP (Margin Acceleration Program), 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, other operating income and expense mainly covered restructuring costs (€103 million) to further streamline the Group's organizational structure within the scope of the I^3 plan. These costs comprise workforce reduction measures (€68 million), streamlining of the Group's real estate assets (€21 million), and the implementation of "rightshoring" solutions (€14 million).

In 2009, restructuring costs related to workforce reduction measures necessitated by the economic context, the ongoing streamlining of the Group's real estate assets and the implementation of rightshoring solutions. They comprise:

- costs related to workforce reduction measures (€151 million) primarily in the Netherlands, France and Spain,
- expenses related to the streamlining of the Group's real estate assets (€52 million), essentially in the Netherlands, the United Kingdom and France,
- industrialization and migration costs incurred in connection with the implementation of "rightshoring" solutions (€10 million), mainly in the Netherlands 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.

In 2009, integration costs were primarily attributable to the Group's integration of BAS B.V. acquired on December 1, 2008.

III. EXPENSES RELATING TO SHARE SUBSCRIPTIONS, SHARE GRANTS AND STOCK OPTIONS

These expenses comprised:

- the €13 million expense relating to share grants and stock options previously granted to Group employees;
- the €5 million expense arising from the creation of a performance share allocation plan in the first half of 2009;
- the €1 million expense relating to the introduction of an employee share ownership plan (@ESOP) in the second half of 2009.

IV. IMPAIRMENT OF GOODWILL

Impairment losses were recognized in 2008 and supplemented in 2009 on goodwill relating to a German subsidiary.

V. OTHER

In 2008, Other operating income and expense mainly comprised:

- €18 million in expenses due to the closure on 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. (see Note 17 – Provisions for pensions and other post-employment benefits);
- €5 million in net expenses following the early termination of the outsourcing agreement with TXU (now EFH) in December 2008.

In 2009, Other operating income and expense mainly comprised:

- €9 million in net expenses reflecting the removal of assets and the recognition of obligations arising from the early termination of the agreement signed with TXU (now EFH);
- €4 million in income relating to the reversal of provisions recorded on the acquisition of Kanbay Inc. in 2007 and in respect of stock subscription and reserved share plans;
- other proceeds from disposals in France and profits recorded in respect of the curtailment of defined benefit pension plans in France and Switzerland.

NOTE 6 – NET FINANCE COSTS

Net finance costs can be analyzed as follows:

in millions of euros		2007	2008	2009
Gross finance costs	I	(70)	(66)	(65)
Income from cash and cash equivalents	II	66	68	22
NET FINANCE COSTS		**(4)**	**2**	**(43)**

I. GROSS FINANCE COSTS

Gross finance costs can be broken down as follows:

in millions of euros	2007	2008	2009
Interest on convertible bonds	(44)	(46)	(56)
Other interest expense	(26)	(20)	(9)
TOTAL	**(70)**	**(66)**	**(65)**

Interest on convertible bonds relates to the interest expense on the "OCEANE 2003," "OCEANE 2005" and "OCEANE 2009" bonds convertible/ exchangeable into new or existing Cap Gemini shares, issued on June 24, 2003, June 16, 2005, and April 20, 2009, respectively. This includes €59 million in notional interest (of which €25 million relates to interest paid on bonds) and €3 million in interest received under the interest rate swap linked to the "OCEANE 2003" bonds.

The interest expense increased compared to 2008, due to a new convertible/exchangeable bond issue in the first half of the year ("OCEANE 2009" bonds, see Note 16 – Net cash and cash equivalents), which generated an additional notional interest expense of €24 million for the period. This was, however, largely offset by a fall in the notional interest payable on "OCEANE 2003" bonds following the partial redemption of these bonds in April 2009 (€8 million) and by gains arising on an interest rate swap taken out in connection with the "OCEANE 2003" bonds (€3 million in income compared to a €3 million expense for the year ended December 31, 2008).

In 2009, other interest expense mainly comprised the interest on finance leases for €7 million (primarily in the United Kingdom, France and Canada).

The significant decline in the item (€11 million) compared to December 31, 2008 largely stems from:

- the cancellation of the put option granted to TXU (now EFH) following the termination of the contract in December 2008 which had previously generated annual interest of €6 million,
- the derecognition at June 30, 2008 of the carry-back tax credits in France sold in 2003 and 2004 and the corresponding borrowings recognized in consideration of these receivables that generated an interest expense of €3 million in 2008,
- reduced recourse to finance leases in 2009, resulting in a decrease in related financial expenses of €2 million.

II. INCOME FROM CASH AND CASH EQUIVALENTS

The decrease in income from cash and cash equivalents essentially results from a significant decline in returns on 2009 short-term investments, mainly in Cap Gemini S.A. For example, the average return on short-term investments in Cap Gemini S.A. was 1.3% in 2009 compared to 4.6% in 2008. This decrease is in line with the fall in the capitalized EONIA (Euro Overnight Index Average) rate, which is the Group's benchmark rate for euro investments and which fell from an average of 3.94% in 2008 to 0.72% in 2009.

NOTE 7 – OTHER FINANCIAL INCOME AND EXPENSE

in millions of euros	2007	2008	2009
Interest rate derivative instruments (A)	2	6	-
Ineffective portion of currency derivative instruments classified as cash flow hedges	5	-	-
Currency derivative instruments at fair value (B)	1	14	63
Exchange gains on financial transactions (C)	25	63	7
Other	2	3	5
TOTAL OTHER FINANCIAL INCOME	**35**	**86**	**75**
Interest rate derivative instruments (A')	-	(1)	(2)
Currency derivative instruments at fair value (B')	(17)	(62)	-
Exchange losses on financial transactions (C')	(7)	(14)	(73)
Expenses related to financial liabilities at amortized cost	(3)	(3)	(4)
Net interest cost on defined benefit pension plans (D) (1)	(6)	(19)	(42)
Other	(5)	(8)	(4)
TOTAL OTHER FINANCIAL EXPENSES	**(38)**	**(107)**	**(125)**
TOTAL OTHER FINANCIAL INCOME AND EXPENSE	**(3)**	**(21)**	**(50)**

(1) See Note 17 – Provisions for pensions and other post-employment benefits.

This caption shows a net financial expense of €50 million in 2009, breaking down as follows:

- Interest rate derivative instruments (A/A'), consisting of derivative instruments contracted to hedge interest rate risks on financial transactions. In 2009, these instruments generated a net expense of €2 million (see (A)-(A')), largely due to changes in the fair value of the interest rate swap relating to the "OCEANE 2003" bonds.
- Currency derivative instruments (B/B'), consisting of derivative instruments contracted to hedge currency risks on financial transactions. Currency hedges generated net income of €63 million in the year (see (B)-(B')), essentially due to changes in the fair value of a currency swap hedging an inter-company loan granted by Capgemini UK Plc. to Cap Gemini S.A. This income, which results from an appreciation of the pound sterling against the euro over 2009, following its significant depreciation at the end of 2008, was offset by a €62 million exchange loss recognized on the inter-company loan during the fiscal year. This loss was included in "Exchange losses on financial transactions (C)". Other exchange gains and losses on financial transactions (net losses of €3 million) stem primarily from the impact of exchange rate fluctuations in 2009 on items of cash and cash equivalents carried at fair value.
- Net interest cost amounting to €42 million (€19 million in 2008) on defined benefit pension plans (D), mainly in the United Kingdom.

The net change in other financial income and expense compared to 2008 is essentially attributable to:

- an increase of €7 million in the net financial expense as a result of the change in the fair value of the interest rate swap relating to the "OCEANE 2003" bonds (expense of €1 million in 2009 compared to an income of €6 million in 2008);
- a €23 million increase in the net interest cost of defined benefit pension plan liabilities, including €15 million in the United Kingdom, primarily attributable to the sharp drop in the value of financial assets at the end of 2008 due to the financial crisis, combined with a decrease in the expected average rate of return on plan assets (see Note 17 – Provisions for pensions and other post-employment benefits);
- a one-off expense recorded in the first half of 2008 (€3 million) relating to the pension plan of Hydro One employees in Canada.

NOTE 8 – INCOME TAX EXPENSE

Income tax expense can be analyzed as follows:

in millions of euros	2007	2008	2009
Current income taxes	(78)	(87)	(24)
Deferred taxes	30	(29)	(37)
TOTAL	**(48)**	**(116)**	**(61)**

Current income tax for 2009 includes:

- €37 million in income taxes on profits, notably in the Netherlands, India, Canada, Germany, Poland, Finland and the United Kingdom;
- €16 million in taxes not based on taxable income and other taxes, mainly in North America, India, Italy and France;
- €29 million in current tax income arising:
  - for €13 million, in the Netherlands, on the carry-back of tax losses generated during the period.
  - for €13 million, in France, on the repayment of income tax following non-judicial proceedings,
  - for €6 million, in the United Kingdom, on the repayment of 2008 income tax, due to research and development costs incurred in 2008.

The net deferred tax expense for 2009 primarily reflects:

- €67 million in expenses representing the utilization in 2009 of tax loss carry-forwards previously recognized mainly in France (€46 million), the United Kingdom (€14 million), Germany (€5 million) and Sweden (€2 million);
- €19 million in net deferred tax income relating to temporary differences and changes in the tax rate, mainly in North America,
- €9 million in income, in respect of the recognition of tax losses available for carry back, mainly in the United Kingdom;
- €6 million in income relating to deferred tax assets on tax loss carry-forwards arising during the period, mainly in the Netherlands;
- €4 million in expenses from the write-down of deferred tax assets arising on tax loss carry-forwards, mainly in Denmark.

The Group has decided to classify the value-added based component (CVAE) of the new Territorial Economic Contribution, introduced by the 2010 Finance Act, as a tax on profits, in order to ensure consistency with the accounting treatment of similar taxes in other countries. A deferred tax liability of €1 million was therefore recognized at December 31, 2009.

The difference between the French standard rate of income tax and the effective Group tax rate can be analyzed as follows:

in millions of euros	2007	2008	2009
PROFIT BEFORE TAX	**486**	**567**	**240**
STANDARD TAX RATE IN FRANCE (%)	**34.4**	**34.4**	**34.4**
Tax (expense)/income at the standard rate	**(168)**	**(195)**	**(83)**
Impact of:			
Deferred tax assets not recognized on temporary differences and tax loss carry-forwards arising in the period	5	8	1
Revaluation of deferred tax assets generated in France (1)	81	45	-
Net recognition of deferred tax assets on temporary differences and tax loss carry-forwards arising prior to January 1	19	42	16
Utilization of previously unrecognized tax loss carry-forwards	7	2	3
Difference in tax rates between countries	11	18	7
Permanent differences and other items	(3)	(36)	(5)
Tax (expense)/income at the effective rate	**(48)**	**(116)**	**(61)**
EFFECTIVE RATE OF INCOME TAX (%)	**9.8**	**20.5**	**25.5**

(1) Calculated based on the parameters set out in Note 12 – Deferred taxes.

The increase in the effective tax rate in 2009 is chiefly due to the reversal in 2008 in full of the provision for deferred tax assets recognized on tax loss carry-forwards in France and the recognition in 2009 of fewer tax credits generated by research and development expenditure than in prior years in the United Kingdom.

These factors are partially offset by current tax income received in France in 2009.

During 2009 and in previous fiscal years, some Group companies underwent tax audits leading in some cases to tax reassessments. A number of these reassessments have been challenged and some litigation proceedings were in progress at the period end. In general, no provisions have been set aside for these disputes in the consolidated financial statements.

NOTE 9 – EQUITY

A) Stock option plans

At the May 23, 2000 and May 12, 2005 Combined Shareholders' Meetings, the Board of Directors was given a five-year authorization in respect of the May 23, 2000 plan ("2000 Plan"), and a 38-month authorization in respect of the May 12, 2005 plan ("2005 Plan"), to grant stock options to certain Group employees on one or several occasions.

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 Combined 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)	6 years then 5 years as from October 1, 2001	5 years	
Strike price as a % of the average share price over the 20 stock market trading days preceding the grant date	80% then 100% as from October 1, 2001	100%	
Strike price (per share and in euros) of the various stock option grants:			
Low	27.00	30.00	
High	27.00	55.00	
Maximum number of shares to be issued on exercise of outstanding options at December 31, 2008	3,218,327	5,478,310	**8,696,637**
Number of new stock options granted during the year	Plan expired	Plan expired (1)	
Number of options forfeited or cancelled in 2009	471,696	345,800	**817,496**
Number of options exercised in 2009	2,239,594 (2)	92,865 (3)	**2,332,459**
Maximum number of shares to be issued on exercise of outstanding options at December 31, 2009	507,037 (4)	5,039,645 (5)	**5,546,682**
Residual weighted average life (in years)	0.25	1.92	

(1) Last stock options granted on June 1, 2008 at a price of €40.50
(2) At December 31, 2009, 1,853,731 stock options granted at €21 and 385,863 stock options granted at €27 had been exercised.
(3) Stock options granted at a price of €30.
(4) Stock options granted at a price of €27.
(5) Representing 1,267,345 shares at a price of €30; 1,693,800 shares at €43; 193,500 shares at €55; 1,693,000 shares at €44; and 192,000 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 takeover bid for some or all of the Company's shares published by Euronext, option holders would be entitled, if they so wish, to exercise all of their remaining unexercised options immediately.

Fair value of options granted and impact on financial statements

Based on the calculation parameters used to determine fair value under the Black & Scholes model (described in the table below) and on revised beneficiary turnover assumptions, the expense to be recorded in "Other operating expenses" at December 31, 2009 amounts to €11 million. The total expense to be amortized between 2010 and 2012 in respect of the active option grants presented hereafter is €7 million.

Summary	2000 Plan	2005 Plan				
Grant dates	April 1, 2005	October 1, 2005	October 1, 2006	April 1, 2007	October 1, 2007	June 1, 2008
Number of shares initially granted	1,623,000	1,915,500	2,067,000	400,000	1,932,500	219,000
Of which granted to executive corporate officers	-	*50,000*	*50,000*	-	-	-
Subscription price (per share and in euros) of the various stock option grants	27	30	43	55	44	40.5
Share price at the grant date	27.06	32.59	41.84	57.00	42.98	43.37
Number of shares subscribed at December 31, 2009	615,662	185,455	1,100	-	-	-
Principal market conditions at the grant date:						
Volatility	32.4-33.8%	27.4-29.4%	32.4-35.9%	31.7-32.7%	34.8-35.7%	41.2-42.3%
Average length of the option exercise period (in years)	3-4.25	3-4.25	3-4.25	3-4.25	3-4.25	3-4.25
Risk-free interest rate	2.2-2.9%	2.3-2.7%	3.5-3.6%	4.1-4.2%	4.1%	4.3-4.4%
Expected dividend rate	1%	1%	1%	1.5%	1.5%	2.3%
Off-market conditions:						
Employee presence within the Group at the exercise date	yes	yes	yes	yes	yes	yes
Other	no	no	no	no	no	no
Pricing model used to calculate stock option fair values	Black & Scholes model					
Range of fair values in euros	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, 2009	507,037	1,267,345	1,693,800	193,500	1,693,000	192,000

B) Performance share plan

The Combined Shareholders' Meeting of April 17, 2008 authorized the Board of Directors to grant shares to a certain number of Group employees, on one or several occasions and within a maximum period of 12 months, subject to certain performance and presence conditions within the Group. On March 5, 2009, the Board of Directors approved the terms and conditions of this plan as well as the list of beneficiaries.

The main terms and conditions of this first plan are summarized in the table below:

Summary	2009 Plan	Of which corporate officers
Date of Combined Shareholders' Meeting	April 17, 2008	
Total number of shares to be granted	1% of the share capital on the date of the Board of Directors' decision, i.e. a maximum of 1,458,860 shares	
Date of the Board of Directors' decision	March 5, 2009	
Performance assessment dates	At the end of the first and second years following the grant date	
Vesting period	Two years as from the grant date (France) or four years as from the grant date (other countries)	
Mandatory lock-in period effective as from the vesting date (France only)	Two years, or five years in the event of departure from the Group during the two years following the vesting date	
Number of shares subject to performance and presence conditions granted during the year	1,148,250 (1)	50,000 (2)
Number of options forfeited or canceled during the year	38,500	-
Number of shares at December 31, 2009 that may be definitively allocated under this plan in respect of shares previously granted, subject to performance and presence conditions	1,109,750	50,000
Share price at the grant date (in euros)	23.30	
Main market conditions at the grant date: *Volatility* *Risk-free interest rate* *Expected dividend rate*	 42.7% 1.4% 3.0%	
Other conditions: *Performance conditions* *Effective presence within the Group on the vesting date*	 Yes (see below) Yes	
Pricing model used to calculate the fair values of shares	Monte Carlo	
Range of fair values in euros: *Bonus shares (per share and in euros)* *Performance shares (per share and in euros)*	 20.7 - 21.9 16.5 - 17.53	17.53

(1) Of which 64,750 shares granted without performance conditions (5.6% of the total) pursuant to the relevant resolution (authorization capped at 15% of the total).
(2) Shares subject to performance conditions only.

Performance conditions and measurement
The exact number of shares vesting at the end of the two- or four-year period will be equal to the maximum number of shares initially granted, multiplied by a percentage (from 0% to 100%) corresponding to the chosen performance measurement criteria. The performance of the Cap Gemini share, measured over the first two years, compared to the average performance of a basket of ten securities of listed companies, measured over the same period and representative of the Group's business sector in at least five countries in which the Group is firmly established, will ultimately condition the vesting of the shares.

The reference basket is made up of the following equally-weighted securities: Accenture / CSC / Atos Origin / Tieto / Logica / Steria / Infosys / Sopra / Cognizant / CGI Group.

The definitive allocation will depend on the relative performance of the Cap Gemini share in relation to the basket of comparable securities:

- no shares will be granted if the performance of the Cap Gemini share during the period in question is less than 90% of the average performance of the basket of securities over the same period;
- the number of shares that will ultimately vest:
  - will be equal to 60% of the number of shares initially allocated if the performance of the Cap Gemini share is equal to 90% of the basket;
  - will vary on a straight-line basis between 60% and 100% of the initial allocation, based on a predefined schedule, where the performance of the Cap Gemini share is between 90% and 110% of the basket;
  - will be equal to 100% of the number of shares initially allocated if the performance of the Cap Gemini share is higher than or equal to 110% of the basket.

Fair value of shares granted and impact on the financial statements

Based on the calculation inputs used to determine fair value under the Monte Carlo option pricing model (indicated in the table above) and on revised beneficiary turnover assumptions, the expense recorded at December 31, 2009 in "Other operating expenses" amounted to €5 million. The total expense to be amortized between 2010 and 2013 in respect of this plan is €13 million.

The fair value of the shares and the inputs used were established by an external company. It should be noted that:

- volatility is based on the historical volatility of the Cap Gemini share over a three-year period (same period as for the shares in the reference basket);
- dividend per share was estimated based on the 2008 dividend (2.5%), the Group's historical dividend policy, and analysts' consensus forecasts (above 3% for 2009 and 2010).

C) REDEEMABLE SHARE SUBSCRIPTION OR PURCHASE WARRANTS (BONS DE SOUSCRIPTION ET/OU D'ACQUISITION D'ACTIONS REMBOURSABLES – BSAAR)

On April 29, 2009, pursuant to the authorization granted by the Combined Shareholders' Meeting of April 17, 2008, the Board of Directors agreed on the principle of an issue of Redeemable Share Subscription or Purchase Warrants and approved the list of eligible beneficiaries and the maximum number of warrants to be subscribed by each beneficiary both as of right and above and beyond such rights.

The warrants have been offered to employees and corporate officers of the Group, broken down into four categories.

As authorized by the Board of Directors, on May 13, 2009, the Chief Executive Officer set the subscription period from May 14 through June 17, 2009, the subscription price at €3.22 per warrant and the final terms and conditions of the issue. The expert appointed by Capgemini issued an independent opinion on the warrant issue price, and concluded that it was reasonable on the grounds that it fell within the range of market value estimates obtained from his own valuation work.

Based on subscription requests from eligible beneficiaries, a total number of 2,999,000 Redeemable Share Subscription or Purchase Warrants were subscribed at a price of €3.22 per warrant by a total of 629 participants.

The 2,999,000 warrants, of which 63,990 were subscribed by Paul Hermelin, were settled and delivered on July 23, 2009 and the gross proceeds from this issue totaled €9.7 million and €9 million net of issue costs.

The exercise period begins on the date on which the warrants are admitted to trading on Euronext Paris and ends on the seventh anniversary of the issue date. The warrants will be listed on July 23, 2013. Between July 23, 2009 and the date the warrants are admitted to trading on Euronext Paris, they may not be exercised or transferred except under the conditions specified in the issue agreement (namely in the event of a takeover bid for Cap Gemini S.A. shares).

The issue was disclosed in a prospectus approved by the AMF on May 14, 2009 under reference number 09-140.

Impact on the financial statements

As the Company set an issue price within the range of market value estimates for the warrants obtained from the expert's valuation work, no benefits have been recognized for beneficiaries in the financial statements.

D) EMPLOYEE SHARE OWNERSHIP PLAN - @ESOP

Pursuant to the 13th and 14th resolutions adopted by the Combined Shareholders' Meeting of April 30, 2009, the Group set up an employee share ownership plan (@ESOP) in the second half of 2009. This plan was open to all employees in countries where the Group has had activities involving more than 300 employees for over two years. Under the plan, a minimum length of service of three months was required at November 19, 2009, acquired consecutively or not since January 1, 2008. In addition, in order to subscribe, employees were required to have an employment contract for a minimum of one day between November 17 and 19, 2009 (inclusive). This leveraged plan offered employees the possibility of subscribing at a discounted preferential rate and, via a bank which secured and supplemented the investment so that the total amount invested represented ten times the personal contribution of the employee, potentially generating a greater capital gain than would have been the case had it been calculated based solely on the employee's personal contribution. In return, the employee waives a portion of any increase of shares subscribed on his behalf, as well as dividends and other financial rights that could be paid on these shares throughout the entire term of the plan. In addition, the shares will be unavailable for a term of five years (except for early releases covered by the applicable regulations).

This employee share ownership plan (@ESOP) includes a 15% discount. Under the delegation of authority granted by the Board of Directors, the subscription price was set at €27.58 by the Chief Executive Officer on November 16, 2009. The price corresponds to the average Cap Gemini share price adjusted for volumes observed over the twenty stock market trading days preceding the Chief Executive Officer's decision, to which a 15% discount is applied.

On December 16, 2009, the Group issued 5,999,999 new shares reserved for employees with a par value of €8, representing a share capital increase of €164 million net of issue costs (€1 million). Paul Hermelin subscribed for Cap Gemini shares in the amount of €43,789.58 via the Capgemini Employee Savings Mutual Fund.

The total cost of this employee share ownership plan is €1.2 million and reflects the Stock Appreciation Rights mechanism for employees in those countries where an Employee Savings Mutual Fund (*Fonds Commun de Placement Entreprise*) cannot be set up or is not relevant. In those countries where the set-up of an FCPE has been possible, the IFRS 2 expense is nil, as the cost of non-transferability to the participant is greater than the total discount at the date of grant plus the opportunity gain.

It should also be noted that a decrease of 0.5 basis points in the employee financing rate would not impact the IFRS 2 expense, as the non-transferability cost remains greater than the total discount at the grant date. This is also true of an increase of 0.5 basis points in the retail/institutional rate volatility, as the cost of non-transferability is greater than the total discount at the date of grant plus the opportunity gain.

The table below presents the main features of the @ESOP employee share ownership plan, the amounts subscribed and the pricing assumptions for 2009:

	2009
FEATURES OF THE PLAN	
Grant date	November 16, 2009
Plan maturity (in years)	5
Base price (in euros)	32.45
Subscription price (in euros)	27.58
Nominal discount (in %)	15.00%
(a) Total discount at grant date (in %)	13.26%
Amount subscribed by employees (in millions of euros)	16.5
Total amount subscribed (in millions of euros)	165
Total number of shares subscribed	5,999,999
PRICING ASSUMPTIONS	
Employee financing rate	7.55%
Five-year risk free interest rate	2.73%
Repo and reverse repo rates	0.74%
Retail / institutional rate volatility difference	3.95%
(b) Cost of non-transferability to the participant (in %)	22.04%
(c) Opportunity gain measurement (in %)	1.60%
Total cost for the Group (in %) **(a-b+c)** (1)	0.00%

(1) The expense is nil as the non-transferability cost to the participant is greater than the total discount at the grant date, plus the opportunity gain.

E) SHARE BUYBACK PROGRAM

The share buyback program was described in a prospectus published on April 17, 2009.
At December 31, 2009, 121,000 shares were held under the liquidity contract.

Cap Gemini S.A. also holds 2,000,000 treasury shares (representing 1.3% of share capital at December 31, 2009), acquired between January 17 and January 25, 2008 at an average price of €34.48. These share buybacks concern the hedging of instruments conferring access to the share capital issued by the Company and are aimed in particular at neutralizing part of the dilutive effect of Group employee share-based incentive instruments.

At December 31, 2009, the value of these treasury shares was recognized as a deduction from consolidated equity in a total amount of €79 million.

F) 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 shares. The weighted average number of ordinary shares is adjusted by the number of ordinary shares bought back or issued during the year.

	2007	2008	2009
Profit for the year *(in millions of euros)*	440	451	178
Weighted average number of ordinary shares	144,744,128	143,424,188	145,153,387
BASIC EARNINGS PER SHARE *(in euros)*	**3.04**	**3.14**	**1.23**

The year-on-year increase in the average number of shares between 2008 and 2009 reflects the shares issued under the employee share ownership plan (@ESOP) and 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 period end.

The average share price in 2009 was €29.09.

At December 31, 2009, 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 strike price of the options including fair value;
- shares falling within the scope of the performance share plan and not subject to any performance conditions;
- the 11,810,809 "OCEANE 2005" convertible bonds issued on June 16, 2005, as the €14 million interest expense recorded (net of taxes) on the bonds is lower per bond than basic earnings per share. These bonds are convertible at any time until the seventh business day preceding January 1, 2012, when they will be redeemable at a price of €41.90 per bond, representing 113.2% of their par value.

The following financial instruments are not considered dilutive:

- the 16,911,765 "OCEANE 2009" convertible bonds issued on April 20, 2009, as the €16 million interest expense recorded (net of taxes) on the bonds divided by the weighted average number of bonds outstanding (11,744,281), is higher per bond than basic earnings per share. These bonds are convertible at any time until the seventh business day preceding January 1, 2014, when they will be redeemable at par;
- the "OCEANE 2003" convertible bonds issued on June 24, 2003, as the €9 million interest expense recorded (net of taxes) on the bonds divided by the weighted average number of bonds outstanding (5,437,321), is higher per bond than basic earnings per share;
- performance shares subject to market performance conditions. As the performance of the Cap Gemini share at December 31, 2009 was below 90% of the performance of the reference basket, no performance shares would have been granted if the performance measurement period ended at that date;
- the Redeemable Share Subscription or Purchase Warrants, since the aggregate of the €34 strike price and €3.22 issue premium is higher than the average market price of the Cap Gemini share in 2009.

	2007	2008	2009
Profit for the year *(in millions of euros)*	**440**	**451**	**178**
Interest expense on "OCEANE 2005" bonds (net of taxes)	13	13	14
Diluted profit for the year *(in millions of euros)*	**453**	**464**	**192**
Weighted average number of ordinary shares (diluted)			
Weighted average number of ordinary shares	144,744,128	143,424,188	145,153,387
Adjusted for:			
- "OCEANE 2003" convertible/exchangeable bonds	-	-	-
- "OCEANE 2005" convertible/exchangeable bonds (weighted average)	11,810,809	11,810,809	11,810,809
- "OCEANE 2009" convertible/exchangeable bonds (weighted average)	-	-	-
- employee stock options	2,737,133	1,231,782	36,428
- performance shares that can be exercised	-	-	64,750
Weighted average number of ordinary shares (diluted)	**159,292,070**	**156,466,779**	**157,065,374**
DILUTED EARNINGS PER SHARE *(in euros)*	**2.84**	**2.97**	**1.22**

NOTE 10 – GOODWILL AND INTANGIBLE ASSETS

Changes in goodwill and intangible assets can be analyzed as follows by type of asset:

in millions of euros	Goodwill	Software	Internally generated intangible assets	Other intangible assets	Total
GROSS VALUE					
AT JANUARY 1, 2007	**1,870**	**120**	**61**	**132**	**2,183**
Translation adjustments	(149)	(7)	-	(16)	(172)
Acquisitions/Increase	-	24	2	13	39
Disposals/Decrease	-	(19)	-	-	(19)
Change 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)
Change in Group structure	261	1	-	32	294
Other movements	-	(1)	10	(15)	(6)
AT DECEMBER 31, 2008	**2,771**	**129**	**73**	**225**	**3,198**
Translation adjustments	27	4	-	2	33
Acquisitions/Increase	-	16	6	4	26
Disposals/Decrease	-	(15)	(5)	(6)	(26)
Change in Group structure	11	1	1	-	12
Other movements	(9)	(9)	3	(11)	(26)
AT DECEMBER 31, 2009	**2,800**	**126**	**78**	**214**	**3,217**
o/w finance leases				9	9
ACCUMULATED AMORTIZATION					
AT JANUARY 1, 2007		**95**	**40**	**46**	**181**
Translation adjustments		(5)	-	(4)	(9)
Additions		18	5	31	54
Disposals		(17)	-	-	(17)
Change 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)
Change in Group structure		-	-	-	-
Other movements		1	-	(2)	(1)
AT DECEMBER 31 2008		**101**	**50**	**127**	**278**
Translation adjustments		4	-	-	4
Additions		17	7	18	42
Disposals		(14)	(5)	(6)	(25)
Changes in Group structure		-	1	-	1
Other movements		(8)	1	(1)	(8)
AT DECEMBER 31, 2009		**100**	**54**	**138**	**292**
o/w finance leases				6	6
IMPAIRMENT					
AT JANUARY 1, 2007	**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**
Translation adjustments	1	-	-	-	1
Additions	12	-	1	-	13
Changes in Group structure	-	-	-	-	-
Other movements	(8)	-	-	-	(8)
AT DECEMBER 31, 2009	**50**	**1**	**8**	**1**	**60**
NET					
AT DECEMBER 31, 2007	**2,577**	**29**	**14**	**128**	**2,748**
AT DECEMBER 31, 2008	**2,726**	**27**	**16**	**97**	**2,866**
AT DECEMBER 31, 2009	**2,750**	**25**	**16**	**75**	**2,866**
o/w finance leases				3	3

Goodwill

Description of cash-generating units:

The cash-generating units adopted by the Group correspond to countries/geographic areas representing the Group's major markets and the main lines of development and strategic investment. The cash-generating unit corresponding to Sogeti's "Local professional services" business was therefore reallocated at December 31, 2009 to the cash-generating units of the geographic areas in which Sogeti is located. This reallocation did not result in the recognition of impairment losses at December 31, 2009.

The carrying amount of goodwill per cash-generating unit breaks down as follows:

in millions of euros	December 31, 2007			December 31, 2008			December 31, 2009		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
North America	516	-	516	530	(6)	524	528	(6)	522
Benelux	554	(12)	542	778	(12)	766	781	(12)	769
France	633	(1)	632	638	(1)	637	644	(1)	643
United Kingdom and Ireland	525	(7)	518	436	(7)	429	453	-	453
Germany and Central Europe	197	(2)	195	210	(19)	191	206	(31)	175
Nordic countries	137	-	137	125	-	125	130	-	130
Southern Europe and Latin America	16	-	16	33	-	33	33	-	33
Asia - Pacific	21	-	21	21	-	21	25	-	25
TOTAL	**2,599**	**(22)**	**2,577**	**2,771**	**(45)**	**2,726**	**2,800**	**(50)**	**2,750**

Analysis of changes in goodwill over the period

The increase in the net value of goodwill in 2009 primarily reflects:

- acquisitions during the period for €11 million (see Note 2 – Changes in Group structure);
- translation gains (€26 million) mainly attributable to the appreciation of the pound sterling against the euro in 2009;
- the impairment of goodwill in Germany in the amount of €12 million.

Measurement of the recoverable amount of goodwill at December 31, 2009

Goodwill was tested for impairment at December 31, 2009 in line with the Group procedure for verifying the value of such assets. Based primarily on the discounted cash flows method, this procedure consists of assessing the recoverable amount of each cash-generating unit (CGU) within the Group.

The main assumptions used to value cash-generating units are as follows:

- basis for CGU valuation: value in use;
- number of years over which cash flows are estimated: five years, based on data taken from the budget process for the first year and from the three-year strategic plan for the next two years, with extrapolation of this data for the remaining period;
- long-term growth rate used to extrapolate to perpetuity final year estimated cash flows: 2.3% (2.5% in 2008);
- discount rate: 9.8% for North America, 10.1% for the United Kingdom and 10.2% for other cash-generating units (respectively 10.0%, 10.6% and 10.6% in 2008).

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. In 2009, the Group used estimates produced by 12 financial analysts, all of whom were already included in the group of 14 financial analysts called on in 2008.

The change in the discount rate arises from the three components used for the calculation: the risk-free rate, risk premium and the volatility of the Cap Gemini share price in relation to changes in its listed market ("beta"). It should be noted that the long-term growth rate applied by the Group does not exceed that of the business sector.

Except for the impairment loss disclosed above, no impairment losses were recognized at December 31, 2009 as a result of these impairment tests.

An analysis of the calculation's sensitivity to a combined change in the key parameters (operating margin, discount rate and long-term growth rate) based on reasonably probable assumptions, did not identify any probable scenarios where the CGU's recoverable amount would fall below its carrying amount.

Intangible assets

Acquisitions during the year of €26 million essentially concern software acquired (€16 million) within the scope of client projects or for internal use, mainly in the Netherlands, France and North America and internally generated intangible assets (€6 million).

The decrease in the amortization charge for intangible assets in 2009 is mainly attributable to reduced investment in 2009 and the accelerated amortization in 2008 (€36 million) of assets linked to the agreement with TXU (now EFH), due to its early termination.

Other movements for the year with a negative net value of €9 million correspond to the finalization of acquisition price allocations and primarily BAS B.V. for €11 million (see Note 2 – Changes in Group structure).

NOTE 11 – PROPERTY, PLANT AND EQUIPMENT

Changes in property, plant and equipment can be analyzed as follows by type of asset:

in millions of euros	Land, buildings, fixtures and fittings	Computer software	Other property, plant and equipment	Total
GROSS VALUE				
AT JANUARY 1, 2007	**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**
Translation adjustments	7	12	3	**22**
Acquisitions /Increase	41	85	13	**139**
Disposals/Decrease	(21)	(98)	(7)	**(126)**
Changes in Group structure	-	-	1	**1**
Other movements	2	31	(7)	**26**
AT DECEMBER 31, 2009	**459**	**423**	**132**	**1,014**
o/w finance leases	*115*	*161*	*6*	***282***
ACCUMULATED DEPRECIATION				
AT JANUARY 1, 2007	**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**
Translation adjustments	4	8	2	**14**
Additions	35	75	11	**121**
Disposals	(17)	(77)	(5)	**(99)**
Changes in Group structure	-	-	1	**1**
Other movements	-	28	(2)	**26**
AT DECEMBER 31, 2009	**197**	**295**	**98**	**590**
o/w finance leases	*29*	*95*	*5*	***129***
IMPAIRMENT				
AT DECEMBER 31, 2007	**3**	**-**	**-**	**3**
AT DECEMBER 31, 2008	**3**	**-**	**-**	**3**
AT DECEMBER 31, 2009	**3**	**-**	**-**	**3**
NET				
AT DECEMBER 31, 2007	**246**	**157**	**39**	**442**
AT DECEMBER 31, 2008	**252**	**132**	**38**	**422**
AT DECEMBER 31, 2009	**259**	**128**	**34**	**421**
o/w finance leases	*86*	*66*	*1*	***153***

Acquisitions during the year (€139 million) essentially concern the acquisition of computer equipment for projects in North America, the United Kingdom, the Netherlands and France, the partial renewal of the information system pool, mainly in France and Germany, the continuing renovation of existing premises in the United Kingdom, the increase in office space in India and the refurbishment of new premises in France.

The acquisition cost of fixed assets reported in the Statement of Cash Flows is €119 million, including €26 million for intangible assets and €93 million for property, plant and equipment. This latter amount differs from that presented above as it excludes acquisitions of assets held under finance leases (€42 million in 2009) and acquisitions of assets not yet paid, mainly in India (€4 million).

NOTE 12 – DEFERRED TAXES

I. RECOGNIZED DEFERRED TAX ASSETS AND LIABILITIES

A) Analysis by recovery date

At December 31 *(in millions of euros)*	2007	2008	2009
Deferred tax assets:			
Deferred tax assets recoverable in more than one year	791	739	734
Deferred tax assets recoverable within one year	116	124	153
TOTAL DEFERRED TAX ASSETS	**907**	**863**	**887**
Deferred tax liabilities:			
Deferred tax liabilities payable in more than one year	128	123	138
Deferred tax liabilities payable within one year	10	15	15
TOTAL DEFERRED TAX LIABILITIES	**138**	**138**	**153**

B) Change in deferred tax assets and liabilities

in millions of euros	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, 2007	**583**	**125**	**180**	**888**	**(118)**
Translation adjustments	-	-	1	1	(33)
Deferred taxes recognized in the Income Statement	-	(13)	(7)	(20)	6
Deferred taxes recognized in equity	18	-	7	25	5
Other movements	-	-	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 the Income Statement	(4)	-	(27)	(31)	2
Deferred taxes recognized in equity	-	-	18	18	(1)
AT DECEMBER 31, 2008	**591**	**115**	**157**	**863**	**(138)**
Changes in Group structure	-	-	23	23	(4)
Translation adjustments	1	-	11	12	(2)
Deferred taxes recognized in the Income Statement	(55)	-	(14)	(69)	32
Deferred taxes recognized in equity	-	-	37	37	(20)
Other movements	-	-	21	21	(21)
AT DECEMBER 31, 2009	**537**	**115**	**235**	**887**	**(153)**

The deferred tax expense recognized in the Income Statement amounted to €37 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 recognized in "Income and expense recognized directly in equity" for €37 million, partially offset by a deferred tax expense arising from the "OCEANE 2009" issue and the "OCEANE 2003" partial redemption, for €20 million.

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 within the France tax grouping.

This deferred tax asset is measured 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.

Since December 31, 2008, the deferred tax asset on tax loss carry-forwards within the France tax grouping has been recognized in full, given the short timeframe of its expected recovery, of less than five years. At December 31, 2009, it amounted to €489 million (compared to €535 million at December 31, 2008), representing a utilization of €46 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) totaled €48 million and related to Germany and other Eastern European countries (€19 million); Sweden, Denmark and Norway (€14 million); the United Kingdom (€8 million); and other countries (€7 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 (€2,794 million at December 31, 2009) is amortized over 15 years for tax purposes, representing an income tax saving of around €1,086 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 ordinary 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, 2008, the deferred tax asset amounted to USD 164 million. At December 31, 2009, after taking account of the tax loss position (before the fiscal amortization of goodwill), and the 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 amounted to €971 million at December 31, 2009.

C) Analysis by type

Deferred tax assets recognized at December 31, 2009 can be analyzed as follows:

At December 31 *(in millions of euros)*	**2007**	**2008**	**2009**
Tax loss carry-forwards	601	591	537
Acquisition of Ernst & Young's consulting business	112	115	115
Temporary differences	194	157	235
TOTAL RECOGNIZED DEFERRED TAX ASSETS	**907**	**863**	**887**

Recognized deferred tax assets at December 31, 2009 can be analyzed as follows by type and expiry date:

At December 31 *(in millions of euros)*	2007	2008	2009
Tax loss carry-forwards	539	505	442
Acquisition of Ernst & Young's consulting business	112	115	115
Provisions for pensions and other post-employment benefits	100	87	122
Other	40	32	55
TOTAL DEFERRED TAX ASSETS RECOVERABLE IN MORE THAN ONE YEAR	**791**	**739**	**734**
Tax loss carry-forwards	62	86	95
Provisions for pensions and other post-employment benefits	16	11	19
Amortization adjustments	9	8	12
Other	29	19	27
TOTAL DEFERRED TAX ASSETS RECOVERABLE WITHIN ONE YEAR	**116**	**124**	**153**
TOTAL RECOGNIZED DEFERRED TAX ASSETS	**907**	**863**	**887**

Deferred tax liabilities at December 31, 2009 can be analyzed as follows by type and expiry date:

At December 31 *(in millions of euros)*	2007	2008	2009
Tax-deductible goodwill amortization	50	45	49
Restatement of amortization taken on customer relationships	23	25	20
"OCEANE 2003," "OCEANE 2005" and "OCEANE 2009" convertible/exchangeable bonds at amortized cost	16	11	20
Finance leases	13	9	11
Provisions	13	26	30
Other	13	7	8
TOTAL DEFERRED TAX LIABILITIES PAYABLE IN MORE THAN ONE YEAR	**128**	**123**	**138**
Revaluation of work-in-progress	9	11	11
Other	1	4	4
TOTAL DEFERRED TAX LIABILITIES PAYABLE WITHIN ONE YEAR	**10**	**15**	**15**
TOTAL DEFERRED TAX LIABILITIES	**138**	**138**	**153**

II. UNRECOGNIZED DEFERRED TAX ASSETS

Unrecognized deferred tax assets can be analyzed as follows:

At December 31 *(in millions of euros)*	2007	2008	2009
Tax loss carry-forwards	369	267	233
Acquisition of Ernst & Young's consulting business	948	975	971
Temporary differences	183	138	146
TOTAL	**1,500**	**1,380**	**1,350**

At December 31, 2009, unrecognized deferred tax assets of €1,350 million were primarily attributable to North America for €1,159 million. Of this amount, €124 million related to deferred taxes on tax loss carry-forwards, €971 million to Ernst & Young's consulting business, and €64 million to deferred taxes on temporary differences.

At December 31, 2009, unrecognized deferred tax assets arising on tax loss carry-forwards (€233 million), chiefly concerned North America (€124 million), Spain (€47 million), Australia and France (companies excluded from the tax grouping).

At December 31, 2009, unrecognized deferred tax assets arising on temporary differences (€146 million) relate to:

- provisions for pensions and other post-employment benefits (€48 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 (€8 million);
- the unrecognized portion of deferred tax assets on intangible assets in connection with contributions made by Getronics prior to the acquisition of BAS B.V. (€23 million);
- provisions (€19 million), including restructuring operations (€7 million) and other miscellaneous items (€48 million).

III. EXPIRY DATES OF TAX LOSS CARRY-FORWARDS

The taxable bases for recognized and unrecognized tax loss carry-forwards break down by expiry date as follows:

	2007		2008		2009	
At December 31 *(in millions of euros)*	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Y+1	82	2	79	2	24	1
Y+2	69	2	31	1	14	-
Y+3	9	-	16	-	7	-
Y+4	14	-	7	-	5	-
Y+5	5	-	11	-	10	-
Beyond 5 years	4,033	96	3,964	97	4,071	99
TOTAL	**4,212**	**100**	**4,108**	**100**	**4,131**	**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 €954 million at December 31, 2009.

NOTE 13 – OTHER NON-CURRENT ASSETS

Other non-current assets can be analyzed as follows:

At December 31 *(in millions of euros)*	**2007**	**2008**	**2009**
Shares in associates	23	21	16
Shares in non-consolidated companies	3	2	1
Deposits, receivables and long-term investments	29	43	58
Derivative instruments (1)	3	1	3
Defined benefit pension plans with funding surpluses	6	5	21
Other	32	19	13
TOTAL	**96**	**91**	**112**

(1) See Note 23 – Financial risk management, section I. Market risk.

Shares in associates

Shares in associates primarily include the 48.83% interest in SSS Holding Corporation Ltd., acquired as a result of the Kanbay International Inc. acquisition in 2007.

Deposits, receivables and long-term investments

Deposits and other long-term investments consist mainly of security deposits and guarantees relating to leases and *aides à la construction* (building aid program) loans in France.

Pension plans with funding surpluses

These surpluses stem from defined benefit plans (see Note 17 - Provisions for pensions and other post-employment benefits).

NOTE 14 – ACCOUNTS AND NOTES RECEIVABLE

Accounts and notes receivable can be analyzed as follows:

At December 31 *(in millions of euros)*	2007	2008	2009
Accounts receivable	1,542	1,590	1,326
Provisions for doubtful accounts	(14)	(14)	(30)
Accrued income	694	745	677
Work- in-progress	96	75	94
TOTAL	**2,318**	**2,396**	**2,067**

Total accounts receivable and accrued income net of advances from customers and billed in advance, can be analyzed as follows in number of days:

At December 31 *(in millions of euros)*	2007	2008	2009
Accounts and notes receivable (excluding work-in-progress)	2,222	2,321	1,973
Advances from customers and billed in advance	(743)	(639)	(567)
Total accounts receivable net of advances from customers and billed in advance	**1,479**	**1,682**	**1,406**
In number of days' annual revenues (1)	61	67	60

(1) In 2008, this ratio was adjusted to eliminate receivables due from companies acquired during December.

An aged analysis of accounts and notes receivable is provided in Note 23 – Financial risk management, section III. Credit risk.

NOTE 15 – OTHER RECEIVABLES AND INCOME TAX

Other receivables and income tax can be analyzed as follows:

At December 31 *(in millions of euros)*	2007	2008	2009
Current income taxes receivable	31	39	54
Social security and tax related receivables	56	62	79
Prepaid expenses	134	108	106
Carry-back tax credits	127	-	-
Derivative instruments (1)	10	2	7
Other	16	12	11
TOTAL	**374**	**223**	**257**

(1) See Note 23 – Financial risk management, section I. Market risk.

Carry-back tax credits

Carry-back tax credits were derecognised at June 30, 2008 (equivalent value of €129 million at that date), after the French Treasury had reimbursed the transferee. A matching entry was recognized in borrowings.

NOTE 16 – NET CASH AND CASH EQUIVALENTS

This caption comprises cash and cash equivalents (I) less short- and long-term borrowings (II). Net cash and cash equivalents also take into account the impact of derivative instruments when these relate to borrowings (III).

At December 31 *(in millions of euros)*		2007	2008	2009
Cash and cash equivalents	I	2,137	1,805	2,597
Borrowings	II	(1,245)	(1,032)	(1,328)
Derivative instruments on borrowings	III	(3)	1	-
NET CASH AND CASH EQUIVALENTS		**889**	**774**	**1,269**

I. CASH AND CASH EQUIVALENTS

At December 31 *(in millions of euros)*	2007	2008	2009
Short-term investments	1,594	1,290	2,109
Cash at bank	648	578	494
Derivative instruments on cash items	(14)	(61)	1
Bank overdrafts	(91)	(2)	(7)
CASH AND CASH EQUIVALENTS	**2,137**	**1,805**	**2,597**

At December 31, 2009, short-term investments mainly consist of money market mutual funds (FCP and SICAV), certificates of deposit, commercial paper and term bank deposits.

Derivative instruments relating to cash and cash equivalents represent a receivable of €1 million at December 31, 2009, corresponding to the fair value of hedging instruments taken out in connection with inter-company financing transactions at Cap Gemini S.A. This receivable is classified under "Other receivables and income tax" in the Consolidated Statement of Financial Position (compared to a liability of €61 million in "Other payables and income tax" at December 31, 2008).

The year-on-year €792 million increase in net cash and cash equivalents at end-2009 reflects mainly:

- positive cash flows generated by operations in 2009 totaling €495 million,
- net cash inflows of €564 million relating to the "OCEANE 2009" bonds (see details below),
- cash outflows of €263 million relating to the partial redemption of "OCEANE 2003" bonds (see details below),
- net cash inflows of €225 million relating to capital increases following the Group @ESOP share issue, the exercise of stock subscription options and the issue of redeemable share subscription or purchase warrants (BSAAR),
- paid dividends of €143 million,
- cash outflows of €95 million relating to acquisitions of fixed assets (net of disposals),
- cash outflows of €11 million relating to acquisitions of companies (net of cash and cash equivalents acquired), mainly concerning IACP Informatique and Nu Solutions,
- the positive €60 million impact of changes in exchange rates resulting from the translation into euros of foreign currency assets and liabilities classified under cash and cash equivalents.

II. BORROWINGS

A) Analysis of borrowings

Borrowings break down into short- and long-term borrowings, as follows:

At December 31 *(in millions of euros)*		2007	2008	2009
"OCEANE 2003", "OCEANE 2005" and "OCEANE 2009" convertible/exchangeable bonds	*(a)*	864	891	969
Obligations under finance leases	*(b)*	105	85	87
Other long-term borrowings	*(c)*	90	11	1
Long-term borrowings		**1,059**	**987**	**1,057**
"OCEANE 2003" convertible/exchangeable bonds		-	-	197
Obligations under finance leases	*(b)*	45	34	42
Draw-downs on bank and similar facilities	*(d)*	6	3	8
Other short-term borrowings	*(c)*	135	8	24
Short-term borrowings (1)		**186**	**45**	**271**
TOTAL BORROWINGS		**1,245**	**1,032**	**1,328**

(1) Short-term borrowings include the current portion of long-term borrowings and all other borrowings due within one year.

The €296 million increase during the period was mainly due to:

- the partial redemption of the "OCEANE 2003" bonds in the amount of €263 million in April 2009, including €258 million deducted from borrowings (see Recognition of "OCEANE 2003" bonds described below);
- the issue of a new bond on April 20, 2009 for €564 million, net of issue costs, with a debt component of €500 million;
- the long- to short-term reclassification of the unredeemed portion of the "OCEANE 2003" bonds (i.e. a residual amount of €197 million) and the call option for Capgemini Business Services India Ltd. presented in Other short-term borrowings in 2009 (€10 million).

a) Bonds convertible/exchangeable into new or existing Cap Gemini S.A. shares (OCEANEs)

"OCEANE 2009" CONVERTIBLE/ EXCHANGEABLE BONDS ISSUED ON APRIL 20, 2009

On April 8, 2009, Cap Gemini S.A. issued bonds convertible/ exchangeable into new or existing Cap Gemini shares, maturing on January 1, 2014 ("OCEANE 2009"). Bondholders enjoy all rights from April 20, 2009.

The total amount of the issue was €575 million, represented by 16,911,765 bonds with a nominal value of €34 each, resulting in an issue premium of 35% compared to the Company benchmark share price (weighted average share price between April 8 and the date on which the bond terms and conditions were finalized). The bonds bear interest at 3.5% per year.

The terms and conditions of this issue were set out in the prospectus approved by the AMF on April 8, 2009 under reference number 09-084.

SUMMARY OF THE MAIN TERMS AND CONDITIONS OF THE "OCEANE 2009" BOND ISSUE

Conversion and/or exchange of the bonds for shares

At any time between April 20, 2009 and the seventh business day preceding January 1, 2014.

Redemption at maturity

January 1, 2014 at par.

Early redemption at the Company's option

- At any time, without limitation on price or quantity, by buying back all or some of the bonds either on or off market or by means of a public buyback or exchange offer,
- between April 20, 2012 and the seventh business day preceding January 1, 2014, all outstanding bonds may be redeemed at an early redemption price equal to par, plus the interest accrued since the most recent interest payment date, if (i) the then current conversion/exchange ratio multiplied by (ii) the arithmetic average of the opening prices quoted for the Company's ordinary shares on the Eurolist market of Euronext Paris S.A. over a period of 20 consecutive trading days, exceeds 130% of such early redemption price. Upon early redemption, the bonds may be redeemed either in cash or converted into Cap Gemini S.A. shares, at the option of the bondholders,
- at any time, for all outstanding bonds, if less than 10% of the bonds are still outstanding.

Early redemption at the option of bondholders

Bondholders may request the early redemption of all or part of their bonds in the event of a change 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 2009" BONDS

The debt recognized in liabilities in the Consolidated Statement of Financial Position at the date the bond issue program was put in place represents the fair value of the liability component. This is calculated by discounting future payments on the bonds at the market interest rate applicable to the Group, at the subscription date. Issue costs are deducted from the fair value of the liability component. The difference between the nominal value of the "OCEANE 2009" bonds and the fair value of the debt component is recorded in equity in the amount of €64 million. At December 31, 2009, the liability component of the "OCEANE 2009" convertible/exchangeable bonds measured at amortized cost amounted to €510 million.

The notional interest expense recognized in the period on "OCEANE 2009" bonds was €24 million, including an accrued coupon of €14 million based on the bonds' nominal interest rate (3.5%). The notional interest expense is calculated based on an effective interest rate of 6.8%, which represents the market interest rate for an equivalent bond issue at the same date without the conversion option (6.4%), after taking into account the issuance costs.

"OCEANE 2005" CONVERTIBLE/ EXCHANGEABLE BONDS ISSUED ON JUNE 16, 2005

On June 16, 2005, Cap Gemini S.A. issued bonds convertible/ exchangeable into new or existing Cap Gemini shares, maturing on January 1, 2012 ("OCEANE 2005"). Bondholders enjoy all rights from June 24, 2005.

The total amount of the issue was €437 million, represented by 11,810,810 bonds with a nominal value of €37 each. The bonds bear interest at 1% per year.

The terms and conditions of this issue were set out in the prospectus approved by the AMF on June 16, 2005 under reference number 05-564.

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 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, 2009, the liability component of the "OCEANE 2005" convertible/exchangeable bonds amounted to €459 million (€442 million at December 31, 2008).
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"). Bondholders enjoy all rights from 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. swapped the 2.5% fixed rate payable on the bonds for a floating rate indexed to 3-month post-fixed Euribor and which expired on January 4, 2010, are detailed below in Note 23 – 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.

PARTIAL REDEMPTION OF THE "OCEANE 2003" BONDS

Concurrent to the "OCEANE 2009" bond issue, Cap Gemini S.A. solicited as part of a reverse bookbuilding process, indications of interest in selling from certain holders of bonds convertible/exchangeable for new or existing shares of Cap Gemini issued on June 24, 2003 and maturing on January 1, 2010 (the "OCEANE 2003" bond issue), representing 21.3% of the total initial principal amount of approximately €460 million. Following the settlement/delivery date of the bonds on April 21, 2009, Cap Gemini S.A. therefore agreed to repurchase, in off-market transactions, a total of 1,898,017 "OCEANE 2003" bonds at a repurchase price of €51.50, representing a total amount of €98 million.

Following these off-market repurchases, the Company placed a standing repurchase order on the market in France for a period of five consecutive trading days beginning on April 22, 2009 and ending on April 28, 2009 in favor of all "OCEANE 2003" bondholders. On April 28, 2009, at the end of the standing repurchase order period, the Company had purchased 3,260,474 additional "OCEANE 2003" bonds at a price of €51.50, representing a total amount of €168 million. The total number of "OCEANE 2003" bonds repurchased in off-market transactions and through the standing repurchase order amounted to 5,158,491, representing a total amount of €266 million (including accrued coupons and the redemption premium). The repurchased "OCEANE 2003" bonds were cancelled in accordance with the provisions of their issue contract. Accordingly, the number of "OCEANE 2003" bonds outstanding at December 31, 2009 is 3,861,116, i.e. 42.8% of the bonds initially issued.

RECOGNITION OF "OCEANE 2003" BONDS

At the transaction date, the Group allocated the consideration paid in respect of the partial redemption of the "OCEANE 2003" bonds between the liability and equity components. The method used to allocate said consideration was the same as that used during the initial allocation, and led to a €5 million decrease in the amount recognized in equity. The impacts on the income statement are not material.

At December 31, 2009, the liability component of the "OCEANE 2003" convertible/exchangeable bonds was presented in short-term borrowings in the amount of €197 million (compared to €449 million in long-term borrowings at December 31, 2008), and was redeemed in full on January 4, 2010.
The annual notional interest expense recognized on "OCEANE 2003" bonds was €14 million, compared with a paid coupon of €7 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, 2009 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 L.P. (Canada).

in millions of euros	Earliest date of leases	Latest expiry date	Effective interest rate	December 31, 2009
Université Capgemini (Les Fontaines)	October 2002	July 2014	3-month Euribor +0.75%	43
Capgemini UK Plc.	October 2000	October 2014	Fixed rate (8.5%)	28
Capgemini Outsourcing Services S.A.S.	December 2006	March 2012	Fixed rate (6.3%)	15
Capgemini Outsourcing B.V.	January 2008	January 2014	Fixed rate (6.1%)	15
New Horizons System Solutions L.P.	July 2003	January 2012	Fixed rate (6.0%)	10
Other	October 2002	August 2014	-	18
TOTAL OBLIGATIONS UNDER FINANCE LEASES				**129**

c) Other short- and long-term borrowings

At December 31, 2009, other borrowings of €25 million mainly consist 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., reclassified in short-term borrowings in 2009;
- accrued interest on “OCEANE 2003”, “OCEANE 2005” and “OCEANE 2009” bonds (€14 million at December 31, 2009).

The €6 million increase compared with end-2008 is mainly due to accrued interest on the new OCEANE bond issue performed in 2009, partially offset by net interest receivable under the interest rate swap hedging the “OCEANE 2003” bond issue.

d) Draw-downs on bank and similar facilities

Draw-downs on bank and similar facilities primarily relate to draw-downs 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.

Use of this credit facility is subject to the following conditions:

- a margin of 0.40% at the Statement of Financial Position date (above Euribor or Libor 1 to 12 months). An additional utilization fee of between 0.025% and 0.050% also applies for draw-downs in excess of a certain amount. The margin may be adjusted according to the Company’s credit rating,
- a fee on undrawn amounts equal to 30% of the margin (i.e. currently 0.12%) that may be increased to 35% if Cap Gemini S.A.’s rating falls.

An upgrade or downgrade in Cap Gemini S.A.’s credit rating would have no impact on the availability of this credit 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, 2009, 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 draw-downs had been made on this credit facility.

B) INTEREST RATES

In 2009, the effective interest rate on the Group’s average borrowings was 5.3% (5.6% at in 2008).

At December 31, 2009, 83% of the Group’s borrowings is at fixed rates, 15% is at capped floating rates (54% and 43%, respectively, at end-2008) and the remainder is at floating rates. The marked increase in the percentage of fixed-rate borrowings is due to the subscription of a new fixed-rate OCEANE bond issue in 2009 and the partial redemption of the OCEANE 2003 bond issue, also at fixed-rates but swapped to a capped floating rate.

An analysis charting the sensitivity of net finance costs to a change in interest rates is provided in Note 23 – Financial risk management, section I. Market risk.

Effective interest rates (EIR) by currency

	At December 31, 2009							
	Euro		US dollar		Pound sterling		Other	**Total**
	EIR	Amount	EIR	Amount	EIR	Amount	Amount	**Amount**
	%	M€	%	M€	%	M€	M€	**M€**
"OCEANE 2003" bonds	5.1%	197	-	-	-	-	-	**197**
"OCEANE 2005" bonds	4.8%	459	-	-	-	-	-	**459**
"OCEANE 2009" bonds	6.8%	510	-	-	-	-	-	**510**
Drawdowns on bank and similar facilities	-	-	-	-	-	-	8	**8**
Obligations under finance leases	4.5%	80	6.0%	8	8.5%	28	13	**129**
Other borrowings	na	24	na	1	-	-	-	**25**
TOTAL BORROWINGS	**-**	**1,270**	**-**	**9**	**-**	**28**	**21**	**1,328**

III. DERIVATIVE INSTRUMENTS ON BORROWINGS

Derivative instruments relating to borrowings mainly 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, 2009, the fair value of these derivative instruments is immaterial, due to the imminent liquidation of the interest rate swap hedging the "OCEANE 2003" bond issue, which took place on January 4, 2010 at the same time as the definitive repurchase of the "OCEANE 2003" bonds.

A breakdown of interest rate hedges is provided in Note 23 – 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:

in millions of euros	2007	2008	2009
Net obligation at beginning of year	**588**	**615**	**498**
Translation adjustments	(42)	(124)	34
Changes in Group structure	1	4	-
Service cost, effect of curtailments and settlements, and net interest cost	100	68	76
Benefits and contributions	(117)	(110)	(107)
Change in actuarial gains and losses recorded in income and expense recognized directly in equity	84	56	159
Other movements	1	(11)	(1)
Net obligation at end of year	**615**	**498**	**659**
Funding surplus recognized in assets (1)	(6)	(5)	(21)
PROVISIONS FOR PENSIONS RECOGNIZED IN LIABILITIES	**621**	**503**	**680**

(1) See Note 13 – Other non-current assets.

In 2009, the net expense of €76 million includes the service cost (€30 million), recognized past service cost (€5 million), net interest cost (€42 million) and income of €1 million in respect of curtailments and settlements.

The amounts recognized in the Consolidated Statement of Financial Position in respect of provisions for pensions and other post-employment benefits break down as follows:

At December 31 *(in millions of euros)*		2005	2006	2007	2008	2009
Present value of obligations under funded plans		1,888	1,957	2,002	1,484	1,960
Fair value of plan assets		(1,303)	(1,489)	(1,492)	(1,090)	(1,417)
Funding shortfall under funded plans	I	585	468	510	394	543
Funding shortfall under unfunded plans	II	116	125	137	132	152
Total net funding shortfall		**701**	**593**	**647**	**526**	**695**
Unrecognized past service costs		(5)	(5)	(32)	(28)	(36)
Net provision in the Consolidated Statement of Financial Position		**696**	**588**	**615**	**498**	**659**
Assets		-	(3)	(6)	(5)	(21)
Liabilities		696	591	621	503	680

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 defined benefit section of the main Capgemini UK Plc. pension plan terminated on March 31, 2008 for the large majority of beneficiaries. In exchange, these individuals were given the opportunity to join the defined contribution section of this plan.

In accordance with the recommendations put forward by the UK Pensions Regulator, Capgemini UK Plc. has committed to fund the shortfall over a 10-year period.

A) Analysis of obligations

At December 31, *in millions of euros*	2007 United Kingdom	2007 Canada	2007 Other	2007 Total	2008 United Kingdom	2008 Canada	2008 Other	2008 Total	2009 United Kingdom	2009 Canada	2009 Other	2009 Total
Present value of obligation	1,679	209	114	**2,002**	1,159	212	113	**1,484**	1,525	305	130	**1,960**
Fair value of plan assets	1,216	206	70	**1,492**	820	197	73	**1,090**	1,024	289	104	**1,417**
SHORTFALL	**463**	**3**	**44**	**510**	**339**	**15**	**40**	**394**	**501**	**16**	**26**	**543**
o/w actuarial gains and losses recognized in equity (1)	148	11	6	**165**	133	36	18	**187**	297	56	8	**361**
UNRECOGNIZED PAST SERVICE COSTS	**-**	**-**	**(27)**	**(27)**	**-**	**-**	**(23)**	**(23)**	**-**	**-**	**(32)**	**(32)**
NET PROVISION IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION	**463**	**3**	**17**	**483**	**339**	**15**	**17**	**371**	**501**	**16**	**(6)**	**511**
Assets	-	(6)	-	**(6)**	-	-	(5)	**(5)**	-	(5)	(16)	**(21)**
Liabilities	463	9	17	**489**	339	15	22	**376**	501	21	10	**532**

(1) Actuarial gains and losses are recorded in "Income and expense recognized directly in equity".

At December 31, 2009, the net provision recognized in the Consolidated Statement of Financial Position (excluding the United Kingdom and Canada) is negative, corresponding therefore to a net funding surplus of €6 million, mainly due to a funding surplus in France (€16 million), partially offset by provisions in Sweden (€4 million), the United States (€3 million), India (€2 million) and Germany (€1 million).

B) Analysis of movements in net provisions

Analysis of changes in the present value of pension obligations and plan assets.

in millions of euros	Present value of obligation	Fair value of plan assets	Unrecognized past service costs	Net provision in the Consolidated Statement of Financial Position
At January 1, 2007	**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**
Service cost	23	-	-	23
Past service cost	14	-	(9)	5
Interest cost	106	-	-	106
Expected return on plan assets	-	(71)	-	(71)
Effect of curtailments and settlements	(4)	3	-	(1)
Contributions paid by employees	5	(5)	-	-
Benefits paid to employees	(41)	41	-	-
Contributions paid	-	(100)	-	(100)
Changes in actuarial gains and losses	245	(90)	-	155
Translation adjustments	128	(100)	-	28
Other movements	-	(5)	-	(5)
At December 31, 2009	**1,960**	**(1,417)**	**(32)**	**511**

In 2008, the “Other movements” line related 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 2009, the operating expense for the period amounting to €28 million mainly involved the United Kingdom (€10 million), Canada (€6 million) and France (€5 million).

The decrease in service cost in 2009 compared to 2008 (€17 million) mainly resulted from the closure of the main Capgemini UK Plc. pension plan to the accrual of pensionable service on March 31, 2008 for the majority of beneficiaries and, to a lesser extent, the increase in discount rates in most regions and particularly in Canada.

The net impact of the interest cost (discounting of the bond) and the expected return on plan assets was a financial expense of €35 million, mainly involving the United Kingdom (€30 million). The increase in this financial expense in 2009 compared to 2008 (€22 million) was due:

- primarily to the main pension plan in the United Kingdom, as a result of a decrease in expected average rates of return and a fall in the fair value of plan assets due to the financial crisis;
- to rising discount rates in the majority of regions, although this was more than offset by the decrease in the net present value of the obligation in the United Kingdom and changes in the pound sterling exchange rate;

These various items were determined based on the assumptions set out below in section E) Principal actuarial assumptions.

The benefits paid to employees (€41 million) mainly involved the United Kingdom (€25 million) and Canada (€12 million).

The main contributions to the plans during the period (€100 million) concerned the United Kingdom (€54 million), France (€20 million), Canada (€18 million) and the United States (€6 million).

The impact of translation adjustments (€28 million) was mainly attributable to fluctuations in the pound sterling (€26 million) and the Canadian dollar (€2 million).

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 below section III. Analysis of actuarial gains and losses: experience adjustments).

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 €64 million actuarial loss recognized in 2008 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.

The €155 million actuarial loss recognized in 2009 is attributable to changes in actuarial assumptions between 2008 and 2009, particularly in the United Kingdom and Canada where discount rates dropped by 64 and 75 basis points respectively. The impact of experience adjustments on the value of the plan assets generated an actuarial gain (the actual rate of return exceeding the expected rate of return), which only partially offset the fall in the discount rate.

C) Analysis of plan assets

The main plan asset categories can be analyzed as follows:

	2007		2008		2009	
At December 31 *(in millions of euros)*	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Shares	941	63	481	44	841	59
Bonds	488	33	439	40	509	36
Real estate assets	32	2	22	2	14	1
Cash and cash equivalents	22	1	128	12	31	2
Other	9	1	20	2	22	2
TOTAL	**1,492**	**100**	**1,090**	**100**	**1,417**	**100**

The increase in shares mainly concerns the United Kingdom and is primarily due to positive experience adjustments to the value of these assets, and the reallocation in 2009 of plan assets from cash and cash equivalents.

D) Employees covered by funded defined benefit pension plans

At December 31	2007 Total	2008 Total	2009 United Kingdom	2009 Canada	2009 Other	2009 Total
Current employees – accruing pensionable service	**16,005**	**15,820**	1,145	860	15,771	**17,776**
Former and current employees – not accruing pensionable service	**7,209**	**9,909**	8,808	64	884	**9,756**
Retirees	**1,326**	**1,614**	1,523	193	56	**1,772**
TOTAL	**24,540**	**27,343**	**11,476**	**1,117**	**16,711**	**29,304**

The increase in employees in 2009 is chiefly attributable to the expansion of Group operations in India. At December 31, 2009, a total of 15,377 employees were eligible for these pension plans in India, versus 13,290 employees at December 31, 2008.

E) Principal actuarial assumptions

Discount rate and salary inflation rate

%	2007	2008	2009 United Kingdom	2009 Canada	2009 Other (1)
Discount rate	3.4 - 8.5	3.3 - 8.5	5.9	6.5	3.3 - 8.3
Salary inflation rate	1.5 - 6.0	1.5 - 5.0	4.2	3.3	1.0 - 7.0

(1) The "Other" column includes France, the United States, Germany, Switzerland, Sweden and India. Together, these countries represent 7% of the present value of the obligation of funded defined benefit pension plans.

In 2009, the benchmark indexes used to calculate discount rates were identical to those used in previous years.

Expected return on plan assets

%	2007	2008	2009 United Kingdom	2009 Canada	2009 Other (1)
Shares	3.1 - 8.5	1.5 - 8.3	8.0	8.5	6.3 - 8.3
Bonds	1.1 - 5.8	1.5 - 6.5	5.9	4.0	2.1 - 4.7
Real estate assets	0.2 - 6.5	1.5 - 6.5	6.5	-	3.9
Cash and cash equivalents	3.8 - 4.5	1.4 - 3.8	3.8	1.0	3.9

(1) The "Other" column includes France, the United States, Germany, Switzerland, Sweden and India. Together, these countries represent 7% of the present value of the obligation of funded defined benefit pension plans.

In the United Kingdom, expected rates of returns are validated by experts. For shares, the expected rate of return is based on a study of a selection of leading companies in the United Kingdom which takes account of the maturity of obligations hedged and forecast expected returns based on past trends. The expected rate of return on bonds is determined based on the discount rate used for the obligation, that is the expected rate of return on corporate bonds rated AA.

In Canada, expected rates of return are determined in accordance with a model based on economic data observable in financial markets (assumptions on the profitability of shares and bonds, validated by expert analyses).

Actual return on plan assets

%	2007	2008	2009 United Kingdom	2009 Canada	2009 Other (1)
Shares	(2.7) - 7.6	(46.3) - 2.9	17.6 - 26.6	11.6 - 12.2	(2.5) - 32.2
Bonds	1.1 - 6.5	(6.0) - 4.9	7.0 - 9.2	7.1	(2.5) - 23.3
Real estate assets	(4.9) - 0.2	(23.6) - 1.0	(6.1)	-	(2.5) - 9.8
Cash and cash equivalents	1.4 - 4.4	1.2 - 3.4	0.8	(1.5) - (1.1)	0.2

(1) The "Other" column includes France, the United States, Germany, Switzerland, Sweden and India. Together, these countries represent 7% of the present value of the obligation of funded defined benefit pension plans.

F) Expected contribution to plans in 2010

The Group expects to pay €78 million in contributions into its defined benefit pension plans in 2010.

II. PROVISIONS FOR UNFUNDED DEFINED BENEFIT PENSION PLANS

Unfunded defined benefit pension plans concern France, Canada, Germany, the Netherlands, Sweden, Italy, India and Austria.

A) Analysis of obligations

At December 31 *(in millions of euros)*	2007 Total	2008 Total	2009 France	Canada	Germany	Other	Total
Present value of obligation/Shortfall	**137**	**132**	58	37	23	34	**152**
o/w actuarial gains and losses recognized in equity (1)	**17**	**9**	8	(5)	-	10	**13**
Unrecognized past service costs	**(5)**	**(5)**	(4)	-	-	-	**(4)**
NET PROVISIONS RECOGNIZED IN LIABILITIES	**132**	**127**	**54**	**37**	**23**	**34**	**148**

(1) Actuarial gains and losses are recorded in "Income and expense recognized directly in equity"

The net benefit obligation for other regions includes unfunded plans operated in Sweden, the Netherlands, Italy and India. The pension plan in Italy has been curtailed (pensionable service no longer accrues) since December 31, 2007.
The Canadian plan mainly relates to healthcare insurance.

B) Analysis of movements in net provisions

in millions of euros	Present value of obligation	Unrecognized past service costs	Net provision in the Consolidated Statement of Financial Position
At January 1, 2007	**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**
Changes in Group structure	-	-	**-**
Service cost	7	1	**8**
Past service cost	-	-	**-**
Interest cost	7	-	**7**
Effect of curtailments and settlements	(1)	-	**(1)**
Benefits paid to employees	(6)	-	**(6)**
Changes in actuarial gains and losses	4	-	**4**
Translation adjustments	5	-	**5**
Other movements	4	-	**4**
At December 31, 2009	**152**	**(4)**	**148**

C) Employees covered by unfunded defined benefit pension plans

	2007	2008	2009				
At December 31	**Total**	**Total**	France	Canada	Germany	Other	**Total**
Current employees – accruing pensionable service	**30,293**	**29,040**	18,889	1,720	172	6,069	**26,850**
Former and current employees – not accruing pensionable service	**1,006**	**2,487**	-	128	129	2,088	**2,345**
Retirees	**398**	**448**	4	386	75	51	**516**
TOTAL	**31,697**	**31,975**	**18,893**	**2,234**	**376**	**8,208**	**29,711**

The decrease between 2008 and 2009 in the number of current employees accruing pensionable service mainly concerns France.

D) Principal actuarial assumptions

	2007	2008	2009		
%			France	Canada	Germany
Discount rate	4.0 - 8.1	3.3 - 7.3	4.8	6.5	6.0
Salary inflation rate	1.5 - 8.0	1.8 - 6.0	1.0 - 2.8	3.3	2.0 - 2.3

Other countries include Sweden, Italy, the Netherlands, India and Austria, which represent 22% of the present value of the obligation of unfunded defined benefit pension plans and are individually immaterial.

In 2009, 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 reflect the effects of differences between projected actuarial assumptions and what has actually occurred.

The amounts relating to the current and prior years break down as follows:

At December 31 *(in millions of euros)*	**2006**	**2007**	**2008**	**2009**
Experience adjustment on liabilities (1)	37	1	(1)	(9)
Experience adjustment on assets (2)	50	3	(299)	91

(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 2009 result from the difference between expected and actual returns on plan assets, following the improvement in the financial climate compared to 2008.

IV. ANALYSIS OF THE SENSITIVITY OF THE PRESENT VALUE OF THE OBLIGATION IN THE UNITED KINGDOM

The impact of a change of 50 basis points in the discount rate and the inflation rate on the present value of the obligation in the United Kingdom, which represents 72% of the total Group obligation at December 31, 2009, is presented below:

in millions of euros	**Impact**	**Present value of the obligation**
Present value of the obligation at December 31, 2009		**1,525**
Increase of 50 basis points in the discount rate	(145)	1,380
Decrease of 50 basis points in the discount rate	168	1,693
Increase of 50 basis points in the inflation rate	132	1,657
Decrease of 50 basis points in the inflation rate	(123)	1,402

V. ANALYSIS OF SENSITIVITY TO CHANGES IN HEALTHCARE ASSISTANCE COSTS

Healthcare assistance costs exclusively concern Canada. For 2007, 2008 and 2009, a 1% change in healthcare assistance costs would have an impact of plus or minus €1 million in the Consolidated Income Statement (service cost and interest cost). The impact of this 1% change would range from a negative €5 million to a positive €6 million in the Consolidated Statement of Financial Position at December 31, 2009, largely unchanged from 2008 and 2007.

NOTE 18 – **CURRENT AND NON-CURRENT PROVISIONS**

Changes in current and non-current provisions can be analyzed as follows:

in millions of euros	2007	2008	2009
At January 1	**98**	**85**	**65**
Additions	48	42	24
Reversals (utilization of provisions)	(53)	(27)	(10)
Reversals (surplus provisions)	(7)	(36)	(37)
Other	(1)	1	7
At December 31	**85**	**65**	**49**

At December 31, 2009, current provisions (€28 million) and non-current provisions (€21 million) mainly concern risks relating to projects and contracts amounting to €32 million (€49 million at December 31, 2008) and risks relating to tax and labor disputes amounting to €17 million (€16 million at December 31, 2008).

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.

In 2009, additions to provisions for the period mainly concern outsourcing projects and employee disputes. Provision reversals for the period are mainly due to the favorable outcome of the reversal of a major contract and the satisfactory continuation of our activities at a client which has filed for bankruptcy protection in the USA.

NOTE 19 – **OTHER NON-CURRENT LIABILITIES**

Other non-current liabilities can be analyzed as follows:

At December 31 *(in millions of euros)*	2007	2008	2009
Special employee profit-sharing reserve	54	65	66
Derivative instruments (1)	18	7	3
Liabilities related to acquisitions of consolidated companies	5	6	6
Other	69	34	20
TOTAL	**146**	**112**	**95**

(1) See Note 23 – 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.

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)*	2007	2008	2009
Accounts payable	863	821	812
Accrued taxes other than on income	316	347	327
Personnel costs	910	894	853
Other	31	34	34
TOTAL	**2,120**	**2,096**	**2,026**

NOTE 21 – OTHER PAYABLES AND INCOME TAX

At December 31 *(in millions of euros)*	2007	2008	2009
Income taxes payable	71	74	52
Special employee profit-sharing reserve	5	8	10
Derivative instruments (1)	2	90	4
Liabilities related to acquisitions of consolidated companies	1	24	5
Other	8	7	24
TOTAL	**87**	**203**	**95**

(1) See Note 23 – Financial risk management, section I. – Market risk.

NOTE 22 – CASH FLOWS

At December 31, 2009, cash and cash equivalents totaled €2,597 million (see Note 16 – Net cash and cash equivalents), up €792 million on December 31, 2008. Excluding the impact of exchange rate fluctuations on net cash and cash equivalents (€60 million), this increase is €732 million. Cash flow impacts are shown in the Statement of Cash Flows.

Changes in net cash and cash equivalents break down into three main flows:

Net cash from/(used in) operating activities

In 2009, net cash from operating activities totaled €495 million and comprised:

- cash flows from operations before net finance costs and income tax in the amount of €445 million,
- payment of income taxes in the amount of €56 million,
- a decrease in working capital requirements, generating a positive cash impact of €106 million.

Changes in working capital requirement (WCR) and the reconciliation with the Consolidated Statement of Financial Position are as follows:

in millions of euros	Note	Working capital requirement components (Consolidated Statement of Financial Position) December 31, 2008	December 31, 2009	Net impact	Non-WCR items (1)	Impact of WCR items	Items with no cash impact Income impact	Foreign exchange impact	Reclass-ifications/ other (2)	Statement of Cash Flows items Amount
Accounts and notes receivable	14	2,396	2,067	329	-	329	-	42	18	389
Advances from customers and billed in advance	14	(639)	(567)	(72)	-	(72)	-	(24)	1	(95)
Change relating to accounts and notes receivable and advances from customers and billed in advance				**257**	**-**	**257**	**-**	**18**	**19**	**294**
Accounts and notes payable - Trade payables	20	(821)	(812)	(9)	-	(9)	-	(28)	(36)	(73)
Changes in trade payables				**(9)**	**-**	**(9)**	**-**	**(28)**	**(36)**	**(73)**
Other non-current assets	13	91	112	(21)	25	4	-	-	(16)	(12)
Other receivables and income tax	15	223	257	(34)	15	(19)	6	8	-	(5)
Other non-current liabilities	19	(112)	(95)	(17)	-	(17)	-	(1)	16	(2)
Accounts and notes payable (excluding trade payables)	20	(1,275)	(1,214)	(61)	-	(61)	-	(22)	14	(69)
Other payables and income tax	21	(203)	(95)	(108)	102	(6)	(1)	(1)	(19)	(27)
Change relating to other receivables and payables				**(241)**	**142**	**(99)**	**5**	**(16)**	**(5)**	**(115)**
Change in working capital requirement						**149**	**5**	**(26)**	**(22)**	**106**

(1) Consolidated Statement of Financial Position items explaining cash flows relating to investing and financing activities and the payment of the income tax expense are not included in working capital requirements.
(2) The Reclassifications and other heading mainly includes changes relating to the current and non-current reclassification of certain accounts and notes receivable and payable, changes in the position of certain tax and employee-related receivables and payables in assets or liabilities and the impacts of changes in Group structure.

Net cash from/(used in) investing activities

The main components of net cash used in investing activities amounting to €108 million reflect:

- cash outflows of €25 million relating to acquisitions of intangible assets, net of disposals, mainly involving software for customer projects or for internal use and internally generated intangible assets (see Note 10 – Goodwill and intangible assets),
- net cash outflows of €70 million relating to property, plant and equipment, mainly involving computer purchases for projects or relating to the partial renewal of IT installations and the renovation, extension and refurbishment of office space (see Note 11 – Property, plant and equipment), as well as disposals (€23 million), mainly of computer equipment following the termination of the TXU contract (now EFH) in the United States,
- cash outflows of €13 million, net of disposals, mainly relating to financial investments for the payment of the €4 million residual debt relating to the acquisition of BAS B.V. in the Netherlands in 2008 and the acquisition of IACP in France for €5 million.

Net cash from/(used in) financing activities

Net cash from financing activities totaled €346 million and mainly comprised

- a cash inflow of €564 million relating to the issue of the "OCEANE 2009" bonds (see Note 16 – Net cash and cash equivalents),
- a cash outflow of €263 million relating to the partial redemption of the "OCEANE 2003" bonds (see Note 16 – Net cash and cash equivalents),
- a dividend payment of €143 million,
- share capital increases totaling €225 million following the exercise of stock options, the issue of redeemable share subscription or purchase warrants (BSAAR) and the issue of new shares under the Employee share ownership plan (@ESOP), see the Consolidation Statement of Changes in Equity.

NOTE 23 – FINANCIAL RISK MANAGEMENT

I. MARKET RISK

A) Currency risk

The Group is exposed to two types of currency risk that could impact the Income Statement and "Income and expense recognized directly in 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.

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 (2009: 22% and 15% respectively), fluctuations of the pound sterling and the dollar against the euro may have an impact on the consolidated financial statements. In 2009, the positive impact on translation reserves is mainly due to the appreciation of the pound sterling against the euro, after a substantial depreciation at the end of 2008.
For example, a 10% fluctuation in the pound sterling-euro exchange rate would trigger a corresponding 2% change in revenues and 3% change in operating margin. Similarly, a 10% fluctuation in the dollar-euro exchange rate would trigger a corresponding 1.5% change in revenues and a 1% change in operating margin.

The Group does not hedge risks arising on the translation of the foreign currency accounts of consolidated subsidiaries whose functional currency is not the euro.

Regarding risks arising on operating or financial cash flows, the growing use of offshore production exposes the Group to currency risk with respect to some of its production costs. The Group is also exposed to the risk of exchange rate fluctuations in respect of inter-company financing transactions and fees paid to the Group by subsidiaries whose functional currency is not the euro.

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 primarily located in India but also in Poland and Latin America, exposes the Group to currency risk with respect to some of its production costs.

The Group has therefore implemented a policy aimed at minimizing and managing currency risks. 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 inter-company 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 2009, the Group hedged almost 91% of its foreign exchange risk (US dollar, euro and pound sterling) against the Indian rupee. At December 31, 2009, the hedges contracted comprised forward contracts to sell foreign currency maturing between 2010 and 2012 with an aggregate equivalent value of €317 million (€279 million at December 31, 2008). The hedges were chiefly taken out in respect of transactions in euros (€120 million), US dollars ($169 million) and pounds sterling (£28 million). The maturities of the hedges range from five months to nearly three years.

The Group has also entered into forward contracts to sell foreign currency (mainly pounds sterling, US dollar and Swedish krona) in Poland, France and the United States. These contracts mature between 2010 and 2014 and have an equivalent value of €41 million.

At December 31, 2009, forward foreign exchange contracts break down as follows:

in millions of euros	Less than 6 months	More than 6 months and less than 12 months	More than 12 months	Total
Forward foreign exchange contracts	**133**	**96**	**129**	**358**

In the Consolidated Statement of Financial Position at December 31, 2009, the contracts are measured at fair value, representing a total net receivable of €3 million (net debt of €34 million at December 31, 2008), comprising:

- a receivable of €10 million, including €3 million recorded in "Other non-current assets" and €7 million recorded in "Other receivables and income tax",
- a debt of €7 million, including €3 million recorded in "Other non-current liabilities" and €4 million recorded in "Other payables and income tax".

At December 31, 2009, the matching entry to the fair value of all cash flow hedging contracts recorded in equity is €2 million (negative €27 million at December 31, 2008). The increase in the period is attributable to the fair value of contracts signed during the period, corresponding to future transactions for €10 million and the release to operating profit of transactions completed during the period for €19 million.

Currency risks and hedges relating to financial transactions

In addition to currency risk arising on offshore production centers, the Group is exposed to the risk of exchange rate fluctuations in respect of:

- inter-company financing transactions, mainly at the level of Cap Gemini S.A.: as intercompany lending and borrowing is systematically hedged (mainly using forward foreign exchange contracts), the impact of changes in exchange rates on the Income Statement and "Income and expense recognized directly in equity" is negligible.

  At December 31, 2009, hedged inter-company loans amounted to €291 million (€306 million at December 31, 2008), and concerned loans denominated in pounds sterling, Australian dollars and US dollars.

  In 2009, derivative instruments used to hedge these currency risks generated net financial income of €63 million (net financial expense of €48 million in 2008), almost entirely attributable to changes in the fair value of a euro/pound sterling swap aimed at hedging an inter-company loan granted by Capgemini UK to Cap Gemini S.A. This income was offset in the amount of €63 million by the exchange loss recognized at year-end on the same inter-company loan as a result of the rise in the pound sterling against the euro over the period (see Note 7 – Other financial income and expense).

  At December 31, 2009, the fair value of these instruments is reported in "Other receivables and income tax" for an amount of €1 million (€61 million reported in liabilities at December 31, 2008);
- 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 the Income Statement 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, 2009 and denominated in currencies other than their respective functional currencies, is as follows:

	December 31, 2009						
in millions of euros	Euro	US dollar	Pound sterling	Australian dollar	Canadian dollar	Swiss franc	Other (1)
Total assets	56	198	50	9	1	5	8
Total liabilities	(56)	(155)	(323)	-	(5)	(1)	(7)
Exposure to currency risks before hedging	-	43	(273)	9	(4)	4	1
Amounts hedged	(13)	(25)	269	(8)	-	-	-
Exposure to currency risks after hedging	(13)	18	(4)	1	(4)	4	1

(1) Other currencies essentially include the Swedish krona, Polish zloty and Norwegian krona.

At December 31, 2009, amounts hedged mainly concern Cap Gemini S.A. for inter-company 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

The Group's exposure to interest rate risk should be analyzed in light of its cash position: at December 31, 2009, the Group had €2,597 million in cash and cash equivalents, mainly invested at floating rates (or failing this at fixed rates for periods of less than or equal to 3 months), and €1,328 million in gross indebtedness principally at fixed rates (83%) or capped floating rates (15%), see Note 16 – Net cash and cash equivalents, section II. – Borrowings. The high proportion of fixed rate and capped floating rate borrowings is due to the weight of the OCEANE bond issues in gross indebtedness and 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, 2009, 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 five 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 floating rate indexed to the 3-month post-fixed Euribor. The floating 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.
  In the Consolidated Statement of Financial Position at December 31, 2009, this contract is valued at close to nil, due to the imminent nature of its repayment, which took place on January 4, 2010 at the same time as redemption of the underlying "OCEANE 2003" bond issue. The resulting change in the fair value of this contract of €1 million is recorded in "Other financial expenses" (income of €6 million in 2008)
- 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 2003 for a notional amount of €44 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.
  In the Consolidated Statement of Financial Position at December 31, 2009, this contract is valued at €0.3 million and is included in "Other non-current liabilities". At December 31, 2009, the change in fair value of this contract on the outstanding amount of €22 million, generated an expense of €0.6 million recorded in "Other financial expenses" (€0.7 million in 2008)

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 borrowings in 2009, a 100-basis point rise in interest rates would have a positive impact of around €8 million on the Group's net finance costs (2008: €17 million; 2007: €17 million). Conversely, a 100-basis point fall in interest rates would have an estimated €8 million negative impact on the Group's net finance costs for 2009.

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, 2009, under the share buyback program Cap Gemini S.A. holds:

- 121,000 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 Income Statement.

II. LIQUIDITY RISK

Financial liabilities, comprising mainly borrowings and certain accounts and notes payable, are presented in Note 24 – Financial instruments (maturity and future associated cash payments). Additionally, a specific detailed analysis of borrowings is provided in Note 16 – Net cash and cash equivalents, section II. Borrowings.

The financial liabilities whose early repayment could expose the Group to liquidity risk are mainly the three convertible bonds ("OCEANE 2003", "OCEANE 2005" and "OCEANE 2009"). However it should be noted that the OCEANE 2003 bond issue was redeemed in full on January 4, 2010.

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 borrowings;
- maintaining a high level of available funds at all times (€2,597 million at December 31, 2009), 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 borrowings 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 24 – 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, 2009, accounts receivable net of provisions for doubtful accounts totaled €1,296 million (see Note 14 – Accounts and notes receivable). The Group's largest client, a major British public body, contributes around 11% of Group revenues (11% in 2008 and 13% in 2007, while the second-largest client accounts for just 2%. The top 10 clients collectively account for 26% of Group revenues, and the top 30 represent 41%. 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, as well as the amounts receivable from these clients. However, the Group does not consider that any of its clients, business sectors or geographic areas present a significant risk of non-collection that could materially impact the financial position of the Group as a whole;
- 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, 2009, short-term investments totaled €2,109 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 or immediately available, issued by highly rated companies or financial institutions (minimum rating of A2/P2 or equivalent). Consequently, these short-term investments do not expose the Group to any material credit risk.

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, 2009, 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, 2009, "Accounts receivable" totaled €1,326 million and "Provisions for doubtful accounts" stood at €30 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-2009, past due balances totaled €348 million, representing 26.9% of accounts receivable less provisions for doubtful accounts. This breaks down as follows:

in millions of euros	Less than 30 days	More than 30 days and less than 90 days	More than 90 days
Net accounts receivable	**184**	**103**	**61**
As a % of accounts and notes receivable, net of provisions for doubtful accounts	14.2 %	8.0 %	4.7 %

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, 2007, 2008 and 2009, the Group had a positive net cash position. In order to preserve and control the structure of its capital, the Group can issue new shares, buy back its own shares or adjust the dividend paid to shareholders.

NOTE 24 – 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 Consolidated Statement of Financial Position;
- 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 borrowings, accounts and notes payable, and other current and non-current payables;
- derivative instruments are carried at fair value, either directly through the Income Statement or through "Income and expense recognized directly in equity", according to applicable cash flows 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 in the Consolidated Statement of Financial Position due to their very short maturities;
- the fair value of bond debt is estimated at each period-end 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 three bond issues;
- the carrying amount of obligations under finance leases is deemed to be representative of their fair value in the Consolidated Statement of Financial Position due to the wide variety and maturity of the corresponding debt.

Fair value hierarchy

Financial instruments measured at fair value after initial recognition can be classified as follows:

- Level 1: short-term investments, other than commercial paper, certificates of deposit and term deposits and long-term investments are measured at fair value through the Income Statement by reference to prices quoted on an active market,
- Level 2: derivative instruments are measured by reference to data observable on active markets.

Financial instruments can be analyzed as follows by category:

in millions of euros	CATEGORY: Fair value through the Income Statement	Available-for-sale assets	Loans and receivables	Instruments carried at amortized cost	Derivative instruments	December 31, 2009: Carrying amount	Fair value
Shares in non-consolidated companies	-	1	-	-	-	1	1
Deposits, receivables and other long-term investments	4	-	55	-	-	59	59
Other non-current assets	-	-	13	-	3	16	16
Accounts receivable (net of provisions)	-	-	1,296	-	-	1,296	1,296
Other current receivables	-	-	11	-	8	19	19
Short-term investments	2,109	-	-	-	-	2,109	2,109
Banks	494	-	-	-	-	494	494
FINANCIAL ASSETS	**2,607**	**1**	**1,375**	**-**	**11**	**3,994**	**3,994**
Bonds	-	-	-	(1,166)	-	(1,166)	(1,263)
Obligations under finance leases	-	-	-	(129)	-	(129)	(129)
Other long-term borrowings	-	-	-	(1)	-	(1)	(1)
Other non-current liabilities	-	-	-	(6)	(3)	(9)	(9)
Bank overdrafts	(7)	-	-	-	-	(7)	(7)
Other short-term borrowings	-	-	-	(33)	-	(33)	(33)
Trade payables	-	-	-	(812)	-	(812)	(812)
Other current payables	-	-	-	(39)	(4)	(43)	(43)
FINANCIAL LIABILITIES	**(7)**	**-**	**-**	**(2,186)**	**(7)**	**(2,200)**	**(2,297)**

in millions of euros	CATEGORY: Fair value through the Income Statement	Available-for-sale assets	Loans and receivables	Instruments carried at amortized cost	Derivative instruments	December 31, 2008: Carrying amount	Fair value
Shares in non-consolidated companies	-	2	-	-	-	2	2
Deposits, receivables and other long-term investments	3	-	40	-	-	43	43
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
Banks	578	-	-	-	-	578	578
FINANCIAL ASSETS	**1,871**	**2**	**1,648**	**-**	**3**	**3,524**	**3,524**
Bonds (non-current portion)	-	-	-	(891)	-	(891)	(892)
Obligations under finance leases	-	-	-	(119)	-	(119)	(119)
Other long-term borrowings	-	-	-	(11)	-	(11)	(11)
Other non-current liabilities	-	-	-	(15)	(7)	(22)	(22)
Bank overdrafts	(2)	-	-	-	-	(2)	(2)
Other short-term borrowings	-	-	-	(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)**

in millions of euros	CATEGORY: Fair value through the Income Statement	Available-for-sale assets	Loans and receivables	Instruments carried at amortized cost	Derivative instruments	December 31, 2007: Carrying amount	Fair value
Shares in non-consolidated companies	-	3	-	-	-	3	3
Deposits, receivables and other long-term investments	2	-	27	-	-	29	29
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
Banks	648	-	-	-	-	648	648
FINANCIAL ASSETS	**2,244**	**3**	**1,730**	**-**	**13**	**3,990**	**3,990**
Bonds (non-current portion)	-	-	-	(864)	-	(864)	(854)
Obligations under finance leases	-	-	-	(150)	-	(150)	(150)
Other long-term borrowings	-	-	-	(90)	-	(90)	(90)
Other non-current liabilities	-	-	-	(16)	(18)	(34)	(34)
Bank overdrafts	(91)	-	-	-	-	(91)	(91)
Other short-term borrowings	-	-	-	(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)**

B) Impacts of financial instruments on the Income Statement

The impacts of financial instruments on the Income Statement (see Note 6 – Net finance costs and Note 7 – Other financial income and expense), are included within net financial 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”, “OCEANE 2005” and “OCEANE 2009” bonds were estimated based on contractual nominal interest rates (2.5%, 1% and 3.5%, 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.

in millions of euros	December 31, 2009						
	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	192	192	192	-	-	-
Interest rate swap relating to "OCEANE 2003" bonds (1)	2010	-	-	-	-	-	-
"OCEANE 2005" bonds	2012	463	508	4	4	500	-
"OCEANE 2009" bonds	2014	524	670	14	20	636	-
Obligations under finance leases	2010 to 2014	129	129	43	37	49	-
Other long-term borrowings	2011 to 2015	1	1	na	-	-	1
Other non-current liabilities	2011 to 2014	9	9	na	5	4	-
Bank overdrafts	2010	7	7	7	na	na	na
Other short-term borrowings	2010	20	20	20	na	na	na
Trade payables	2010	812	812	812	na	na	na
Other payables	2010	43	43	43	na	na	na
TOTAL FINANCIAL LIABILITIES		**2,200**	**2,391**	**1,135**	**66**	**1,189**	**1**

(1) The interest rate swap taken out in connection with "OCEANE 2003" bonds is shown in the Consolidated Statement of Financial Position at a value of close to nil due to its imminent liquidation, which took place on January 4, 2010 at the same time as the definitive repurchase of the "OCEANE 2003" bonds.

in millions of euros	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	453	483	12	471	-	-
Interest rate swap relating to "OCEANE 2003" bonds (1)	2010	-	-	-	-	-	-
"OCEANE 2005" bonds	2012	446	512	4	4	504	-
Obligations under finance leases	2009 to 2014	119	119	34	27	50	8
Other long-term borrowings	2010 to 2015	11	11	na	10	-	1
Other non-current liabilities	2010 to 2011	22	22	na	20	2	-
Bank overdrafts	2009	2	2	2	na	na	na
Other short-term borrowings	2009	3	3	3	na	na	na
Trade payables	2009	821	821	821	na	na	na
Other payables	2009	143	143	143	na	na	na
TOTAL FINANCIAL LIABILITIES		**2,020**	**2,116**	**1,019**	**532**	**556**	**9**

(1) The interest rate swap taken out in connection with "OCEANE 2003" bonds is shown in the Consolidated Statement of Financial Position caption "Other non-current assets" at end-2008, and is not therefore included in financial liabilities.

in millions of euros	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	442	495	12	12	471	-
Interest rate swap relating to "OCEANE 2003" bonds	2010	4	(2)	3	3	(8)	-
"OCEANE 2005" bonds	2012	430	517	4	4	509	-
Obligations under finance leases	2008 to 2014	150	150	45	33	55	17
Other long-term borrowings	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	na	na	na
Other short-term borrowings	2008	133	133	133	na	na	na
Trade payables	2008	863	863	863	na	na	na
Other payables	2008	31	24	24	na	na	na
TOTAL FINANCIAL LIABILITIES		**2,264**	**2,469**	**1,190**	**79**	**1,029**	**171**

NOTE 25 – OPERATING SEGMENTS

As indicated in Note 1-S – Operating Segments, segment information is provided for the geographic areas presented below (Section I – Segment reporting by geographic area) and complemented in Section II by information on revenues and operating margin for each of the Group's four businesses.

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	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, 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, United Arab Emirates, Vietnam

A) Analysis of the Income Statement by geographic area

The Income Statement for 2009 breaks down as follows by geographic area:

in millions of euros	North America	France	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)	1,590	1,949	1,852	1,397	531	488	434	130	-	-	8,371
- inter-geographic area	39	98	64	33	93	12	33	358	-	(730)	-
TOTAL REVENUES	**1,629**	**2,047**	**1,916**	**1,430**	**624**	**500**	**467**	**488**	**-**	**(730)**	**8,371**
OPERATING MARGIN (2)	**77**	**121**	**165**	**122**	**51**	**35**	**10**	**69**	**(55)**	**-**	**595**
% revenues	*4.9*	*6.2*	*8.9*	*8.7*	*9.7*	*7.3*	*2.3*	*na*	-	-	*7.1*
OPERATING PROFIT	**55**	**65**	**137**	**30**	**27**	**21**	**(9)**	**63**	**(56)**	**-**	**333**
						Net finance costs					(43)
						Other financial income					75
						Other financial expense					(125)
						Income tax expense					(61)
						Share of profit of associates					(1)
						PROFIT FOR THE YEAR					**178**
						PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY					**178**

(1) Items that have not been allocated correspond to headquarter expenses.
(2) Non-Group revenues generated under sub-contracting arrangements are recorded in the ordering region. As operating margin is calculated based on these revenues, the margin for the Asia-Pacific area is not representative of its activities, which mostly consist of internal sub-contracting carried out in India.

The Income Statement for 2008 breaks down as follows by geographic area:

in millions of euros	North America	France	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) (3)	**91**	**148**	**164**	**183**	**82**	**55**	**23**	**56**	**(58)**	**-**	**744**
% revenues	*5.5*	*7.1*	*8.5*	*14.0*	*13.9*	*9.5*	*5.2*	*na*	-	-	*8.5*
OPERATING PROFIT	**80**	**96**	**131**	**171**	**54**	**51**	**14**	**49**	**(60)**		**586**
						Net finance costs					2
						Other financial income					86
						Other financial expense					(107)
						Income tax expense					(116)
						PROFIT FOR THE YEAR					**451**
						PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY					**451**

(1) Items that have not been allocated correspond to headquarter expenses.
(2) Non-Group revenues generated under sub-contracting arrangements are recorded in the ordering region. As operating margin is calculated based on these revenues, the margin for the Asia-Pacific area is not representative of its activities, which mostly consist of internal sub-contracting carried out in India.
(3) Certain items relating to operations in 2008 have been reclassified between geographical areas for comparison purposes with 2009.

The income Statement for 2007 break down as follows by geographic area:

in millions of euros	North America	France	United Kingdom and Ireland	Benelux	Germany and Central Europe	Nordic countries	Southern Europe and Latin America	Asia-Pacific	Not allocated (1)	Elimina-tions	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**
% 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**
						Net finance costs					(4)
						Other financial income					35
						Other financial expense					(38)
						Income tax expense					(48)
						Share of profit of associates					2
						PROFIT FOR THE YEAR					**440**
						PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY					**440**

(1) Items that have not been allocated correspond to headquarter expenses.
(2) Non-Group revenues generated under sub-contracting arrangements are recorded in the ordering region. As operating margin is calculated based on these revenues, the margin for the Asia-Pacific area is not representative of its activities, which mostly consist of internal sub-contracting carried out in India.

B) Analysis of depreciation, amortization and other expenses with no cash impact included in the operating margin

Depreciation, amortization and other expenses with no cash impact break down as follows for 2009:

in millions of euros	North America	France	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	(36)	(26)	(26)	(28)	(18)	(6)	(6)	(18)	-	(164)
Net charge to provisions (1)	(6)	-	(4)	(4)	(1)	1	(1)	3	-	(12)
TOTAL	**(42)**	**(26)**	**(30)**	**(32)**	**(19)**	**(5)**	**(7)**	**(15)**	**-**	**(176)**

(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 break down as follows for 2008:

in millions of euros	North America	France	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 charge 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 break down as follows for 2007:

in millions of euros	North America	France	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 charge 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.

C) Analysis of assets and liabilities by geographic area

The location of assets corresponds to the location of the Group's clients, except for outsourcing centers such as in India.

At December 31, 2009, assets and liabilities break down as follows by geographic area:

in millions of euros	North America	France	United Kingdom and Ireland	Benelux	Germany and Central Europe	Nordic countries	Southern Europe and Latin America	Asia-Pacific	Not allocated (1)	Eliminations	Total
Assets by geographic area:											
- external	961	1,625	922	1,228	536	351	274	218	38	-	6,153
- inter-geographic area	37	61	29	21	24	7	10	47	10	(246)	-
TOTAL ASSETS BY GEOGRAPHIC AREA	**998**	**1,686**	**951**	**1,249**	**560**	**358**	**284**	**265**	**48**	**(246)**	**6,153**
Deferred tax assets											887
Current income tax receivable											54
Short-term investments											2,109
Derivative instruments											10
TOTAL ASSETS											**9,213**
Liabilities by geographic area:											
- external	472	932	1,088	358	167	148	163	124	8	-	3,460
- inter-geographic area	54	53	30	36	20	18	13	14	8	(246)	-
TOTAL LIABILITIES BY GEOGRAPHIC AREA	**526**	**985**	**1,118**	**394**	**187**	**166**	**176**	**138**	**16**	**(246)**	**3,460**
Total equity											4,213
Deferred tax liabilities											153
Current income tax payable											52
Borrowings											1,328
Derivative instruments											7
TOTAL EQUITY AND LIABILITIES											**9,213**

At December 31, 2008, assets and liabilities break down as follows by geographic area:

in millions of euros	North America	France	United Kingdom and Ireland	Benelux	Germany and Central Europe	Nordic countries	Southern Europe and Latin America	Asia-Pacific	Not allocated (1)	Elimina-tions	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
						Borrowings					1,032
						Derivative instruments					97
						TOTAL EQUITY AND LIABILITIES					**8,729**

At December 31, 2007, assets and liabilities break down as follows by geographic area:

in millions of euros	North America	France	United Kingdom and Ireland	Benelux	Germany and Central Europe	Nordic countries	Southern Europe and Latin America	Asia-Pacific	Not allocated (1)	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
						Borrowings					1,245
						Derivative instruments					20
						TOTAL EQUITY AND LIABILITIES					**9,127**

D) Analysis of acquisitions of intangible assets and property, plant and equipment

Acquisitions of intangible assets and property, plant and equipment break down as follows:

At December 31 *(in millions of euros)*	2007	2008	2009
North America	30	21	36
France	40	35	37
United Kingdom and Ireland	55	26	23
Benelux	20	40	26
Germany and Central Europe	17	16	11
Nordic countries	14	8	3
Southern Europe and Latin America	8	5	8
Asia-Pacific	24	26	17
TOTAL	**208**	**177**	**161**

The acquisition cost of intangible assets and property, plant and equipment reported in the Consolidated Statement of Financial Position is different from the figure provided in the Statement of Cash Flows (€119 million), which excludes acquisitions of assets held under finance leases (€42 million).

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,
- "Local Professional Services" provides assistance and support to internal IT teams within client companies.

Revenues break down as follows by business:

in millions of euros	2007 Amount	2007 %	2008 Amount	2008 %	2009 Amount	2009 %
Consulting Services	753	9	695	8	558	7
Technology Services	3,349	38	3,396	39	3,345	40
Outsourcing Services	3,189	37	3,076	35	3,049	36
Local Professional Services	1,412	16	1,543	18	1,419	17
TOTAL	**8,703**	**100**	**8,710**	**100**	**8,371**	**100**

Operating margin breaks down as follows by business:

in millions of euros	2007 Amount	2007 %	2008 Amount	2008 %	2009 Amount	2009 %
Consulting Services	79	10.5	89	12.8	64	11.4
Technology Services	299	8.9	348	10.2	230	6.9
Outsourcing Services	150	4.7	167	5.4	218	7.2
Local Professional Services	169	12.0	198	12.9	138	9.7
Not allocated	(57)	-	(58)	-	(55)	-
TOTAL	**640**	**7.4**	**744**	**8.5**	**595**	**7.1**

NOTE 26 – NUMBER OF EMPLOYEES

A) AVERAGE NUMBER OF EMPLOYEES BY GEOGRAPHIC ARE

	2007		2008		2009	
	Employees	%	Employees	%	Employees	%
North America	8,564	11	8,650	10	8,032	9
France	20,595	26	21,056	24	20,496	23
United Kingdom and Ireland	8,791	11	8,147	9	8,042	9
Benelux	9,167	12	10,021	12	11,795	13
Germany and Central Europe	5,814	7	6,880	8	7,649	8
Nordic countries	3,818	5	4,057	5	3,894	4
Southern Europe and Latin America	6,476	8	7,479	9	7,939	9
Asia-Pacific	15,832	20	20,049	23	22,230	25
Not allocated	156	-	156	-	161	-
TOTAL	**79,213**	**100**	**86,495**	**100**	**90,238**	**100**

B) NUMBER OF EMPLOYEES AT DECEMBER 31 BY GEOGRAPHIC AREA

	2007		2008		2009	
At December 31	Employees	%	Employees	%	Employees	%
North America	8,857	11	8,379	9	7,950	9
France	20,979	25	21,242	23	19,865	22
United Kingdom and Ireland	8,482	10	7,985	9	7,844	9
Benelux	9,492	11	12,291	13	11,163	12
Germany and Central Europe	6,274	8	7,534	8	7,724	9
Nordic countries	3,942	5	4,049	5	3,681	4
Southern Europe and Latin America	6,836	8	7,913	9	8,114	9
Asia-Pacific	18,487	22	22,078	24	24,008	26
Not allocated	159	-	150	-	167	-
TOTAL	**83,508**	**100**	**91,621**	**100**	**90,516**	**100**

NOTE 27 – 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, Schneider Electric Industries and Euroclear, the contract signed in 2005 with the Metropolitan Police and the contracts signed in 2009 with Ontario Power Generation Inc., Environmental Agency and Renault SA.
The Group has also granted certain customers limited financial guarantees totaling €266 million at December 31, 2009, and bank guarantees totaling €57 million at year-end. The new limited financial guarantees issued by the Group during 2009 mainly concern the clients Renault, Environment Agency and Ontario Power Generation.

B) Commitments given and received in connection with investments

The call options granted to the Group by NTT Data Corporation and DOC@POST were exercised during the year.

C) Other commitments given

At December 31 *(in millions of euros)*		2007	2008	2009
On non-cancelable leases	I	798	810	865
Other commitments given	II	63	55	53
TOTAL		**861**	**865**	**918**

I. The Group's commitments under non-cancelable leases break down as follows:

in millions of euros	Computer equipment	Offices	Vehicles	Other	Total
Y+1	12	153	64	1	230
Y+2	12	133	45	1	191
Y+3	9	113	24	1	147
Y+4	2	89	6	-	97
Y+5	1	62	-	-	63
Y+6 and beyond	-	137	-	-	137
At December 31, 2009	**36**	**687**	**139**	**3**	**865**
At December 31, 2008	**13**	**641**	**153**	**3**	**810**
At December 31, 2007	**25**	**639**	**124**	**10**	**798**

At December 31, 2009, commitments given under non-cancelable leases mainly concern Benelux (€238 million), France (€183 million), North America (€114 million), the United Kingdom (€101 million) and Germany and Central Europe (€89 million). Lease payments recognized in the Income Statement during the year totaled €262 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 definitive grant of subsidies in Spain;
- firm purchase commitments relating to goods or services.

D) Borrowings secured by assets

Some borrowings are secured by assets recorded in the Consolidated Statement of Financial Position. At December 31, 2009, these related to finance leases for an amount of €129 million.

NOTE 28 – RELATED-PARTY TRANSACTIONS

A) Associates

Associates are equity-accounted companies over which the Group exercises significant influence (see Note 30 – List of the main consolidated companies by country). Transactions with these companies in 2009 were carried out on an arm's length basis, and volumes were not material.

B) Other related-parties

In 2009, 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 2009 to members of the Group's management – which includes the Group operating management structure present at each year-end (29 members in 2009 and 28 members in 2008) – and the Chairman of the Board of Directors, as well as attendance fees payable to non-salaried Directors and non-voting Directors.

in thousands of euros	2007	2008	2009
Short-term benefits excluding employer payroll taxes (1)	21,387	21,493	21,422
Short-term benefits: employer payroll taxes	4,463	3,771	4,133
Post-employment benefits (2)	693	756	909
Share-based payment (3)	1,976	1,210	1,741

(1) Includes gross wages and salaries, bonuses, profit-sharing, directors' fees and benefits in kind.
(2) Including mainly statutory retirement termination payments.
(3) Representing the annual expense relating to the granting of stock options and performance shares

NOTE 29 – **SUBSEQUENT EVENTS**

On February 2, 2010, the Group announced the acquisition of the purchasing solutions provider, IBX. This Stockholm-based company has 240 employees in Europe and the United States and reports annual revenues of approximately €30 million.

On January 4, 2010, the Group redeemed the remaining "OCEANE 2003" bonds outstanding, for an amount of €197 million.

At the Combined Shareholders' Meeting, the Board of Directors will recommend a dividend payout of €0.80 per share in respect of 2009, compared to a dividend of €1 per share in 2008 and 2007.

NOTE 30 – LIST OF THE MAIN CONSOLIDATED COMPANIES BY COUNTRY

At December 31, 2009, the main consolidated companies were as follows:

Country	Consolidated company	% interest	Consolidation Method
GERMANY	Capgemini Deutschland GmbH	100.00%	FC
	Capgemini Deutschland Holding GmbH	100.00%	FC
	Capgemini Outsourcing Services GmbH	100.00%	FC
	Capgemini SD&M A.G.	100.00%	FC
	Sogeti Deutschland GmbH (Berlin)	100.00%	FC
	Cap Gemini Telecom Media & Networks Deutschland GmbH	100.00%	FC
	Sogeti High Tech 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 S.A./N.V. (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 – Assessoria Empresarial Ltda.	100.00%	FC
	Consultoria de Gestao Gemini Ldta (Brazil)	100.00%	FC
CANADA	Capgemini New Brunswick 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
CHILE	Capgemini Business Services Chile Ltda.	100.00%	FC
CHINA	Capgemini (China) Co. Ltd.	100.00%	FC
	Capgemini Hong Kong Ltd.	100.00%	FC
	Capgemini Business Services (China) Ltd.	100.00%	FC
	Capgemini Business Services (Asia) Ltd.	100,00%	FC
	SSS Hangzhou Ltd. (China)	48,83%	EM
	Capgemini Financial Services HK Ltd.	100,00%	FC
DENMARK	Capgemini Danmark AS	100.00%	FC
	Sogeti Danmark AS	100.00%	FC
UNITED ARAB EMIRATES	Capgemini Middle East FZ LLC	100.00%	FC

FC = Full consolidation
EM = Equity method

Country	Consolidated company	% interest	Consolidation Method
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 Solutions Inc.	80.00%	FC
	Strategic Systems Inc. (US)	48.83%	EM
	Strategic Back-Office Solutions Inc.	48.83%	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

FC = Full consolidation
EM = Equity method

Country	Consolidated company	% interest	Consolidation Method
FRANCE	Capgemini Telecom Media Défense S.A.S.	100.00%	FC
	IACP Informatique S.A.S.	100.00%	FC
	Sogeti S.A.S.	100.00%	FC
	Sogeti IDF S.A.S.	100.00%	FC
	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
GUATEMALA	Capgemini Business Services Guatemala S.A.	100.00%	FC
HUNGARY	Capgemini Magyarorszag 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. (India)	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 S.A. (Luxembourg)	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
	Independent Interim v.o.f	50.00%	FC

FC = Full consolidation
EM = Equity method

Country	Consolidated company	% interest	Consolidation Method
POLAND	Capgemini Polska Sp z.o.o.	100.00%	FC
PORTUGAL	Capgemini Portugal, Serviços de Consultoria e Informatica S.A.	100.00%	FC
CZECH REPUBLIC	Capgemini Czech Republic S.r.o.	100.00%	FC
	Capgemini Sophia TS 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 Ltd.	100.00%	FC
	Capgemini Financial Services UK Ltd.	100.00%	FC
	SSS Holding Corporation Ltd.	48.83%	EM
	Strategic System Solution Ltd.	48.83%	EM
	Strategic Back Office Solutions Ltd.	48.83%	EM
	Strategic Training Solutions Ltd.	48.83%	EM
	Bizzkidz Ltd.	48.83%	EM
	Sogeti UK Ltd.	100.00%	FC
	Qbit Ltd.	100.00%	FC
SINGAPORE	Capgemini Asia Pacific Pte Ltd.	100,00%	FC
	SSS Pte Ltd. (Singapore)	48,83%	EM
	Capgemini Singapore Pte Ltd.	100,00%	FC
SLOVAKIA	Capgemini Slovensko, S.r.o.	100.00%	FC
SWEDEN	Capgemini AB (Sweden)	100.00%	FC
	Capgemini Sverige AB	100.00%	FC
	Sogeti Sverige AB	100.00%	FC
SWITZERLAND	Capgemini Suisse S.A.	100.00%	FC
	Capgemini SD&M Schweiz A.G.	100.00%	FC
	Sogeti Suisse S.A.	100.00%	FC
VIETNAM	IACP Asia	100.00%	FC

CAP GEMINI S.A.
FINANCIAL STATEMENTS

BALANCE SHEET
AT DECEMBER 31, 2008 AND 2009

in thousands of euros	2008	2009		
ASSETS	Net	Gross	Depreciation, amortization and provisions	Net
Intangible assets				
Trademarks, patents and similar rights	2,069	35,568	(33,499)	2,069
Property, plant and equipment	224	224	-	224
Financial fixed assets				
Equity interests	7,869,005	13,853,020	(5,885,584)	7,967,436
Receivable from controlled entities (1)	249,744	209,938	-	209,938
Securities held for portfolio management purposes	2	2	-	2
Other financial fixed assets (1)	9,133	3,717	-	3,717
NON-CURRENT ASSETS	**8,130,177**	**14,102,469**	**(5,919,083)**	**8,183,386**
Advances and downpayments	35	-	-	-
Accounts and notes receivable (1)	503	452	(71)	381
Other receivables (1)	7,296	13,356	-	13,356
Receivable from related and associated companies (1)	234,764	187,725	-	187,725
Miscellaneous receivables (1)	279	65	-	65
Marketable securities	904,251	1,422,902	(6,143)	1,416,759
Cash and cash equivalents	195,791	122,024	-	122,024
CURRENT ASSETS	**1,342,919**	**1,746,524**	**(6,214)**	**1,740,310**
Prepaid expenses (1)	100	76	-	76
Deferred charges	9,167	12,092	-	12,092
Bond redemption premium	26,626	57,873	(40,122)	17,751
Unrealized foreign exchange losses	1,866	48	-	48
OTHER ASSETS	**37,759**	**70,089**	**(40,122)**	**29,967**
TOTAL ASSETS	**9,510,855**	**15,919,082**	**(5,965,419)**	**9,953,663**
(1) of which due within one year	252,075	206,118	-	206,118

in thousands of euros

SHAREHOLDERS' EQUITY AND LIABILITIES	2008	2009
Share capital (fully paid-up)	1,166,760	1,233,419
Additional paid-in capital	5,531,818	5,683,807
Legal reserve	116,340	123,167
Other reserves	211,853	561,853
Retained earnings	537,846	303,520
Profit for the year	259,605	224,022
Tax-driven provisions	2,745	4,198
SHAREHOLDERS' EQUITY	**7,826,967**	**8,133,986**
PROVISIONS FOR CONTINGENCIES AND LOSSES	**7,898**	**48**
Convertible bonds	954,873	1,266,790
Bank loans and borrowings (2)	201,409	136,629
Payable to controlled entities (2)	301,468	275,452
BORROWINGS (2)	**1,457,750**	**1,678,871**
Accounts and notes payable (2)	3,360	2,535
Tax and social security liabilities (2)	4,374	3,484
Payable to related and associated companies (2)	208,687	133,738
Other payables (2)	460	494
Prepaid income (2)	1,271	443
Unrealized foreign exchange gains	88	64
OTHER LIABILITIES	**218,240**	**140,758**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**9,510,855**	**9,953,663**
(2) of which due within one year	721,029	749,692

INCOME STATEMENT

FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2009

in thousands of euros	2008	2009
Royalties	201,087	197,778
Reversals of depreciation, amortization and provisions, expense transfers	187	76
Other income	743	713
Total operating income	**202,017**	**198,567**
Other purchases and external charges	29,150	23,311
Taxes, duties and other levies	2,961	3,046
Depreciation and amortization	1,351	2,873
Charges to provisions	5,052	5,124
Other expenses	592	695
Total operating expenses	**39,106**	**35,049**
OPERATING PROFIT	**162,911**	**163,518**
Investment income (1)	66,672	43,754
Income from other marketable securities and amounts receivable on non-current assets (1)	3,398	6,412
Other interest income (1)	56,338	20,711
Reversals of provisions	31,767	19,252
Foreign exchange gains	9,815	2,674
Net proceeds on disposals of marketable securities	12,200	6,247
Total financial income	**180,190**	**99,050**
Depreciation, amortization and provisions relating to financial items	34,270	26,821
Interest and similar expenses (2)	54,210	37,698
Foreign exchange losses	7,741	3,550
Total financial expenses	**96,221**	**68,069**
NET FINANCE INCOME	**83,969**	**30,981**
RECURRING PROFIT BEFORE TAX	**246,880**	**194,499**
Non-recurring income from operations	-	3,490
Non-recurring income from capital transactions	39,322	2,962
Reversals of provisions and expense transfers	-	-
Total non-recurring income	**39,322**	**6,452**
Non-recurring expenses on operations	5,077	2,361
Non-recurring expenses on capital transactions	49,522	533
Exceptional depreciation, amortization and charges	1,417	1,453
Total non-recurring expenses	**56,016**	**4,347**
NET NON-RECURRING INCOME (EXPENSE)	**(16,694)**	**2,105**
INCOME TAX EXPENSE	**29,419**	**27,418**
PROFIT FOR THE YEAR	**259,605**	**224,022**
(1) of which income concerning related companies	78,522	51,879
(2) of which interest concerning related companies	23,711	5,115

NOTES TO THE FINANCIAL STATEMENTS

I – ACCOUNTING POLICIES

The annual financial statements for the year ended December 31, 2009 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 principles of prudence and accruals, and assuming that the Company is able to continue as a going concern.

Items in the financial statements are generally measured using the historical cost method.

The Company's main accounting policies are described below:

Intangible assets

Computer software and user rights acquired on an unrestricted ownership basis, as well as software developed for internal use which has a positive, lasting and quantifiable effect on future results, are capitalized and amortized over a maximum period of three years. At year-end, the value of computer software and user rights is compared to their value in use for the Company.

Financial fixed assets

The gross value of equity interests and other long-term investments carried in the balance sheet comprises their acquisition cost, including any transaction fees. 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 shares

Treasury shares held by Cap Gemini S.A. as part of the liquidity agreement are recorded on the balance sheet within long-term investments at the lower of cost and net realizable value. Realizable value is the average market price for Cap Gemini S.A. shares in December. Treasury shares held under the share buyback program are recorded in listed shares.

Marketable securities

Marketable securities are shown on the balance sheet at the lower of cost and net realizable value. The realizable value of listed securities is based on the average share price in December. The realizable value of unlisted securities is based on their net asset value. At year-end, accrued interest receivable or interest received in advance on certificates of deposit and commercial paper is recognized in accrued income or prepaid income, respectively.

Foreign currency transactions

Receivables, payables and cash and cash equivalents denominated in foreign currencies are translated into euros at the year-end exchange rate or at the hedging rate. Any differences resulting from the translation of foreign currency receivables and payables at these rates are included in the balance sheet under "Unrealized foreign exchange gains/losses".

Receivables and payables

Receivables are measured at their nominal amount, and a provision for impairment set aside when their net realizable value falls below their net carrying amount. Unbilled payables are recognized excluding VAT.

Bond redemption premium

The bond redemption premium is amortized on a straight-line basis over the term of the debt.

Tax consolidation

The Company and French subsidiaries at least 95%-owned by the Group have elected to file consolidated tax returns pursuant to Article 223 A of the French General Tax Code. 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 to match 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 CAP GEMINI S.A. BALANCE SHEET AND INCOME STATEMENT

1. Non-current assets

in thousands of euros	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	224	-	-	224
Sub-total	**224**	**-**	**-**	**224**
Financial fixed assets				
Equity interests	13,736,690	116,330	-	13,853,020
Receivable from controlled entities	249,744	30,640	(70,446)	209,938
Securities held for portfolio management purposes	2	-	-	2
Other long-term investments	9,133	32,446	(37,862)	3,717
Sub-total	**13,995,569**	**179,416**	**(108,308)**	**14,066,677**
TOTAL NON-CURRENT ASSETS	**14,031,361**	**179,416**	**(108,308)**	**14,102,469**

EQUITY INTERESTS

Equity interests comprise shares in the Company's subsidiaries. The main changes during the period were due to:

- Capital increases in France in the amount of €49,700 thousand and in Spain in the amount of €40,000 thousand, as well as in the Czech Republic for €7,302 thousand, Australia for €5,412 thousand, Sweden for €4,974 thousand and Italy for €4,820 thousand.

RECEIVABLE FROM CONTROLLED ENTITIES

The main changes in this heading reflect:

- a loan of €8,031 thousand granted to the Australian subsidiary, compared to a loan of €5,000 thousand at December 31, 2008;
- loans of €2,931 thousand granted to the Chilean subsidiary;
- the partial repayment by Capgemini Nederland B.V of the loan granted to help fund the acquisition of Getronics Pinkroccade Business Application Services BV (BAS BV) in the amount of €28,500 thousand;
- the repayment by Capgemini Deutschland GmbH of €10,590 thousand.
- the repayment by Capgemini Czech Republic of the loan granted in 2008 in the amount of €6,679 thousand;

OTHER LONG-TERM INVESTMENTS

This account comprises the treasury shares held under the liquidity contract signed on September 15, 2009 by Cap Gemini S.A. Under this contract, 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 Combined 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 1,146,861 shares were acquired and 1,402,861 shares were sold under this agreement between January 1, 2009 and December 31, 2009. As Cap Gemini S.A. owned 377,000 treasury shares at December 31, 2008, the Company held a total of 121,000 treasury shares at end-December 2009, valued at €3,717 thousand.

2. Depreciation, amortization and provisions for non-current assets

in thousands of euros	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	33,499	-	-	33,499
Financial fixed assets				
Provisions for equity interests	5,867,686	17,898		5,885,584
TOTAL DEPRECIATION, AMORTIZATION AND PROVISIONS	**5,901,185**	**17,898**	**-**	**5,919,083**

In 2009, the charge to provisions for equity interests relates to Capgemini Service S.A.S.

3. Marketable securities

Marketable securities can be analyzed as follows at December 31, 2009:

in thousands of euros	Net asset value	Nominal value	Carrying amount
Listed securities			
Money market funds (SICAV)	248,839	248,839	248,839
Investment funds (FCP)	455,038	455,038	455,038
Treasury stock	62,882	69,025	62,882
Unlisted securities			
Certificates of deposit	200,000	200,000	200,000
Commercial paper	300,000	300,000	300,000
Term deposits	150,000	150,000	150,000
TOTAL	**1,416,759**	**1,422,902**	**1,416,759**

4. Maturity of receivables at year-end

in thousands of euros	Gross amount	One year or less	More than one year
Non-current assets			
Receivable from controlled entities	209,938	727	209,211
Other financial fixed assets	3,717	3,717	-
Current assets			
Accounts and notes receivable	452	452	-
Income tax receivable	10,493	10,493	
VAT receivable	2,692	2,692	-
Other taxes and duties receivable	171	171	-
Receivable from related companies	187,725	187,725	-
Miscellaneous receivables	65	65	-
Prepaid expenses	76	76	-
TOTAL	**415,329**	**206,118**	**209,211**

5. Deferred charges

in thousands of euros	Amount at beginning of year	Increase	Amortization	Amount at December 31
Issuance fees on syndicated credit facility and OCEANE bonds (1)	5,552	10,850	(4,310)	12,092
Cost of call option on shares	3,615	-	(3,615)	-
TOTAL	**9,167**	**10,850**	**(7,925)**	**12,092**

(1) Issuance fees on syndicated credit facilities and OCEANE bonds are amortized on a straight-line basis over the term of the debt.

6. Share capital and additional paid-in capital

in thousands of euros	Number of shares	Share capital	Additional paid-in capital
At December 31, 2008 (par value of €8)	**145,844,938**	**1,166,760**	**5,531,818**
+ Cash capital increase via the exercise of stock options	2,332,459	18,660	33,473
+ Cash capital increase reserved for employees	5,999,999	48,000	117,480
- Allocation of capital increase expenses	-	-	(1,267)
- Charge to the legal reserve following the capital increase reserved for employees	-	-	(6,491)
- Issue of 2,999,000 redeemable share subscription or purchase warrants (BSAAR)	-	-	9,657
- Allocation of warrant issue costs against premiums	-	-	(864)
At December 31, 2009 (par value of €8)	**154,177,396**	**1,233,420**	**5,683,806**

Capital increase reserved for employees, capital increase expenses and charge to the legal reserve

Pursuant to the 13th and 14th resolutions adopted by the Combined Shareholders' Meeting of April 30, 2009, the Group set-up an employee shareholder plan (@ESOP) in the second half of 2009. This plan was open to all employees in countries where the Group has had activities involving more than 300 employees for over two years. Under the plan, a minimum length of service of three months was required at November 19, 2009, acquired consecutively or not since January 1, 2008. In addition, in order to subscribe, employees were required to have an employment contract for a minimum of one day between November 17 and 19, 2009 (inclusive). This leveraged plan offered employees the possibility of subscribing at a discounted preferential rate and, via a bank which secured and supplemented the financing of the employee's investment so that the total amount invested represented ten times the personal contribution of the employee, potentially generating a greater capital gain than would have been the case had it been calculated based solely on the employee's personal contribution. In return, the employee waives a portion of any increase of shares subscribed on his behalf, as well as dividends and other financial rights that could be paid on these shares throughout the entire term of the plan. In addition, the shares will be unavailable for a term of five years (except for early releases covered by the applicable regulations).

This employee share ownership plan includes a 15% discount. Under the delegation of authority granted by the Board of Directors, the subscription price was set at €27.58 by the Chief Executive Officer on November 16, 2009. The price corresponds to the average Cap Gemini share price adjusted for volumes observed over the twenty stock market trading days preceding the Chief Executive Officer's decision, to which a 15% discount is applied.

On December 16, 2009, the Group issued 5,999,999 new shares reserved for employees with a par value of €8, representing a share capital increase of €165 million

Using the powers delegated to him, the Chief Executive Officer decided, at the same time as the share issue, to offset the cost of these issues against the corresponding paid-in capital and to deduct from these issue premiums the amounts necessary to bring the legal reserve to one-tenth of the new share capital.

Redeemable share subscription or purchase warrants (BSAAR)

On April 29, 2009, pursuant to the authorization granted by the Shareholders' Meeting of April 17, 2008, the Board of Directors agreed on the principle of an issue of Redeemable Share Subscription or Purchase Warrants and approved the list of eligible beneficiaries and the maximum number of warrants to be subscribed by each beneficiary both as of right and above and beyond such rights.

The warrants have been offered to employees and corporate officers of the Company and its French and non-French subsidiaries.

As authorized by the Board of Directors, on May 13, 2009, the Chief Executive Officer set the subscription period from May 14 through June 17, 2009, the subscription price at €3.22 per warrant and the final terms and conditions of the issue. The expert appointed by Capgemini issued an independent opinion on the warrant issue price, and concluded that it was reasonable on the grounds that it fell within the range of market value estimates obtained from his own valuation work.

Based on subscription requests from eligible beneficiaries, a total number of 2,999,000 Redeemable Share Subscription or Purchase Warrants were subscribed at a price of €3.22 per warrant by a total of 629 key members of the Group.
The 2,999,000 warrants, of which 63,990 were subscribed by Paul Hermelin, were settled and delivered on July 23, 2009 and the gross proceeds from this issue totaled €9.7 million.

The exercise period will begin from the date on which the warrants are admitted to trading on Euronext Paris and end on the seventh anniversary of the issue date. The warrants will be listed on July 23, 2013. Between July 23, 2009 and the date the warrants are admitted to trading on Euronext Paris, they may not be exercised or transferred except under the conditions specified in the issue agreement (namely in the event of a takeover bid for Cap Gemini S.A. shares).

The issue was disclosed in a prospectus approved by the AMF on May 14, 2009 under reference number 09-140.

Issue costs were offset against the premium.

7. Stock option plans

At the May 23, 2000 and May 12, 2005 Combined Shareholders' Meetings, the Board of Directors was given a five-year authorization in respect of the May 23, 2000 plan ("2000 Plan"), and a 38-month authorization in respect of the May 12, 2005 plan ("2005 Plan"), to grant stock options to certain Group employees on one or several occasions.

The main features of the two plans in force at December 31, 2009 are set out in the table below:

Overview	2000 Plan (plan n°5)	2005 Plan (plan n°6)	Total
Date of Combined 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	
Strike price as a % of the average share price over the 20 stock market trading days preceding the grant date	80% then 100% as from October 1, 2001	100% (no discount)	
Strike price (per share and in euros) of the various stock option grants:			
low	27.00	30.00	
high	27.00	55.00	
Maximum number of shares to be issued on exercise of outstanding options at December 31, 2008	3,218,327	5,478,310	**8,696,637**
Number of new stock options granted during the year	Plan expired	Plan expired (1)	-
Number of options forfeited or cancelled in 2009	471,696	345,800	**817,496**
Number of options exercised in 2009	2,239,594 (2)	92,865 (3)	**2,332,459**
Maximum number of shares to be issued on exercise of outstanding options at December 31, 2009	507,037 (4)	5,039,645 (5)	**5,546,682**
Residual weighted average life (in years)	0.25	1.92	

(1) Last stock options granted on June 1, 2008 at a price of €40.50
(2) At December 31, 2009, 1,853,731 stock options granted at €21 and 385,863 stock options granted at €27 had been exercised.
(3) Stock options granted at a price of €30.
(4) Stock options granted at a price of €27.
(5) Representing 1,267,345 shares at a price of €30; 1,693,800 shares at €43; 193,500 shares at €55; 1,693,000 shares at €44; and 192,000 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 takeover bid for some or all of the Company's shares published by Euronext, option holders would be entitled, if they so wish, to exercise all of their remaining unexercised options immediately.

8. Performance share plan

The Combined Shareholders' Meeting of April 17, 2008 authorized the Board of Directors to grant shares to a certain number of Group employees, on one or several occasions and within a maximum period of 12 months, subject to certain performance and presence conditions within the Group. On March 5, 2009, the Board of Directors approved the terms and conditions of this plan as well as the list of beneficiaries

The main terms and conditions of this first plan are summarized in the table below:

Overview	2009 Plan	Of which corporate officers
Date of Combined Shareholders' Meeting	April 17, 2008	
Total number of shares to be granted	1% of the share capital on the date of the Board of Directors' decision, i.e. a maximum of 1,458,860 shares	
Date of the Board of Directors' decision	March 5, 2009	
Performance assessment dates	At the end of the first and second years following the grant date	
Vesting period	Two years as from the grant date (France) or four years as from the grant date (other countries)	
Mandatory lock-in period effective as from the vesting date (France only)	Two years, or five years in the event of departure from the Group during the two years following the vesting date	
Number of shares subject to performance and presence conditions granted during the year	1,148,250 (1)	50,000 (2)
Number of options forfeited or canceled during the year	38,500	-
Number of shares at December 31, 2009 that may be definitively allocated under this plan in respect of shares previously granted, subject to performance and presence conditions	1,109,750	50,000
Share price at the grant date (in euros)	23.30	
Main market conditions at the grant date:		
Volatility	*42.7 %*	
Risk-free interest rate	*1.4 %*	
Expected dividend rate	*3.0 %*	
Other conditions:		
Performance conditions	Yes (see below)	
Effective presence within the Group on the vesting date	Yes	
Pricing model used to calculate the fair values of shares	Monte-Carlo	
Range of fair values in euros		
Bonus shares (per share and in euros)	20.7 - 21.9	
Performance shares (per share and in euros)	16.5 - 17.53	17.53

(1) Of which 64,750 shares granted without performance conditions (5.6% of the total) pursuant to the relevant resolution (authorization capped at 15% of the total).
(2) Shares subject to performance conditions only.

Performance conditions and measurement

The exact number of shares vesting at the end of the two- or four-year period will be equal to the maximum number of shares initially granted, multiplied by a percentage (from 0% to 100%) corresponding to the chosen performance measurement criteria. The performance of the Cap Gemini share, measured over the first two years, compared to the average performance of a basket of ten securities of listed companies, measured over the same period and representative of the Group's business sector in at least five countries in which the Group is firmly established, will ultimately condition the vesting of the shares.

The reference basket is made up of the following equally-weighted securities: Accenture / CSC / Atos Origin / Tieto / Logica / Steria / Infosys / Sopra / Cognizant / CGI Group.

The definitive allocation will depend on the relative performance of the Cap Gemini share in relation to the basket of comparable securities:

- no shares will be granted if the performance of the Cap Gemini share during the period in question is less than 90% of the average performance of the basket of securities over the same period;
- the number of shares that will ultimately vest:
  - will be equal to 60% of the number of shares initially allocated if the performance of the Cap Gemini share is equal to 90% of the basket;
  - will vary on a straight-line basis between 60% and 100% of the initial allocation, based on a predefined schedule, where the performance of the Cap Gemini share is between 90% and 110% of the basket;
  - will be equal to 100% of the number of shares initially allocated if the performance of the Cap Gemini share is higher than or equal to 110% of the basket.

9. Change in shareholders' equity at December 31, 2008 and 2009

in thousands of euros	At December 31, 2008	Appropriation of profit for 2008	Other movements	At December 31, 2009
Share capital	1,166,760	-	66,660	1,233,419
Additional paid-in capital	5,531,818	-	151,989	5,683,807
Legal reserve	116,340	336	6,491	123,167
Tax-driven reserves	-	-	-	-
Other reserves	211,853	350,000	-	561,853
Retained earnings	537,846	(234,327)	-	303,520
Dividends paid	-	143,596	(143,596)	-
Profit for the year	259,605	(259,605)	224,022	224,022
Tax-driven provisions	2,745	-	1,453	4,198
TOTAL	**7,826,967**	**-**	**307,019**	**8,133,986**

The appropriation of the net profit for 2008 led to the distribution on May 11, 2008 of a €1 dividend on each of the 145,844,938 shares making-up the share capital at December 31, 2008, for a total of €143,596 thousand. The amount not paid out on the 2,249,000 shares held by the Company on May 11, 2009 (€2,249 thousand) was appropriated to retained earnings.

Other movements concern:

- share capital, which increased €18,660 thousand following the exercise of 2,332,459 share subscription options and €48,000 thousand following the issue of 5,999,999 shares reserved for employees.
- additional paid-in capital, which increased €33,473 thousand and €117,480 thousand as a result of the two operations detailed above and €9,657 thousand in respect of the gross proceeds from the issue of the 2,999,000 redeemable share subscription or purchase warrants (BSAAR). Issue costs of €2,131 thousand were deducted from this balance, together with an amount of €6,491 thousand to bring the legal reserve to one-tenth of the new share capital at December 16, 2009.
- tax-driven provisions in the amount of €1,453 thousand, corresponding to the accelerated tax depreciation of equity interests.

10. Provisions for contingencies and losses

in thousands of euros	At beginning of year	Additions	Reversals (utilized provision)	Reversals (surplus provision)	Change in accounting policy	Other	At December 31
Provisions for contingencies and losses							
Relating to foreign exchange losses	1,866	48	1,866	-	-	-	48
Relating to other risks	6,032	-	6,032	-	-	-	-
TOTAL	**7,898**	**48**	**7,898**	**-**	**-**	**-**	**48**

Additions during the period correspond to a provision for currency risks set aside in respect of unrealized foreign exchange losses on foreign currency receivables and payables of €48 thousand. Reversals during the period concern a provision for currency risks recognized in 2008 for €1,866 thousand, and a contingency provision recorded in 2008 regarding the subsidiary Capgemini Service S.A.S., recapitalized in 2009, in the amount of €6,032 thousand.

11. Convertible bonds

in thousands of euros	December 31, 2008	December 31, 2009
OCEANE 2003	460,000	196,917
OCEANE 2005		
Principal	437,000	437,000
Redemption premium	57,873	57,873
OCEANE 2009	-	575,000
TOTAL	**954,873**	**1,266,790**

A. "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"). Bondholders enjoy all rights from 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.

Note that, an interest rate swap was contracted in connection with these OCEANE bonds in 2004, and was subsequently amended in 2006. Under the terms and conditions of this contract, Cap Gemini S.A. swapped the 2.5% fixed rate payable on the bonds for a floating rate indexed to 3-month post-fixed Euribor. The characteristics of this swap, which expired on January 4, 2010, are set out below in Note 19 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 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.

Partial redemption of the "oceane 2003" bonds
Concurrent to the "OCEANE 2009" bond issue, Cap Gemini S.A. solicited as part of a reverse bookbuilding process, indications of interest in selling from certain holders of bonds convertible/exchangeable for new or existing shares of Cap Gemini issued on June 24, 2003 and maturing on January 1, 2010 (the "OCEANE 2003" bond issue), representing 21.3% of the total initial principal amount of approximately €460 million. Following the settlement/delivery date of the bonds on April 21, 2009, Cap Gemini S.A. therefore agreed to repurchase, in off-market transactions, a total of 1,898,017 "OCEANE 2003" bonds at a repurchase price of €51.50, representing a total amount of €98 million.

Following these off-market repurchases, the Company placed a standing repurchase order on the market in France for a period of five consecutive trading days beginning on April 22, 2009 and ending on April 28, 2009 in favor of all "OCEANE 2003" bondholders. On April 28, 2009, at the end of the standing repurchase order period, the Company had purchased 3,260,474 additional "OCEANE 2003" bonds at a price of €51.50, representing a total amount of €168 million. The total number of "OCEANE 2003" bonds repurchased in off-market transactions and through the standing repurchase order amounted to 5,158,491, representing a total amount of €266 million (including accrued interest and the redemption premium). The repurchased "OCEANE 2003" bonds were cancelled in accordance with the provisions of their issue contract. Accordingly, the number of "OCEANE 2003" bonds outstanding at December 31, 2009 is 3,861,116, i.e. 42.8% of the bonds initially issued.

B. "OCEANE 2005" CONVERTIBLE/EXCHANGEABLE BONDS ISSUED ON JUNE 16, 2005

On June 16, 2005, Cap Gemini S.A. issued bonds convertible/ exchangeable into new or existing Cap Gemini shares, maturing on January 1, 2012 ("OCEANE 2005"). Bondholders enjoy all rights from June 24, 2005.
The total amount of the issue was €437 million, represented by 11,810,810 bonds with a nominal value of €37 each. The bonds bear interest at 1% per year.
The terms and conditions of this issue were set out in the prospectus approved by the AMF on June 16, 2005 under reference number 05-564.

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 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.

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.

C) "OCEANE 2009" CONVERTIBLE/EXCHANGEABLE BONDS ISSUED ON APRIL 20, 2009

On April 8, 2009, Cap Gemini S.A. issued bonds convertible/ exchangeable into new or existing Cap Gemini shares, maturing on January 1, 2014 ("OCEANE 2009"). Bondholders enjoy all rights from April 20, 2009.
The total amount of the issue was €575 million, represented by 16,911,765 bonds with a nominal value of €34 each, resulting in an issue premium of 35% compared to the Company benchmark share price (weighted average share price between April 8 and the date on which the bond terms and conditions were finalized). The bonds bear interest at 3.5% per year.
The terms and conditions of this issue were set out in the prospectus approved by the AMF on April 8, 2009 under reference number 09-084.

Summary of the main terms and conditions of the "oceane 2009" bond issue

Conversion and/or exchange of the bonds for shares
At any time between April 20, 2009 and the seventh business day preceding January 1, 2014.

Redemption at maturity
January 1, 2014 at par.

Early redemption at the Company's option
- at any time, without limitation on price or quantity, by buying back all or some of the bonds either on or off market or by means of a public buyback or exchange offer,
- between April 20, 2012 and the seventh business day preceding January 1, 2014, all outstanding bonds may be redeemed at an early redemption price equal to par, plus the interest accrued since the most recent interest payment date, if (i) the then current conversion/exchange ratio multiplied by (ii) the arithmetic average of the opening prices quoted for the Company's ordinary shares on the Eurolist market of Euronext Paris S.A. over a period of 20 consecutive trading days, exceeds 130% of such early redemption price. Upon early redemption, the bonds may be redeemed either in cash or converted into Cap Gemini S.A. shares, at the option of the bondholders,
- at any time, for all outstanding bonds, if less than 10% of the bonds are still outstanding.

Early redemption at the option of bondholders
Bondholders may request the early redemption of all or part of their bonds in the event of a change 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.

12. Bank loans and borrowings

Bank loans and borrowings total €136,629 thousand and correspond in part to the credit balance on certain euro and foreign currency bank accounts used in connection with the Group's worldwide cash pooling arrangements. These credit balances of €120,967 thousand are fully offset by matching debit balances shown presented in cash and cash equivalents. The residual balance corresponds to bank overdrafts (€1,981 thousand) and accrued interest (€13,681 thousand).

SYNDICATED CREDIT FACILITY OBTAINED BY CAP GEMINI S.A.

On November 14, 2005, Cap Gemini S.A. signed a €500 million multi-currency credit facility with a bank syndicate maturing on November 14, 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.
Use of this credit facility is subject to the following conditions:
- a margin of 0.40% at 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 draw-downs in excess of a certain amount. The margin may be adjusted according to the Company's credit rating,
- a fee on undrawn amounts initially set at 30% of the margin (i.e. currently 0.12%) that may be increased to 35% if Cap Gemini S.A.'s rating falls.

An upgrade or downgrade in Cap Gemini S.A.'s credit rating would have no impact on the availability of this credit 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, 2009, 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 draw-downs had been made on this credit facility.

13. Maturity of payables at year-end

in thousands of euros	Gross amount	One year of less	More than one year
Convertible bonds	**1,266,790**	**196,917**	**1,069,873**
Bank loans and borrowings			
Bank overdrafts	1,981	1,981	-
Bank overdrafts (Group cash pooling arrangement)	120,967	120,967	-
Accrued interest	13,681	13,681	-
Sub-total	**136,629**	**136,629**	-
Group loans and borrowings			
Payable to the Group	275,452	275,452	-
Payable to related companies	133,738	133,738	-
Sub-total	**409,190**	**409,190**	-
Accounts and notes payable	**2,535**	**2,535**	-
Tax and social security liabilities	**3,484**	**3,484**	-
Other payables	**494**	**494**	-
TOTAL	**1,819,122**	**749,249**	**1,069,873**

The Group loan of €275,452 thousand mainly comprises a £250 million loan granted to Cap Gemini S.A. by Capgemini U.K. Plc. and renewed on October 22, 2009. The loan pays annual interest of 0.57875%, matures on January 22, 2010, and is hedged by a currency swap (euro/pound sterling).

14. Accrued charges

Accrued charges reported in the balance sheet can be analyzed as follows:

in thousands of euros	Amount
Borrowings	
Accrued interest	13,681
Other liabilities	
Accounts and notes payable	2,535
Tax and social security liabilities	3,484
Other payables	494
TOTAL	**20,194**

15. Unrealized foreign exchange gains and losses on foreign currency receivables and payables

in thousands of euros	Reported in assets	Reported in liabilities	Provision for contingencies and losses
On other receivables/payables	48	63	48
TOTAL	**48**	**63**	**48**

16. Net finance income

in thousands of euros		Amount
Provisions relating to financial items		
Additions		(26,821)
Reversals		19,252
	Sub-total	**(7,569)**
Dividends		43,755
	Sub-total	**43,755**
Other financial income and expense		
Net proceeds from disposals of marketable securities		13,291
Revenue from current account loans granted and Group cash pooling arrangements		8,576
Interest on current account loans received and Group cash pooling arrangements		(5,542)
Interest on "OCEANE" bonds		(20,634)
Net foreign exchange losses (net)		(875)
Other		(19)
	Sub-total	**(5,203)**
NET FINANCE INCOME		**30,981**

The amount of €43,755 thousand in dividends corresponds to dividends paid during the period by French, Portuguese, and Hungarian subsidiaries.

Net proceeds from disposals of marketable securities (€13,291 thousand) relate to the sale during the period of money market funds (SICAV) for €1,937 thousand, investment funds (FCP) for €4,310 thousand, and certificates of deposit and commercial paper for €7,044 thousand.

Additions to provisions for financial items totaling €26,821 thousand reflect the amortization of the redemption premium on “OCEANE 2005” bonds (€8,875 thousand), additions to provisions for currency risks (€48 thousand) and a provision for impairment of equity interests relating to Capgemini Services S.A.S. (€17,898 thousand).

Reversals concern a provision for currency risks booked in 2008 for €1,866 thousand, the provision for equity interests for €6,032 thousand and the provision for treasury shares for €11,353 thousand.

Net finance income for 2009 of €30,981 thousand is lower than that reported in 2008 (€83,969 thousand) mainly due to a lower return on investments.

17. Net non-recurring income/(expense)

in thousands of euros		Amount
Non-recurring income from operations		3,490
Net income on disposals of treasury stock under the liquidity agreement		2,429
	Sub-total	**5,919**
Exceptional provisions		(1,453)
Other		(2,361)
	Sub-total	**(3,814)**
NET NON-RECURRING INCOME		**2,105**

18. Income tax expense

Cap Gemini S.A. is the parent company of a French tax consolidation group comprising 23 companies. In 2009, the impact of tax consolidation on the earnings of Cap Gemini S.A. is a gain of €14,008 thousand. Tax losses carried forward by Cap Gemini S.A. amounted to €1,328,843 thousand at December 31, 2009.

III - OTHER INFORMATION

19. Off balance sheet commitments

A) COMMITMENTS GIVEN TO SUBSIDIARIES

Guarantees, deposits and comfort letters granted by Cap Gemini S.A. to its subsidiaries at December 31, 2009 can be analyzed as follows:

in thousands of euros	Amount
Financial items	452,179
Operating items	134,871
Tax items	132
TOTAL	**587,181**

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, 2009 amounted to €63,495 thousand.

B) OTHER COMMITMENTS

On June 26, 2003 and June 28, 2004, Cap Gemini S.A. sold a tax receivable on the French Treasury 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, Schneider Electric Industries SAS and Euroclear, the contract signed in 2005 with the Metropolitan Police and the contracts signed in 2009 with Ontario Power Generation Inc., Environment Agency and Renault SA.
Cap Gemini S.A., together with all of its subsidiaries and any entities which it directly or indirectly owns more than 50%, are insured for the financial implications of any civil or professional liability claims that may be filed against them as a result of their activities. The insurance is part of a worldwide program comprising a number of policies taken out with leading insurance companies. The terms and conditions of this insurance program (including maximum coverage) are regularly reviewed and adjusted to reflect changes in revenues, business activities and risk profiles. The program's largest policy, amounting to €30 million, has been in place for several years and is reinsured with a consolidated captive reinsurance subsidiary.

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 (€10,101 thousand), exercisable from October 1, 2008. 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 €4,563 thousand at December 31, 2009.

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.
During 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.

Guarantees in respect of tax items totaled €17,010 thousand at December 31, 2009.

C) FINANCIAL INSTRUMENTS

Derivative instruments
Currency swaps are used to hedge currency risk on Group loans and borrowings. At December 31, 2009, the value of derivatives used to hedge currency risks was €998 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 interest rate swap was close to nil at December 31, 2009, due to its imminent liquidation which took place on January 4, 2010.

Interest rate hedges
Following the issue of "OCEANE 2003" bonds and to take account 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, this interest rate swap was adjusted 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 floating 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 floating 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. This interest-rate swap expired on January 4, 2010, at the same time as the redemption of the residual "OCEANE 2003" bonds.

Currency hedges
At December 31, 2009, currency hedges totaled €288 million and can be analyzed as follows:
- currency swaps maturing in 2010 relating to the Group's internal financing arrangements in an amount of:
  - GBP 250 million (€276 million);
  - AUD 10 million (€8 million).
  - USD 5 million (€4 million).

20. Related companies

in thousands of euros	Total	of which related companies
Balance sheet items		
Equity interests	13,853,020	13,853,020
Receivable from controlled entities	209,938	209,938
Payable to controlled entities	275,452	275,452
Related companies		
- receivable	187,725	187,725
- payable	133,738	133,738
Income Statement items		
Investment income	43,754	43,754
Income on Group loans	6,412	6,412
Other interest income	20,711	1,712
Interest expense	37,698	5,115

21. Consolidating company

Cap Gemini S.A. is the consolidating company for the Capgemini Group.

22. Subsequent events

At the Combined Shareholders' Meeting, the Board of Directors will recommend a dividend payment of €0.80 per share.

23. Remuneration of members of the Board of Directors

The total amount of attendance fees paid to Directors and non-voting directors in respect of 2009 is €647,000 (or €597,000 after deduction of withholding tax for non-resident beneficiaries).

24. Fees paid to the statutory auditors and members of their network

in thousands of euros		Amount
Statutory audit of the consolidated and separate financial statements		1,333
Other services directly related to the statutory audit engagement		345
	Sub-total	**1,678**
Other services		
Legal, tax and employee-related advisory services		-
Other		-
	Sub-total	-
TOTAL		**1,678**

IV - SUBSIDIARIES AND INVESTMENTS

in millions of euros	Capital	Other shareholders' equity (including net income for the year)	% interest	Number of shares owned	Book value of shares		Loans & advances granted	Guarantees given (1)	2009 Revenue	Dividends received
					Gross	Net				
SUBSIDIARIES										
Capgemini North America Inc	1	2,752	100.00%	982,000	6,618	2,350	-	-	-	-
CGS HOLDINGS Ltd	587	1	100.00%	558,777,061	721	721	-	-	-	-
Gemini Consulting Holding Ltd	0	8	100.00%	1,083	23	23	-	-	-	-
Capgemini Oldco Ltd	11	24	100.00%	1,033,938,857	801	264	-	-	-	-
Capgemini AB (Sweden)	2	250	100.00%	24,884	357	357	-	8	-	-
Capgemini NV (Benelux)	2	289	100.00%	21,582,376	1,467	1,239	172	-	-	-
Capgemini Business Services BV	0	2	100.00%	485	19	19	-	-	-	-
Capgemini Shared Services BV	0	0	100.00%	743	3	3	-	-	-	-
Capgemini Deutschland Holding GmbH	129	4	95.58%	3	629	629	-	12	-	-
Capgemini Consulting Österreich AG	0	2	100.00%	36,791	44	32	-	-	36	-
Capgemini Suisse AG	0	1	100.00%	500	39	32	-	24	49	-
Capgemini Polska Sp Z.o.o (Poland)	4	17	100.00%	129,160	25	16	-	39	89	-
Capgemini Magyarorszag Kft	0	2	100.00%	1	2	2	-	-	6	1
capgemini Czech Republic s r o	1	6	100.00%	-	8	8	-	-	9	-
Capgemini France SAS	63	241	100.00%	4,063,722	843	843	-	21	19	38
Capgemini Télécom Media Défense S.A.S.	17	-2	98.00%	1,090,762	171	171	-	-	176	-
Capgemini Technology Services Maroco	3	0	99.99%	329,995	3	3	-	-	6	-
SOGETI S.A.	0	-1	100.00%	619	0	0	-	-	-	-
SOGETI S.A.S.	261	310	100.00%	52,106,876	754	754	-	-	29	-
Capgemini Italia S.p.A.	11	-4	100.00%	2,200,000	508	14	-	8	125	-
Capgemini España S.L. (Sociedad Unipersonal)	19	14	100.00%	191,715	234	234	-	-	219	-
Capgemini Portugal, Serviços de Consultoria e Informatica, SA	8	6	100.00%	1,698,842	44	44	-	-	31	3
Capgemini Business Services Guatemala S.A.	0	1	100.00%	499	0	0	1	-	0	-
Capgemini Argentina S.A.	2	1	2.00%	126,369	0	0	-	-	6	-
Capgemini Asia Pacific Pte. Ltd. (Singapore)	15	-1	100.00%	17,421,229	142	43	-	-	1	-
Capgemini Australia Pty Ltd (Australia)	119	-117	100.00%	1,502,342	172	60	8	24	44	-
Capgemini Business Services (India)	0	5	51.00%	2,550	10	10	-	1	29	-
Capgemini Service S.A.S	8	24	100.00%	8,000,000	134	32	-	15	187	-
SCI Paris Etoile	0	4	99.99%	9,999	48	31	-	-	3	2
Immobilière les Fontaines S.A.R.L	2	3	99.84%	619,000	32	32	-	43	7	-
Capgemini Université SAS	0	0	100.00%	2,500	0	0	-	-	11	-
Capgemini Gouvieux SAS	0	0	100.00%	10,000	0	0	-	-	20	-
Other French compagnies	na	na	na	na	0	0	-	na	na	-
Other foreign compagnies	na	na	na	na	0	0	-	-	na	-

INVESTMENTS

As of December 31, 2009, investments held by Cap Gemini SA are not material.

na : not applicable

The net income of subsidiaries and investments is not provided because disclosure would be prejudicial to the Company's commercial and financial strategy.

(1) At December 31, 2009, the total amount of guarantees and comfort letters granted by the Company to its subsidiaries in respect of financing arrangements amounts to €409 million, of which €63 million has been drawn down.

Cap Gemini S.A. is the parent company of a French tax consolidation group comprising 23 companies. In 2009, the impact of tax consolidation on the earnings of Cap Gemini S.A. is a gain of €14 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

in thousand of euros	2005	2006	2007	2008	2009
I - SHARE CAPITAL AT YEAR-END					
Share capital	1 052 656	1 152 654	1 163 404	1 166 760	1 233 419
Number of common shares outstanding	131 581 978	144 081 808	145 425 510	145 844 938	154 177 396
Maximum number of future shares to be created:					
- through exercise of equity warrants	13 101 800	10 518 710	10 291 173	8 696 637	9 655 432
- through conversion fo convertible bonds	20 830 417	20 830 416	20 830 416	20 830 416	32 583 691 (1)
- through warrants related to Transiciel acquisition	315 790	-	-	-	-
II - OPERATIONS AND RESULTS OF THE CURRENT YEAR					
Operating revenue	162 321	183 111	203 711	202 017	198 567
Operating revenue and financial revenue	547 112	375 552	639 994	382 207	297 617
Income before taxes, amortization and provisions	394 551	202 467	235 834	240 322	213 622
Income tax	(21 501)	(23 104)	(32 227)	(29 419)	(27 418)
Net income / (losses)	173 440	194 560	496 620	259 605	224 022
Distributed income	65 790	100 857	145 426	145 845	123 342 (2)
III - EARNINGS PER SHARE (in euros)					
Earnings after taxes, but before amortization and provisions	3,16	1,57	1,84	1,85	1,56
Net earnings	1,32	1,35	3,41	1,78	1,45
Dividend per share	0,50	0,70	1,00	1,00	0,80 (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 SA 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 Combined shareholders' Meeting of May 27, 2010.

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009

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, 2009, 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the financial statements give a true and fair view of the Company's financial position and its assets and liabilities as of December 31, 2009, 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 €7,967 million at December 31, 2009. 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

In accordance with professional standards applicable in France, we have also performed the specific verifications required by law.

We have no matters to report to you as to the fair presentation and consistency with the financial statements of the information given in the Management Report of the Board of Directors and in the documents addressed to the shareholders with respect to the financial position and the financial statements; it being specified that as of the issuance date of this report, the draft resolutions relating to the renewal and/or appointment of directors and non-voting directors have not yet been approved.

Concerning the information disclosed pursuant to Article L.225-102-1 of the French Commercial Code on the remuneration and benefits paid to corporate officers and any other commitments made in their favor, we have verified its consistency with the financial statements or the information used as a basis for preparing the financial statements and, where appropriate, with the elements gathered by your Company from companies controlling your Company or controlled by it. Based on these procedures, we attest to the accuracy and fairness of such information.

In accordance with the law, we have verified that the management report contains the appropriate disclosures concerning the identity of shareholders and holders of voting rights.

The Statutory Auditors

Neuilly-sur-Seine, February 18, 2010

PricewaterhouseCoopers Audit

Edouard Sattler Serge Villepelet

Paris La Défense, February 18, 2010

KPMG Audit

Division of KPMG S.A.

Jean-Luc Decornoy
Partner

Jacques Pierre
Partner

STATUTORY AUDITORS' REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

YEAR ENDED DECEMBER 31, 2009

This is a free translation into English of the Statutory Auditors' special report on regulated agreements and commitments that is issued in the French language and is provided solely for the convenience of English speaking readers. This report on regulated agreements and commitments should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by French corporate law (Code de Commerce) and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

To the Shareholders,

As Statutory Auditors of your Company, we hereby report to you on regulated agreements and commitments.

The terms of our engagement do not require us to identify such agreements and commitments, if any, but to communicate to you, based on information provided to us, the principal terms and conditions of those agreements and commitments brought to our attention, without expressing an opinion on their usefulness and appropriateness. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code (*Code de Commerce*), to assess the interest involved in respect of the conclusion of these agreements and commitments for the purpose of approving them.

Agreements and commitments authorized during the year

We hereby inform you that no agreement or commitment entered into during the year to which Article L.225-38 of the French Commercial Code would be applicable has been brought to our attention.

Agreements and commitments authorized during previous years and having continuing effect during the year

In addition, pursuant to the French Commercial Code, we have been advised that the following agreements and commitments authorized in previous years have had continuing effect during 2009.

Type:

Supplementary collective defined benefit pension scheme set up by the Company in favor of certain senior executives regarded as having made a significant and lasting contribution to the Group's development.

Purpose and terms:

On December 13, 2006, the Board of Directors authorized the creation of a collective defined benefit pension scheme in favor of certain senior executives of the Group, enabling them to obtain, upon their retirement, a supplementary pension that may not exceed 40% of their reference earnings. The beneficiary's total cumulative pension benefits may not exceed 50% of the reference earnings which are capped at 60 times the annual ceiling for social security.

Messrs. Serge Kampf, Chairman of the Board of Directors and Paul Hermelin, Chief Executive Officer of the Company, have been registered as beneficiaries of this plan. During 2009, these corporate officers did not receive any compensation pursuant to this agreement.

We conducted our procedures in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. Those procedures consisted in verifying the information provided to us with the relevant source documents.

The Statutory Auditors

Neuilly-sur-Seine, February 18, 2010

PricewaterhouseCoopers Audit

Edouard Sattler Serge Villepelet

Paris La Défense, February 18, 2010

KPMG Audit

Division of KPMG S.A.

Jean-Luc Decornoy
Partner

Jacques Pierre
Partner

STATUTORY AUDITORS' REPORT ON THE CANCELLATION OF SHARES BOUGHT BACK BY THE COMPANY

(COMBINED SHAREHOLDERS' MEETING OF MAY 27, 2010 - 17TH RESOLUTION)

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of 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 decrease, 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 decrease comply with the applicable legal provisions.

The capital will be decreased 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 Combined Shareholders' Meeting (pursuant to the 16th resolution) 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 share 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 Combined Shareholders' Meeting approving the buyback by the Company of its own shares, as presented to you in the 16th resolution.

The Statutory Auditors

Neuilly-sur-Seine, April 13, 2010	Paris La Défense, April 13, 2010
PricewaterhouseCoopers Audit	**KPMG Audit**
	Division of KPMG S.A.
Edouard Sattler — Serge Villepelet	Jean-Luc Decornoy, *Partner* — Jacques Pierre, *Partner*

STATUTORY AUDITORS' REPORT ON THE CAPITAL INCREASE RESERVED FOR MEMBERS OF COMPANY SAVINGS PLANS

(COMBINED SHAREHOLDERS' MEETING OF MAY 27, 2010 - 27TH RESOLUTION)

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of 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 a maximum of 1,500,000 ordinary shares with a par value of €8 euros each, 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 and you will be also asked to waive your pre-emptive rights to subscribe for the shares to be issued. The Board of Directors will, where appropriate, define the terms and conditions of these transactions.

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 transactions and the methods used to determine the share issue price.

Subject to a subsequent examination of the conditions for the proposed capital increases that may be decided, 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 that may be decided. 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, April 13, 2010

PricewaterhouseCoopers Audit

Edouard Sattler   Serge Villepelet

Paris La Défense, April 13, 2010

KPMG Audit

Division of KPMG S.A.

Jean-Luc Decornoy
Partner

Jacques Pierre
Partner

STATUTORY AUDITORS' REPORT ON THE ISSUE OF SHARES AND OTHER SECURITIES WITH AND/OR WITHOUT PRE-EMPTIVE SUBSCIPTION RIGHTS

(COMBINED SHAREHOLDERS' MEETING OF MAY 27, 2010 - 20TH TO 26TH RESOLUTIONS)

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Cap Gemini S.A. and pursuant to the provisions of Articles L.225-135, L.225-136 and L.228-92 of the French Commercial Code (*Code de commerce*), we hereby present our report on the proposed delegations of authority to the Board of Directors to carry out various issues of ordinary shares and/or securities, as submitted to you for approval.

Based on its report, the Board of Directors is asking for authorization:

- For a period of 26 months, to decide on the following transactions and set the final terms and conditions of these issues and asks shareholders to waive their pre-emptive subscription rights, if necessary:
  - issue of ordinary shares and and/or securities convertible, redeemable, exchangeable or otherwise exercisable for ordinary shares of the Company or granting a right to the allocation of debt instruments, with pre-emptive subscription rights (20th resolution),
  - issue in the form of a public offering of ordinary shares and/or securities convertible, redeemable, exchangeable or otherwise exercisable for ordinary shares of the Company, or granting a right to the allocation of debt instruments, without pre-emptive subscription rights (21th resolution),
  - issue, in the form of a private placement, of ordinary shares and/or securities convertible, redeemable, exchangeable or otherwise exercisable for ordinary shares of the Company or granting a right to allocation of debt instruments, without pre-emptive subscription rights (22th resolution),
  - issue of ordinary shares and/or securities convertible, redeemable, exchangeable or otherwise exercisable for ordinary shares of the Company or granting a right to allocation of debt instruments as payment for shares tendered to any public exchange offer made by the Company (Article L. 225-148 of the French Commercial Code) (26th resolution).
- to authorize the Board of Directors, pursuant to the 24th resolution and in connection with the implementation of the delegations of authority referred to in the 21th and 22th resolutions, to set the share issue price in accordance with the methods determined by the Shareholders' Meeting, for up to 10% of the share capital.
- to authorize the Board of Directors for a period of 26 months, to set the terms and conditions of issues of ordinary shares and/or securities convertible, redeemable, exchangeable or otherwise exercisable for ordinary shares of the Company, as payment for contributions in kind made to the Company (Article L.225-147 of the French Commercial Code) (25th resolution), for up to 10% of the share capital.

Pursuant to the 19th resolution, the total par value amount of capital increases that may thus be carried out as a result of issuing ordinary shares and/or securities convertible, redeemable, exchangeable or otherwise exercisable for ordinary shares of the Company may not exceed €500 million pursuant to the 20th, 21th, 22th, 23th, 24th, 25th and 26th resolutions, it being specified that in connection with issues without pre-emptive subscription rights, this amount may not exceed €185 million. Pursuant to these same resolutions, the total par value amount of issues of securities convertible, redeemable, exchangeable or otherwise exercisable for ordinary shares of the Company, or granting a right to the allocation of debt instruments may not exceed €3.5 billion, reduced to €1.25 billion in connection with issues without pre-emptive subscription rights.

These ceilings include the additional securities to be issued as part of the implementation of the delegations of authority referred to in the 20th, 21th and 22th resolutions, under the conditions set forth in Article L.225-135-1 of the French Commercial Code, should you adopt the 22th resolution.

The Board of Directors is responsible for preparing a report in accordance with Articles R. 225-113, R.225-114 and R. 225-117 of the French Commercial Code. It is our responsibility to express an opinion on (i) the fairness of the financial information taken from the financial statements,(ii) the proposed cancellation of pre-emptive subscription rights and (iii) other information concerning the transactions, presented in this report.

We performed the procedures we deemed necessary with regard to the professional guidelines of the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to such transactions. These procedures consisted in reviewing the content of the Board of Directors' report relating to these transactions and the methods used to determine the share issue price.

Subject to a subsequent examination of the terms and conditions for the proposed issues, we have no comments as regards the methods used to set the share issue price as presented in the Board of Directors' report pursuant to the 21th, 22th and 24th resolutions.

In addition, since the Board of Directors' report does not specify the methods for determining the issue price of shares to be issued in connection with the implementation of the 20th, 25th and 26th resolutions, we do not express an opinion on the elements used to calculate the share issue price.

As the share issue price has not yet been set, we do not express an opinion on the final terms and conditions relating to the determination of the share issue price, and consequently, on the proposed waiver of pre-emptive subscription rights pursuant to the 21th, 22th and 24th resolutions.

In accordance with Article R. 225-116 of the French Commercial Code, we will issue a supplementary report, if necessary, when the Board of Directors uses these authorizations in the event of issues of ordinary shares without pre-emptive subscription rights and issues of securities convertible, redeemable, exchangeable or otherwise exercisable for ordinary shares of the Company and/or granting a right to the allocation of debt instruments.

The Statutory Auditors

Neuilly-sur-Seine, April 13, 2010	Paris La Défense, April 13, 2010
PricewaterhouseCoopers Audit	**KPMG Audit**
	Division of KPMG S.A.
Edouard Sattler Serge Villepelet	Jean-Luc Decornoy *Partner* Jacques Pierre *Partner*

TEXT OF THE DRAFT RESOLUTIONS

PRESENTED BY THE BOARD OF DIRECTORS TO THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF MAY 27, 2010

I - RESOLUTIONS PRESENTED AT THE ORDINARY SHAREHOLDERS' MEETING

First resolution

Approval of the 2009 Company financial statements

The Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary General Meetings and after hearing the following:

- the management report presented by the Board of Directors, and,
- the Statutory Auditors' report on their audit of the Company financial statements,

approves the Company financial statements for the year ended December 31, 2009, that show profit for the year of €224,022,251.99, and gives discharge to the Board of Directors for its management of the Company's affairs during the year.

Second resolution

Approval of the 2009 consolidated financial statements

The Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary General Meetings and after hearing the following:

- the Group management report of the Board of Directors for 2009,
- the Statutory Auditors' report on the consolidated financial statements,

approves the consolidated financial statements for the year ended December 31, 2009, that show net profit for the year of €178 million.

Third resolution

Regulated agreements

The Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary General Meetings and after hearing the Statutory Auditors' special report on regulated agreements governed by Article L.225-38 of the French Commercial Code (*Code de commerce*), records that no such agreement has been entered into during the past year.

Fourth resolution

Net income appropriation and dividend

The Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary General Meetings, approves the recommendations of the Board of Directors to appropriate the profit for the year ended December 31, 2009:

in euros	
• net profit for the year	€224,022,251.99
• allocation to the legal reserve which would then be entirely funded:	€175,164.00
i.e. a balance of:	€223,847,087.99
• retained earnings from previous years:	€303,520,091.55
i.e. distributable earnings of:	€527,367,179.54
• allocated to:	
- payment of a dividend of €0.80 per share:	€123,341,916.80
- retained earnings for the balance:	€404,025,262.74
giving a total of:	€527,367,179.54

It should be noted that the dividend, set at €0.80 for each of the 154,177,396 shares bearing dividend rights on January 1, 2009, will be fully eligible for the 40% tax rebate referred to in Article 158.3.2 of the French Tax Code (Code général des impôts) for individuals subject to personal income tax in France.

Considering the regulations set forth by Euronext Paris, the ex-dividend date will be May 31, 2010 and the dividend will be payable from June 3, 2010. If, at the time of payment of the dividend, the Company holds some of its own shares, the dividend for these shares will be added to retained earnings.

Pursuant to Article 243 bis of the French Tax Code, dividends paid over the past three fiscal years were as follows: €145,844,938 for 2008 (€1 per share); €145,425,510 for 2007 (€1 per share); €100,857,266.30 for 2006 (€0.70 per share). All of these dividends were fully eligible for the above-mentioned 40% tax rebate.

Fifth resolution

Renewal of the term of office as director of Mr. Yann Delabrière

At the recommendation of the Board of Directors, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary General Meetings, renews for a four-year period the term of office as director of Mr. Yann Delabrière, which expires at the close of this meeting. This new term of office shall therefore expire at the close of the Ordinary General Meeting held to approve the financial statements for the year ending December 31, 2013.

Sixth resolution

Renewal of the term of office as director of Mr. Paul Hermelin

At the recommendation of the Board of Directors, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary General Meetings, renews for a four-year period the term of office as director of Mr. Paul Hermelin, which expires at the close of this meeting. This new term of office shall therefore expire at the close of the Ordinary General Meeting held to approve the financial statements for the year ending December 31, 2013.

Seventh resolution

Renewal of the term of office as director of Mr. Michel Jalabert

At the recommendation of the Board of Directors, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary General Meetings, renews for a four-year period the term of office as director of Mr. Michel Jalabert, which expires at the close of this meeting. This new term of office shall therefore expire at the close of the Ordinary General Meeting held to approve the financial statements for the year ending December 31, 2013.

Eighth resolution

Renewal of the term of office as director of Mr. Serge Kampf

At the recommendation of the Board of Directors, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary General Meetings, renews for a four-year period the term of office as director of Mr. Serge Kampf, which expires at the close of this meeting. This new term of office shall therefore expire at the close of the Ordinary General Meeting held to approve the financial statements for the year ending December 31, 2013.

Ninth resolution

Renewal of the term of office as director of Mr. Phil Laskawy

At the recommendation of the Board of Directors, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary General Meetings, renews for a four-year period the term of office as director of Mr. Phil Laskawy, which expires at the close of this meeting. This new term of office shall therefore expire at the close of the Ordinary General Meeting held to approve the financial statements for the year ending December 31, 2013.

Tenth resolution

Renewal of the term of office as director of Mr. Ruud van Ommeren

At the recommendation of the Board of Directors, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary General Meetings, renews for a four-year period the term of office as director of Mr. Ruud van Ommeren, which expires at the close of this meeting. This new term of office shall therefore expire at the close of the Ordinary General Meeting held to approve the financial statements for the year ending December 31, 2013.

Eleventh resolution

Renewal of the term of office as director of Mr. Terry Ozan

At the recommendation of the Board of Directors, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary General Meetings, renews for a four-year period the term of office as director of Mr. Terry Ozan, which expires at the close of this meeting. This new term of office shall therefore expire at the close of the Ordinary General Meeting held to approve the financial statements for the year ending December 31, 2013.

Twelfth resolution

Renewal of the term of office as director of Mr. Bruno Roger

At the recommendation of the Board of Directors, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary General Meetings, renews for a four-year period the term of office as director of Mr. Bruno Roger, which expires at the close of this meeting. This new term of office shall therefore expire at the close of the Ordinary General Meeting held to approve the financial statements for the year ending December 31, 2013.

Thirteenth resolution

Appointment of a new director

At the recommendation of the Board of Directors, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary General Meetings, appoints Mrs. Laurence Dors as director for a four-year period. This term of office shall therefore expire at the close of the Ordinary General Meeting held to approve the financial statements for the year ending December 31, 2013.

Fourteenth resolution

Renewal of the term of office as non-voting director of Mr. Pierre Hessler

At the recommendation of the Board of Directors, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary General Meetings, renews for a two-year period the term of office as non-voting director of Mr. Pierre Hessler, which expires at the close of this meeting. This new term of office shall therefore expire at the close of the Ordinary General Meeting held to approve the financial statements for the year ending December 31, 2011.

Fifteenth resolution

Renewal of the term of office as non-voting director of Mr. Geoff Unwin

At the recommendation of the Board of Directors, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary General Meetings, renews for a two-year period the term of office as non-voting director of Mr. Geoff Unwin, which expires at the close of this meeting. This new term of office shall therefore expire at the close of the Ordinary General Meeting held to approve the financial statements for the year ending December 31, 2011.

Sixteenth 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 maximum of 10% of its share capital

In accordance with Articles L. 225-209 et seq. of the French Commercial Code and with European Commission Regulation No. 2273/2003 of December 22, 2003, the Combined Shareholders' Meeting – voting in accordance with quorum and majority rules for Ordinary General Meetings and after hearing the report presented by the Board of Directors – grants the Board of Directors an authorization to enable the Company to buy back its own shares.

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 shares 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 seventeenth 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 public offers for Company shares, in accordance with applicable laws and regulations.

The Combined Shareholders' Meeting resolves that the maximum purchase price for shares under the buyback program may not exceed €51 per share of a par value of €8. 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 Combined Shareholders' Meeting resolves that the maximum number of shares that may be acquired under this resolution may not exceed 10% of the Company's capital. It is specified, however, that (i) within the context of this authorization, treasury shares should be taken into account to ensure that the Company does not own, at any time, over 10% of its own share capital, and (ii) treasury shares to be tendered in payment or exchange in the context of a merger, de-merger or contribution may not represent more than 5% of the share capital. Based on the number of shares making up the Company's share capital at December 31, 2009, the theoretical maximum amount that the Company could invest in share buybacks is €786,304,689, which corresponds to 15,417,739 shares with a par value of €8 acquired at a maximum price per share of €51.

The Combined Shareholders' Meeting gives full powers to the Board of Directors (including the power of delegation subject to applicable law) to:

- implement this authorization,
- place any and all buy and sell orders and enter into any and all agreements, in particular for the keeping of registers of share purchases and sales, in accordance with 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 during the year under this authorization.

This authorization is given for a period of 18 months as from the date of this Shareholders' Meeting and supersedes the authorization given in the ninth resolution adopted by the Combined Shareholders' Meeting of April 30, 2009.

II - RESOLUTIONS PRESENTED AT THE EXTRAORDINARY SHAREHOLDERS' MEETING

Seventeenth resolution

Authorization to the Board of Directors to cancel shares acquired by the Company under the share buyback programs

The Combined Shareholders' Meeting — voting in accordance with quorum and majority rules for Extraordinary General Meetings and after hearing the report of the Board of Directors and the Statutory Auditors' special report – 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 par value to additional paid-in capital or any distributable reserves.

The Combined 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 supersedes the authorization given in the tenth resolution adopted by the Combined Shareholders' Meeting of April 30, 2009.

Eighteenth resolution

Delegation of authority to the Board of Directors to carry out a capital increase by capitalizing reserves

In accordance with Articles L. 225-129, L. 225-129-2 and L. 225-130 of the French Commercial Code, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary General Meetings and after hearing the report of the Board of Directors:

- authorizes the Board of Directors to decide to increase the share capital on one or several occasions by capitalizing additional paid-in capital, reserves, profit or other amounts in the form of an allocation of shares without consideration or by raising the par value of existing shares,
- but decides that, within the scope of this authorization, the par value amount of the increases in capital by capitalizing reserves may not exceed €1.5 billion.

Within the scope of this authorization, the Board of Directors may decide that fractional rights will not be transferable, that the corresponding shares will be sold and that the proceeds from the sale will be allocated to the holders of said rights.

This authorization is given for a period of 26 months as from the date of this Shareholders' Meeting and supersedes the delegation of authority given in the thirteenth resolution adopted by the Combined Shareholders' Meeting of April 17, 2008.

Nineteenth resolution

Setting general ceilings on the delegations of authority resulting from the following seven resolutions

The Combined Shareholders' Meeting — voting in accordance with quorum and majority rules for Extraordinary General Meetings and after hearing the report of the Board of Directors – resolves to set as follows:

- the total amount of share issues <u>with or without pre-emptive subscription rights</u> that may be carried out pursuant to the authorizations given to the Board of Directors in the seven resolutions hereafter: (twentieth, twenty-first, twenty-second, twenty-third, twenty-fourth, twenty-fifth and twenty-sixth resolutions):
  - the total par value amount (excluding share premiums) of capital increases that may thus be carried out by issuing ordinary shares or securities convertible, redeemable, exchangeable or otherwise exercisable for shares may not exceed €500 million (approximately 40% of the share capital at December 31, 2009), to which will be added, where applicable, the additional amount of the shares to be issued in order to protect, in accordance with Article L.228-99 of the French Commercial Code, the rights of holders of securities convertible, redeemable, exchangeable or otherwise exercisable for shares as provided for by law, it being specified that this limit will not apply to capital increases by capitalizing additional paid-in capital, reserves, profit or other amounts. In the case of a capital increase by capitalizing additional paid-in capital, reserves, profit or other amounts by allocating shares without consideration during the period of validity of this delegation of authority, the maximum par value amount (excluding share premiums) referred to above will be adjusted based on the ratio between the number of shares issued and outstanding before and after the transaction,
  - the maximum aggregate amount of the issue of securities convertible, redeemable, exchangeable or otherwise exercisable for shares or granting a right to allocation of debt instruments may not exceed €3.5 billion.
- that the total amount of share issues <u>without pre-emptive subscription rights</u> that may be carried out pursuant to the authorizations given to the Board of Directors in the six resolutions hereafter:(twenty-first, twenty-second, twenty-third, twenty-fourth, twenty-fifth and twenty-sixth resolutions):
  - the total par value amount (excluding share premiums) of capital increases that may thus be carried out by issuing ordinary shares or securities convertible, redeemable, exchangeable or otherwise exercisable for shares may not exceed €185 million (approximately 15% of the share capital at December 31, 2009), to which will be added, where applicable, the additional amount of the shares to be issued in order to protect in accordance with Article L.228-99 of the French Commercial Code, the rights of holders of securities convertible, redeemable, exchangeable or otherwise exercisable for shares as provided for by law, it being specified that this limit will not apply to capital increases by capitalizing additional paid-in capital, reserves, profit or other amounts. In the case of a capital increase by capitalizing additional paid-in capital, reserves, profit or other amounts by allocating shares without consideration during the period of validity of this delegation of authority, the maximum par value amount (excluding share premiums) referred to above will be adjusted based on the ratio between the number of shares issued and outstanding before and after the transaction,
  - the maximum aggregate amount of the issue of securities convertible, redeemable, exchangeable or otherwise exercisable for shares or granting a right to allocation of debt instruments may not exceed €1.25 billion.

Twentieth resolution

Delegation of authority to the Board of Directors to issue ordinary 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 <u>with</u> pre-emptive subscription rights

In accordance with Articles L. 225-129, L. 225-129-2, L. 225-132 and L. 228-92 of the French Commercial Code, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Extraordinary General Meetings and after hearing the report of the Board of Directors and the Statutory Auditors' special report :

- delegates to the Board of Directors the authority to decide on the issue, on one or several occasions, by the methods and on the terms that it deems fit, in France or other countries, of new ordinary shares of the Company and/or securities convertible, redeemable, exchangeable or otherwise exercisable for ordinary shares of the Company, immediately and/or in the future, or granting a right to the allocation of debt instruments issued by the Company. These securities may be denominated either in euros, or in foreign currencies, or in any monetary unit established by reference to several currencies,

- resolves that the shares and securities issued within the scope of this authorization will be subject to the following ceilings, in addition to the general ceilings set in indent one of the nineteenth resolution:
  - the total par value amount (excluding share premiums) of

capital increases that may thus be carried out as a result of issuing shares or securities convertible, redeemable, exchangeable or otherwise exercisable for shares may not exceed €500 million (approximately 40% of the share capital at December 31, 2009), to which will be added, where applicable, the additional amount of the shares to be issued in order to preserve the rights of holders of securities convertible, redeemable, exchangeable or otherwise exercisable for shares as provided for by Article L. 225-99 of the French Commercial Code. In the case of a share issue by capitalizing additional paid-in capital, reserves, profit or other amounts by allocating shares without consideration during the period of validity of this delegation of authority, the maximum par value amount (excluding share premiums) referred to above will be adjusted based on the ratio between the number of shares issued and outstanding before and after the transaction,
- the aggregate amount of the issue of securities convertible, redeemable, exchangeable or otherwise exercisable for shares or granting a right to allocation of debt instruments may not exceed €3.5 billion,

- resolves that, if the Board of Directors makes use of this delegation of authority:
  - the shareholders will have a pre-emptive right and may subscribe, pursuant to their priority rights, for ordinary shares and securities issued pursuant to this resolution in proportion to the number of their shares held by them, and the Board of Directors is authorized to establish pre-emptive subscription rights for excess shares,
  - if the subscriptions by shareholders pursuant to their priority rights pro rata to their existing holdings, as well as to any shares not taken up by other shareholders, do not cover the total value of the share issue, the Board of Directors may notably offer to the public all or some of the shares not subscribed,
- gives powers to the Board of Directors to offset the share issue costs against the related premiums and deduct from these issue premiums the amounts necessary to bring the legal reserve to one-tenth of the new share capital.

This delegation of authority is given for a period of 26 months as from the date of this Shareholders' Meeting and supersedes the delegation of authority given in the fourteenth resolution adopted by the Combined Shareholders' Meeting of April 17, 2008.

Twenty-first resolution

Delegation of authority to the Board of Directors to issue, in the form of a public offering, ordinary shares and/ or securities convertible, redeemable, exchangeable or otherwise exercisable for shares of the Company or granting a right to allocation of debt instruments without pre-emptive subscription rights

In accordance with Articles L. 225-129, L. 225-129-2, L. 225-135, L. 225-136 and L. 228-92 of the French Commercial Code, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Extraordinary General Meetings and after hearing the report of the Board of Directors and the Statutory Auditors' special report:

- authorizes the Board of Directors to decide on the issue, in the form of a public offering, on one or several occasions, by the methods and on the terms that it deems fit, in France or other countries, of ordinary shares of the Company and/or securities convertible, redeemable, exchangeable or otherwise exercisable for ordinary shares of the Company, immediately and/or in the future, or granting a right to the allocation of debt instruments issued by the Company. These securities may be denominated either in euros, or in foreign currencies, or in any monetary unit established by reference to several currencies,
- resolves that the shares and securities issued within the scope of this authorization will be subject to the following ceilings, in addition to the general ceilings set in the nineteenth resolution:
  - the total par value amount (excluding share premiums) of capital increases that may thus be carried out by issuing shares or securities convertible, redeemable, exchangeable or otherwise exercisable for shares may not exceed €185 million (approximately 15% of the share capital at December 31, 2009), to which will be added, where applicable, the additional amount of the shares to be issued in order to preserve the rights of holders of securities convertible, redeemable, exchangeable or otherwise exercisable for shares as provided for by Article L. 228-99 of the French Commercial Code. In the case of a share issue by capitalizing additional paid-in capital, reserves, profit or other amounts by allocating shares without consideration during the period of validity of this delegation of authority, the maximum par value amount (excluding share premiums) referred to above will be adjusted based on the ratio between the number of shares issued and outstanding before and after the transaction,
  - the aggregate amount of the issue of securities convertible, redeemable, exchangeable or otherwise exercisable for shares or granting a right to allocation of debt instruments may not exceed €1.25 billion,
- resolves to eliminate the shareholders' pre-emptive subscription right to these shares and securities convertible, redeemable, exchangeable or otherwise exercisable for shares that may be issued under this delegation of authority, giving the Board of Directors the power, however, to provide for a priority right for the shareholders for all or part of the issue, during the period and by the methods that it deems fit,
- resolves that the price of the ordinary shares issued, or the shares to which the securities convertible, redeemable, exchangeable or otherwise exercisable for shares which are issued in accordance with this authorization may give the right, shall be at least equal to the weighted average price for the Company's shares during the three trading days preceding the date on which the price is set. This price may be reduced by a discount of up to 5%,

- resolves that the issue price of securities convertible, redeemable, exchangeable or otherwise exercisable for shares will be such that the amount immediately collected by the Company plus, where applicable, any amount that is likely to be subsequently collected by the Company, is, for each share issued as a result of the issue of these securities, at least equal to the amount set out in the preceding paragraph;
- authorizes the Board of Directors to offset the share issue costs against the related premiums and deduct from these issue premiums the amounts necessary to bring the legal reserve to one-tenth of the new share capital.

This delegation of authority is given for a period of 26 months as from the date of this Shareholders' Meeting and supersedes the delegation of authority given in the fifteenth resolution adopted by the Combined Shareholders' Meeting of April 17, 2008.

Twenty-second resolution

Delegation of authority to the Board of Directors to issue, in the form of a private placement, ordinary shares and/or securities convertible, redeemable, exchangeable or otherwise exercisable for shares of the Company or granting a right to allocation of debt instruments without pre-emptive subscription rights

In accordance with Articles L. 225-129-2, L. 225-135, L. 225-136 and L. 228-92 of the French Commercial Code, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Extraordinary General Meetings and after hearing the report of the Board of Directors and the Statutory Auditors' special report:

- authorizes the Board of Directors to decide, on one or several occasions, on the issue carried out in the form of an offering as set out in paragraph II of Article L. 411-2 of the French Monetary and Financial Code (*Code monétaire et financier*), in France or other countries, of ordinary shares of the Company and/or securities convertible, redeemable, exchangeable or otherwise exercisable for ordinary shares of the Company, immediately and/or in the future, or granting a right to the allocation of debt instruments issued by the Company. These securities may be denominated either in euros, or in foreign currencies, or in any monetary unit established by reference to several currencies,
- resolves that the shares and securities issued within the scope of this authorization will be subject to the following ceilings, in addition to the general ceilings set in the nineteenth resolution:
  - the total par value amount (excluding share premiums) of capital increases that may thus be carried out by issuing shares or securities convertible, redeemable, exchangeable or otherwise exercisable for shares may not exceed €185 million (approximately 15% of the share capital at December 31, 2009), to which will be added, where applicable, the additional amount of the shares to be issued in order to preserve the rights of holders of securities convertible, redeemable, exchangeable or otherwise exercisable for shares as provided for by Article L. 228-99 of the French Commercial Code. In the case of a share issue by capitalizing additional paid-in capital, reserves, profit or other amounts by allocating shares without consideration during the period of validity of this delegation of authority, the maximum par value amount (excluding share premiums) referred to above will be adjusted based on the ratio between the number of shares issued and outstanding before and after the transaction,
  - the aggregate amount of the issue of securities convertible, redeemable, exchangeable or otherwise exercisable for shares or granting a right to allocation of debt instruments may not exceed €1.25 billion,
- resolves to eliminate the shareholders' pre-emptive subscription right to these shares and securities convertible, redeemable, exchangeable or otherwise exercisable for shares that may be issued under this delegation of authority,
- resolves that the price of the ordinary shares issued, or the shares to which the securities convertible, redeemable, exchangeable or otherwise exercisable for shares which are issued in accordance with this authorization may give the right, shall be at least equal to the weighted average price for the Company's shares during the three trading days preceding the date on which the price is set. This price may be reduced by a discount of up to 5%,
- resolves that the issue price of securities convertible, redeemable, exchangeable or otherwise exercisable for shares will be such that the amount immediately collected by the Company plus, where applicable, any amount that is likely to be collected subsequently by the Company, is, for each share issued as a result of the issue of these securities, at least equal to the amount set out in the preceding paragraph;
- authorizes the Board of Directors to offset the share issue costs against the related premiums and deduct from these issue premiums the amounts necessary to bring the legal reserve to one-tenth of the new share capital.

This delegation of authority is given for a period of 26 months as from the date of this Shareholders' Meeting.

Twenty-third resolution

Delegation of authority to the Board of Directors to increase the amount of the issues in the scope of over-allotment options ("Greenshoe" options)

The Combined Shareholders' Meeting — voting in accordance with quorum and majority rules for Extraordinary General Meetings and after hearing the report of the Board of Directors and the Statutory Auditors' special report — delegates its authority within the scope of the issues decided based on the authorizations granted to the Board of Directors pursuant to the three preceding resolutions (the twentieth, twenty-first and twenty-second resolutions) to increase, if requests for shares exceed the number of shares initially offered under the conditions and within the limits provided for by Articles L. 225-135-1 and R. 225-118 of the French Commercial Code and within the limit of the ceilings provided for in such resolutions.

This delegation of authority is given for a period of 26 months as from the date of this Shareholders' Meeting.

Twenty-fourth resolution

Authorization to the Board of Directors in the event of the issue of ordinary shares or securities convertible, redeemable, exchangeable or otherwise exercisable for shares of the Company without pre-emptive subscription rights of shareholders, to set the issue price according to the terms and conditions set by the Shareholders' Meeting for up to 10% of the Company's share capital

In accordance with Article L. 225-136 of the French Commercial Code, the Combined Shareholders' Meeting – voting in accordance with quorum and majority rules for Extraordinary General Meetings and after hearing the report of the Board of Directors and the Statutory Auditors' special report – authorizes the Board of Directors, in the event of the implementation of the twenty-first and twenty-second resolutions above to derogate from the conditions for setting the issue price provided for by these resolutions and to set the issue price according to the following terms and conditions:

- the issue price of the ordinary shares of the Company, or the shares to which the securities convertible, redeemable, exchangeable or otherwise exercisable for shares which are issued in accordance with this authorization may give the right, shall not be less than the weighted average price for the Company's shares during the three trading days preceding the date on which the price is set. This price may be reduced by a discount of up to 10%.
- the issue price of securities convertible, redeemable, exchangeable or otherwise exercisable for shares will be such that the amount collected immediately by the Company plus, where applicable, any amount that is likely to be collected subsequently by the Company, is, for each share issued based on the issue of these securities, at least equal to the amount set out in the preceding paragraph;
- the par value amount of shares issued or to which the securities convertible, redeemable, exchangeable or otherwise exercisable for shares which are issued in accordance with this resolution may not exceed 10% of share capital over a 12-month period or the ceilings et by the twenty-first and twenty-second resolutions above against which it is offset.

This authorization is given for a period of 26 months as from the date of this Shareholders' Meeting.

Twenty-fifth resolution

Delegation of authority to the Board of Directors to issue ordinary shares and/or securities convertible, redeemable, exchangeable or otherwise exercisable for shares of the Company for contributions in kind to the Company of shares or securities convertible, redeemable, exchangeable or otherwise exercisable for shares

In accordance with Articles L. 225-147 and L. 228-92 of the French Commercial Code, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Extraordinary General Meetings and after hearing the report of the Board of Directors and the Statutory Auditors' special report:

- delegates to the Board of Directors the authority required to carry out an issue of ordinary shares or securities convertible, redeemable, exchangeable or otherwise exercisable for ordinary shares of the Company, as payment for contributions in kind made to the Company comprised of shares or securities convertible, redeemable, exchangeable or otherwise exercisable for new shares where the provisions of Article L.225-148 of the French Commercial Code do not apply,
- resolves that the shares and securities issued within the scope of this authorization will be subject to a celiling of 10% of the Company's current share capital, in addition to the general ceilings set in the nineteenth resolution:
- notes that existing shareholders of the Company shall not have a pre-emptive right to subscribe for any shares and/or other securities issued pursuant to this authorization, as the exclusive purpose of said issues shall be to provide payment for contributions in kind,
- authorizes the Board of Directors to use this authorization, approve the valuation of contributions and any granting of special benefits, set the issue price of shares and securities to be issued in consideration of this contribution, issue such shares or securities and offset the share issue costs against the related premiums and amend the bylaws accordingly.
  This authorization is given for a period of 26 months as from the date of this Shareholders' Meeting and supersedes the authorization given in the seventeenth resolution adopted by the Combined Shareholders' Meeting of April 17, 2008.

Twenty-sixth resolution

Delegation of authority to the Board of Directors to issue ordinary shares and/or securities convertible, redeemable, exchangeable or otherwise exercisable for shares of the Company or granting a right to allocation of debt instruments as payment for shares tendered to any public exchange offer made by the Company

In accordance with Articles L. 225-148, L. 225-129 and L. 228-92 of the French Commercial Code, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Extraordinary General Meetings and after hearing the report of the Board of Directors and the Statutory Auditors' special report:

- delegates to the Board of Directors the authority to decide, on one or several occasions, on the issue of ordinary shares and/or securities convertible, redeemable, exchangeable or otherwise exercisable for ordinary shares of the Company or, provided that the first debt instrument constitutes shares, granting a right to the allocation of debt instruments as payment for shares tendered to any public exchange offer made by the Company in France or any other country concerning the shares of another company traded on one of the regulated markets set out in Article L. 225-148,
- resolves that the shares and securities issued within the scope of this authorization will be subject to the following ceilings, in addition to the general ceilings set in the nineteenth resolution:
  - the total par value amount (excluding share premiums) of capital increases that may thus be carried out by issuing shares or securities convertible, redeemable, exchangeable or otherwise exercisable for shares may not exceed €185 million, (approximately 15% of the share capital at December 31, 2009), to which will be added, where applicable, the additional amount of the shares to be issued in order to preserve the rights of

holders of securities convertible, redeemable, exchangeable or otherwise exercisable for shares, as provided for by Article L. 228-99 of the French Commercial Code. In the case of a share issue by capitalizing additional paid-in capital, reserves, profit or other amounts by allocating shares without consideration during the period of validity of this delegation of authority, the maximum par value amount (excluding share premiums) referred to above will be adjusted based on the ratio between the number of shares issued and outstanding before and after the transaction,
- the aggregate amount of the issue of securities convertible, redeemable, exchangeable or otherwise exercisable for shares or granting a right to allocation of debt instruments may not exceed €1.25 billion,

- notes that existing shareholders of the Company shall not have a pre-emptive right to subscribe for any shares and/or other securities issued pursuant to this authorization, as the exclusive purpose of such issues shall be to provide payment for securities tendered to public exchange offers made by the Company,

- notes that the price of the shares and other securities issued under this authorization will be set based on the laws applicable to public exchange offers,

- authorizes the Board of Directors, or a representative duly authorized in accordance with the law, to use this authorization and to offset the share issue costs against the related premiums. This authorization is given for a period of 26 months as from the date of this Shareholders' Meeting and supersedes the authorization given in the seventeenth resolution adopted by the Combined Shareholders' Meeting of April 17, 2008.

Twenty-seventh 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 order to comply with the provisions of Article L. 225-129-6 of the French Commercial Code, the Combined Shareholders' Meeting and after hearing the report of the Board of Directors and the Statutory Auditors' special report:

- delegates to the Board of Directors, if it should use the authorizations given to it in the twentieth, twenty-first and twenty-second resolutions above, the authority to decide on the increase, on one or several occasions, of the Company's share capital through the issuance of Company shares reserved for members of the Capgemini Group's company savings plans (*Plans d'Epargne d'Entreprise* or "PEE");

- resolves that the number of shares that could potentially be issued pursuant to this delegation of authority must not exceed 1,500,000 shares with a par value of €8;

- resolves that the issuance price of the new shares must be equal to the average 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;

- resolves to eliminate, in favor of members of the Group's company savings plans, the pre-emptive subscription right granted to shareholders with respect to the subscription of shares for the Company's shares that could be issued pursuant to this delegation of authority;

- gives full powers to the Board of Directors (including the power of sub-delegation subject to 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'Actionnariat 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 shares,
  - setting the opening and closing dates of the subscription period and the issuance price of the shares,
  - 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 from the amount of premiums associated with these increases and withholding 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 given for a period of 26 months as from the date of this Shareholders' Meeting.

Twenty-eighth resolution

Addition to the Bylaws of a provision authorizing the Board of Directors to appoint a Vice-Chairman

The Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Extraordinary General Meetings and after hearing the report of the Board of Directors decides:

- to add the following paragraph 4) to Article 14 of the Bylaws "Chairman of the Board of Directors":
  " *Where considered useful, the Board of Directors may also appoint a Vice-Chairman from among its natural person members and determine the duration of his/her duties, within the limit of the duration of the term of office as director.*
  The sole role of the Vice-Chairman shall be to chair meetings of the Board of Directors and Shareholders' Meetings in the absence of the Chairman of the Board of Directors,"

- and to amend the second last paragraph of Article 19 of the Bylaws "Shareholders' Meetings" as follows:
  "*The meetings are chaired by the Chairman of the Board of Directors or, in his/her absence, by the Vice-Chairman. In the absence of the Chairman and the Vice-Chairman, the Shareholders' Meeting shall elect a Chairman.*"

Twenty-ninth resolution

Powers to carry out formalities

The Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary General Meetings, authorizes the bearer of a copy or extract of the minutes of this meeting to execute all filing, publication and other formalities required under French law.

SPECIFIC INFORMATION

I - LEGAL INFORMATION

Corporate name and head office

Corporate name: Cap Gemini
Head office: 11, rue de Tilsitt, 75017 Paris

Legal form and governing law

The Company is a *société anonyme* (joint-stock corporation) governed by the French Companies Act of July 24, 1966 (Law no. 66-537) and Decree no. 67-236 of March 23, 1967 (as amended by Decree no. 2006-1566 of December 11, 2006).

Date of incorporation and term:
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 with the Paris Companies & Trade Registry. It may be wound up in advance or have its term extended by decision of the Extraordinary Shareholders' Meeting.

Corporate purpose (Article 3 of the bylaws)

The Company's purpose is to assist companies in France and abroad in managing and developing their businesses by providing them with the benefit of its knowledge of their industry, its know-how in the area of business process engineering and re-engineering, and its expertise in the area of information technologies.

To fulfill this purpose, the Company carries out on behalf of clients, either directly, or through its subsidiaries or affiliates, one or more of the following activities, on an individual or integrated basis:

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 whenever 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 these purposes.

Incorporation details

The Company is registered with the Paris Companies & Trade Registry (*Registre du Commerce et des Sociétés*) under number 330 703 844. Its APE business identifier is 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 Management Board, the *Directoire*, from May 24, 1996 through May 23, 2000) to the Shareholders' Meetings, and the Statutory Auditors' reports are available for consultation at the Company's head office at 11, rue de Tilsitt - 75017 Paris.

Fiscal year

The Company's fiscal year commences on January 1 and ends on December 31.

Appropriation and distribution of income

The Shareholders' Meeting has sole discretionary powers to decide on the appropriation of distributable income, as defined by French company law. Consequently, the Shareholders' Meeting may decide to appropriate all or part of distributable income to revenue reserves, special reserves or retained earnings, or to distribute all or part of the amount to shareholders.

The Shareholders' Meeting also decides the terms and conditions of payment of dividends. In particular, shareholders may be offered a stock dividend alternative, in which case the related dividends will be paid in the form of new shares credited as fully paid, in compliance with the applicable laws and regulations. The above provisions also apply to the distribution of interim dividends, subject to compliance with French corporate law.

In addition, the Shareholders' Meeting may decide to distribute a dividend out of distributable reserves, subject to compliance with French corporate law.

Shareholders' Meetings

Shareholders may participate in Shareholders' Meetings in person, by proxy or by casting a postal vote, subject to submitting evidence of their identity and ownership of the shares. Ownership of 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. This sanction will apply for all Shareholders' Meetings for a period of two years from the date on which the failure to disclose is rectified. Such request and the decision of the Shareholders' Meeting must be recorded in the minutes of the Meeting.

Shareholder identification

The Company is authorized to obtain details of identifiable holders of bearer shares. The Extraordinary Shareholders' Meeting of April 25, 2002 added a new article to the Company's bylaws according to which the Company may request from the share transaction clearing organization, the name, address, nationality and year of birth for an individual or the name, address and date of registration for a company, of any holders of shares and securities convertible, exchangeable, redeemable or otherwise exercisable for shares carrying voting rights at Shareholders' Meetings. The Company may also obtain details of how many shares are held by each shareholder and any applicable restrictions on these shares.

Voting rights

Shares carry voting rights based on the proportion of capital represented. All shares have the same par value and they therefore all carry one vote per share.
No shares carry double voting rights.
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 corporate law and the specific provisions of the bylaws, summarized below.

II - SHARE CAPITAL

Amount of capital

As of December 31, 2009, the Company's share capital amounted to €1,233,419,168, divided into 154,177,396 fully paid-up ordinary 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 Combined 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 par value 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 3.5 billion:

Type of securities	Maximum amount (in euros)	Authorization date	Expiration date
Ordinary shares paid up by capitalizing reserves, profit or other eligible amounts	1.5 billion (par value)	April 17, 2008	June 17, 2010
Ordinary shares and/or securities conferring access to the share capital of the Company, or granting a right to allocation of debt instruments, with PSR	465 million (par value) (1) 3.5 billion (2)	April 17, 2008	June 17, 2010
Ordinary shares and/or securities conferring access to the share capital of the Company, or granting a right to allocation of debt instruments, without PSR (3)	200 million (par value) (1) 1.5 billion (2)	April 17, 2008	June 17, 2010

PSR = pre-emptive subscription rights

(1) Maximum par value amount of increases in the Company's share capital likely to be performed 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 conferring access to the share capital 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 grant shareholders a non-transferable priority right to subscribe to the securities.

In April 2009, the Board of Directors used one of these delegations of authority to issue 16,911,765 bonds convertible or exchangeable into new or existing shares (OCEANE) of the Company representing a par value amount of €135 million (68% of the authorized amount of €200 million) and an issue amount of €575 million. The features of these bonds are described in detail in Note 16.11 to the consolidated financial statements.

New share equivalents conferring access to the Company's share capital (Combined Shareholders' Meeting of April 30, 2009)

At the Combined Shareholders' Meeting of April 30, 2009, 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 par value 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 par value amount of this capital increase many not exceed €48 million (i.e. 6 million shares or around 4.11% of the Company's share capital as of December 31, 2009).

The following table summarizes the afore-mentioned authorizations:

Type of securities	Maximum amount (in euros)	Authorization date	Expiration date
Performance shares	1% of the par value amount of share capital as of the grant date	April 30, 2009	October 31, 2010
Ordinary 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 (par value) (1) 16 million (par 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 par value amount of €48 million.

It should be noted that the delegation of authority allocated to the Board of Directors to grant performance shares was not used as of May 27, 2010, the date of the Combined Shareholders' Meeting, whereas the delegation of authority allocated to the Board of Directors to perform a share capital increase reserved for employees of the Group was used in its entirety as of December 16, 2009 (see section 4.8 of the Management Report).

Proposed renewal of financial authorizations (Combined Shareholders' Meeting of May 27, 2010)

It was proposed at the Combined Shareholders' Meeting of May 27, 2010 to replace its existing authorizations with several new similar authorizations but with adjusted dates and also supplement the system with two new authorizations to provide greater flexibility for market transactions:

- one authorization, for a maximum par value amount of €185 million, (approximately 15% of the share capital), to issue shares or securities conferring access to the share capital or granting a right to allocation of debt instruments, without pre-emptive subscription rights, in the form of a private placement and in accordance with the new provisions of Article L.225-136 of the French Commercial Code, as amended by Decree 2009-80 of January 22, 2009;
- the other authorization, for up to 10% of share capital annually, to issue shares or securities conferring access to the share capital or granting a right to allocation of debt instruments, without pre-emptive subscription rights, at a price at least equal to the weighted average of the last three stock market trading days preceding the price setting and less a potential maximum discount of 10%.

The overall limits on the amounts of the issues that could be decided pursuant to these new delegations of authority would be slightly increased with respect to share capital increases with pre-emptive subscription rights (€500 million instead of the €465 million under the previous delegation), to take into consideration the significant increase in share capital over the last two years, bringing share capital to a maximum par value amount of approximately €1.7 billion (the maximum issuance amount remaining set at €3.5 billion).

Conversely, the maximum par value amount of a share capital increase without pre-emptive subscription rights would be reduced from €200 million to €185 million, bringing share capital to a maximum par value amount of approximately €1.4 billion, with the maximum issuance amount being reduced from €1.5 billion to €1.25 billion.

In other words, in the event the pre-emptive subscription right is eliminated, the maximum par value amount of share capital increases (the amount being reduced since the previous delegation) would be capped at approximately 15% of the share capital (as of December 31, 2009), a percentage also adopted for the new delegation of authority to increase share capital by a private placement.

Finally, the authorization to increase share capital by capitalizing reserves would not be changed, the maximum par value amount not exceeding €1.5 billion.

Accordingly, the share capital increases that could be performed under the delegations of authority you are asked to approve would be capped as follows:

- a maximum aggregate par value amount of €185 million, or approximately 15% of the share capital, and a maximum issuance amount €1.25 billion for all issues without pre-emptive subscription rights, i.e. (i) issues carried out by a public offering or by private placement at a price that is at least equal to the weighted average of the last three stock market trading days preceding the price setting and less a potential maximum discount of 5%, (ii) issues carried out at a price that is at least equal to the weighted average of the last three stock market trading days preceding the price setting and less a potential maximum discount of 10%, and (iii) issues in payment for shares/securities tendered to a public exchange offer initiated by the Company, or as payment for contributions-in-kind to the Company;
- a maximum aggregate par value amount of €500 million (instead of €465 million under the previous delegation) and a maximum issuance amount of €3.5 billion (unchanged) for all issues, with or without pre-emptive subscription rights, for securities convertible, redeemable, exchangeable or otherwise exercisable for new shares of the Company, or granting a right to allocation of debt instruments.

  The Greenshoe option will of course be included in these caps.

The table below summarizes these delegations of authority:

Type of securities	Maximum amount *(in euros) (1)*	Authorization date	Expiration date
a) Ordinary shares paid up by capitalizing reserves, profit or other eligible amounts	1.5 billion (par value)	May 27, 2010	July 27, 2012
b) Ordinary shares and/or securities conferring access to the share capital of the Company, or granting a right to an allocation of debt instruments, with PSR	500 million (par value) (2) 3.5 billion (issue amount) (3)	May 27, 2010	July 27, 2012
c) Ordinary shares and/or securities conferring access to the share capital of the Company, or granting a right to an allocation of debt instruments **without PSR, takeover bid**	185 million (par value) (2) 1.25 billion (issue amount) (3)	May 27, 2010	July 27, 2012
d) Ordinary shares and/or securities conferring access to the share capital of the Company, or granting a right to an allocation of debt instruments **without PSR, private placement**	185 million (par value) (2) 1.25 billion (issue amount) (3)	May 27, 2010	July 27, 2012
e) Ordinary shares and/or securities conferring access to the share capital of the Company, or granting a right to an allocation of debt instruments **without PSR, setting of the issue price by the CGM for up to 10% of capital** (4)	10% of capital per 12-month period	May 27, 2010	July 27, 2012
f) Ordinary shares or shares combined with securities conferring access to the share capital of the Company, as payment for contributions in kind to the Company	10% of share capital	May 27, 2010	July 27, 2012
g) Ordinary shares and/or securities conferring access to the share capital of the Company, or granting a right to an allocation of debt instruments as payment for shares tendered to a public exchange offer initiated by the Company	185 million (par value) (1) 1.25 billion (issue amount) (2)	May 27, 2010	July 27, 2012
h) Ordinary shares without PSR (French Corporate Savings Act)	12 million (par value)	May 27, 2010	July 27, 2012

PSR = Pre-emptive Subscription Rights
CGM = Combined General Meeting
(1) Recap of overall limits:
- a maximum par value amount of €185 million and a maximum amount of €1.25 billion for all issues without PSR
- a maximum par value amount of €500 million and a maximum amount of €3.5 billion for all issues with or without PSR

(2) Maximum par value amount for share capital increases likely to be performed via the issue of shares or securities conferring access to the share capital
(3) Maximum amount for issues of securities conferring access to the share capital or granting a right to allocation of debt instruments.
(4) Should the delegations of authority c) and d) be used, exemption from the conditions governing the determination of the issue price which must be at least equal to the weighted average of the last three stock market trading days preceding the price setting and less a possible maximum discount of 10%

In the event that securities are issued without pre-emptive subscription rights, the Board of Directors may grant shareholders a non-transferable priority right to subscribe to the securities.

Share equivalents outstanding

Stock options

At the May 23, 2000 and May 12, 2005 Combined Shareholders' Meetings, the Board of Directors was given a five-year authorization in respect of the May 23, 2000 plan ("2000 Plan"), and a 38-month authorization in respect of the May 12, 2005 plan ("2005 Plan"), to grant stock options to certain Group employees on one or more occasions.

The main features of these plans and their bases of calculation are set out in the table on page 96 to 97 and 156 of this reference document.

Performance shares

The Extraordinary Shareholders' Meeting of April 17, 2008 authorized the Board of Directors to grant to a certain number of Group employees, on one or more occasions, for a maximum period of 12 months, shares subject to performance and presence conditions. On March 5, 2009, the Board of Directors approved the terms and conditions of this plan as well as the list of beneficiaries.

The main features of this initial plan are summarized in page 97 to 99, and 157 of this reference document

Changes in the Company's share capital over the past five years

	Number of shares	Share capital *(in euros)*	Additional paid-in capital *(in euros)*
AS OF DECEMBER 31, 2004	**131,383,178**	**1,051,065 424**	**6,061,036,905**
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**	**5,073,735,028**
Increase in share capital			
- upon exercise of 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**	**5,501,959,280**
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**	**5,525,119,409**
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**	**5,531,818,250**
Issuance of shares for cash			
- reserved for employees	5,999,999	47,999,992	117,479,980
Share issuance costs charged against additional paid-in capital			(1,266,628)
Allocation to legal reserve			(6,490,802)
- shares issued upon exercise of stock options	2,332,459	18,659,672	33,472,939
- Issuance of 2,999,000 redeemable share subscription or purchase warrants (BSAAR)			9,656,780
Redeemable share subscription or purchase warrants issuance costs charged against additional paid-in capital			(863,727)
AS OF DECEMBER 31, 2009	**154,177,396**	**1,233,419,168**	**5,683,806,792**

Current ownership structure

The ownership structure as of December 31, 2009 is presented on page 20. No shares carry double voting rights.

As of December 31, 2009 the Company held 2,121,000 of its own shares acquired under its share buyback program, including 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 121,000 shares held in connection with the liquidity contract set up with CA Cheuvreux. In accordance with French corporate law, these shares are stripped of voting rights.

As of December 31, 2009 there were 1,732 holders of registered shares.

As of December 31, 2009, on the basis of information received by the Company during the year, no shareholders held directly, indirectly or in concert, 5% or more of the Company's capital or voting rights at the Shareholders' Meetings.

In accordance with Article 10 of the Company's bylaws, the companies listed below made the following disclosures to the Company during the 2009 fiscal year:

- Federal Finance disclosed that it had reduced its interest to below 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 2% of the Company's capital or voting rights,
- Natexis Asset Management disclosed that it had reduced its interest to below the threshold of 3% of the Company's capital or voting rights,
- Franklin Resources, inc. disclosed that it had raised its interest to above the threshold of 1% of the Company's capital or voting rights,
- MFS Investment Management disclosed that it had raised and reduced its interest to above and below the threshold of 1% of the Company's capital or voting rights,
- UBS disclosed that it had raised and reduced its interest on successive occasions to above and below the threshold of 1% of the Company's capital or voting rights,
- Crédit Suisse disclosed that it had raised and reduced its interest on successive occasions (13 in total) to above and below the thresholds of 2%, 3% and 4% of the Company's capital or voting rights. On the most recent occasion, it reduced its interest to below the threshold of 2% of the Company's capital or voting rights,
- Pzena Investment Management disclosed that it had raised its interest to above the threshold of 1% of the Company's capital or voting rights,
- DNCA Finance disclosed that it had reduced its interest to below the threshold of 1% of the Company's capital or voting rights,
- Crédit Agricole disclosed that it had reduced and raised its interest on successive occasions to below and above the thresholds of 1% of the Company's capital or voting rights,
- Crédit Agricole Asset Management disclosed that it had reduced and raised its interest on successive occasions (9 in total) to below and above the threshold of 4% of the Company's capital or voting rights, before finally reducing its interest to below the threshold of 3% of the Company's capital or voting rights.

Shares held by members of the Board of Directors represent 3.8% of the Company's share capital.

Changes in ownership structure over the past three years

	As of December 31, 2007			As of December 31, 2008			As of December 31, 2009		
	Number of shares	% interest	% voting rights	Number of shares	% interest	% voting rights	Number of shares	% interest	% voting rights
Serge Kampf	5,568,156	3.8	3.8	5,618,156	3.9	3.9	5,618,156	3.6	3.6
Paul Hermelin	185,048	0.1	0.1	187,048	0.1	0.1	187,048	0.1	0.1
Public (1) (bearer + registered)	139,545,266	96.0	96.0	137,662,734	94.4	94.4	140,536,717	91.2	91.2
Employee shareholding							5,714,475	3.7	3.7
Treasury shares (2)	127,040	NM	NM	2,377,000	1.6	1.6	2,121,000	1.4	1.4
Own shares	-	-	-	-	-	-	-	-	-
TOTAL	**145,425,510**	**100.0**	**100.0**	**145,844,938**	**100.0**	**100.0**	**154,177,396**	**100.0**	**100.0**

(1) Including the share of capital held by managers.
(2) As of December 31, 2009 the Company held 2,121,000 of its own shares acquired under its share buyback program, including 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 121,000 shares held in connection with a liquidity contract. In accordance with French corporate law, these shares are stripped of voting rights.

The Company does not hold any "own shares" other than those classified as treasury shares.

Based on a study carried out on December 31, 2009, the Company has 77,185 identifiable holders of bearer shares holding at least 30 shares.

No shares carry double voting rights.

Shareholders' agreements

There are no shareholder agreements or pacts in force.

III - CORPORATE GOVERNANCE

To avoid repetitions, please refer to Section A of the Chairman's Report for further details.

Board of Directors

- **Members:** 13 directors

  Directors:

  - Serge KAMPF, *Chairman*
  - Daniel BERNARD
  - Yann DELABRIERE
  - Jean-René FOURTOU
  - Paul HERMELIN, *CEO*
  - Michel JALABERT
  - Phil LASKAWY
  - Bernard LIAUTAUD
  - Thierry de MONTBRIAL
  - Ruud van OMMEREN
  - Terry OZAN
  - Pierre PRINGUET
  - Bruno ROGER

After extensive examination of their personal situations, the 9 directors whose names are underlined were considered by the Board as being "independent".

- **Term of office: 4 years**

  Given that the Combined Shareholders' Meeting of May 11, 2006 decided, on the recommendation of the Board of Directors, to reduce the term of office of Company directors from six years to fours years (applicable with immediate effect to current terms of office):

  Out of the 13 directors comprising the Board of Directors:

  – two, Messrs. Bernard Liautaud and Pierre Pringuet, were appointed by the Combined Shareholders' Meeting of April 30, 2009,

  – two others, Messrs. Daniel Bernard and Thierry de Montbrial, directors appointed for the first time by the Combined Shareholders' Meeting of May 12, 2005 and whose terms of office were renewed for another 4 years at this same Meeting on April 30, 2009,

  – the terms of office of these four directors will therefore expire at the end of the Ordinary Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2012,

  – the terms of office of the nine other directors, Messrs. Yann Delabrière, Jean-René Fourtou, Paul Hermelin, Michel Jalabert, Serge Kampf, Phil Laskawy, Ruud van Ommeren, Terry Ozan and Bruno Roger who have been Board members for longer periods, were renewed for another 4 years by the Ordinary Shareholders ' Meeting of May 11, 2006 and will therefore expire at the end of the Ordinary Shareholders' Meeting held on May 27, 2010 to approve the financial statements for the year ended 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 requirement.

- **Meetings:**

  - At least six times per year at the head office of the Company in Paris (or at any other venue stated in the notice of meeting). The Board met 9 times in 2009 (6 times during the first half and 3 times during the second half);

  – Attendance rate in 2009: on average 85%, better in the second half (95%) compared to the first half, the explanation being that during the first half, directors were called to several unplanned meetings due to several operations carried out by the Company (decision to issue redeemable share subscription or purchase warrants, launch of a bond issue convertible or exchangeable into new or existing shares of the Company, launch of an international employee share ownership plan).

Non-voting membership

- Members: 2 non-voting members
  - Pierre HESSLER
  - Geoff UNWIN

- **Term of office: 2 years.**

  Given that the Combined 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 offices), the terms of office of Mr. Pierre Hessler and Mr. Geoff Unwin, renewed by the Combined Shareholders' Meeting of May 11, 2006 and subsequently April 17, 2008, will therefore expire at the end of the Ordinary Shareholders' Meeting held on May 27, 2010 to approve the financial statements for the year ended December 31, 2009.

Internal rules of operation

The Board has established internal rules of operation (which it amended on July 26, 2006), mainly 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.

Board committees

The general purpose of these committees is to examine or prepare certain resolutions involving their particular areas of expertise, to draft proposals and to provide opinions or recommendations to the Board with regard to any decisions to be taken. They have no decision-making authority – decisions being taken by the Board of Directors, meeting according to the requisite procedure – and may not treat subjects outside their own fields of competence.

There are four specialized Board committees:

- **Audit Committee**
  – Chairman: Yann Delabrière
  – Other directors: Michel Jalabert , Phil Laskawy and Pierre Pringuet
  – Meetings: six in 2009, with an attendance rate of 81%
- **Selection & Compensation Committee**
  – Chairman: Ruud van Ommeren
  – Other directors: Michel Jalabert, Thierry de Montbrial, Terry Ozan and Pierre Pringuet
  – Non-voting director: Pierre Hessler
  – Meetings: five in 2009, with an attendance rate of 96%
- **Ethics & Governance Committee**
  – Chairman: Serge Kampf
  – Other directors: Daniel Bernard, Paul Hermelin, Phil Laskawy and Bruno Roger
  – Meetings: once in 2009 as an “official body”, with an attendance rate of 80% but numerous informal meetings concerning the topic of the Committee’s “corporate governance” role took place throughout the year between the Committee Chairman and various Committee members or between certain Committee members without the Chairman
- **Strategy & Investments Committee**
  – Chairman: Bernard Liautaud
  – Other directors: Daniel Bernard, Paul Hermelin, Thierry de Montbrial and Bruno Roger
  – Non-voting director: Geoff Unwin
  – Meetings: three in 2009, with an attendance rate of 100%

List of directorships and other offices held by members of the Board of Directors

Directorships and other offices held by the 11 voting members of the Board of Directors in 2009 are as follows:

MEMBERS OF THE BOARD	FIRST APPOINTMENT AND EXPIRATION* OF TERM OF OFFICE	OFFICES HELD IN 2009 AND CURRENT OFFICES	OTHER OFFICES HELD DURING THE LAST FIVE YEARS OUTSIDE THE GROUP
Serge KAMPF **Date of birth:** **October 13, 1934** Number of shares held as of December 31, 2009: 5,618,156	2000-2009	Principal office **Chairman of the Board of Directors of:** • CAP GEMINI S.A. Other offices **Chairman of:** • Capgemini Service S.A.S. • Capgemini Suisse S.A. **Director of:** • Capgemini North America Inc. (U.S.A.) • Sportys S.A.	**Director of:** • SANOFI-AVENTIS S.A. **Member of the Selection, Remuneration and Corporate Governance Committee of:** • SANOFI-AVENTIS S.A. **Member of the l’Académie des Sports**
Daniel BERNARD **Date of birth:** **February 18, 1946** Number of shares held as of December 31, 2009: 150	2005 -2012	Principal office: **Chairman of:** • PROVESTIS Other offices: **Chairman of the Board of Directors of:** • KINGFISHER plc • MAF Retail Group **Director of:** • ALCATEL LUCENT • CAP GEMINI S.A. **Chairman of:** • The HEC Foundation	**Chairman and Chief Executive Officer of:** • Groupe CARREFOUR **Director of:** • SAINT-GOBAIN

* as of the date of the 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 2009 AND CURRENT OFFICES	OTHER OFFICES HELD DURING THE LAST FIVE YEARS OUTSIDE THE GROUP
Yann DELABRIÈRE **Date of birth:** **December 19, 1950** Number of shares held as of December 31, 2009: 2,550	2004-2009	Principal office **Chairman and Chief Executive Officer of:** • FAURECIA Other offices **Director of:** • CAP GEMINI S.A.	**Member of the Executive Committee and Chief Financial Officer of:** • PSA PEUGEOT CITROËN **Chairman and Chief Executive Officer of:** • BANQUE PSA FINANCE • CREDIPAR (*Compagnie Générale de Crédit aux Particuliers*) **Chairman of the Supervisory Board of:** • PEUGEOT FINANCE INTERNATIONAL NV **Chairman of the Board of Directors of:** • PEUGEOT CITROËN ARGENTINE • PERGOLESE INVESTISSEMENTS **Vice-Chairman and Managing Director of:** • PSA INTERNATIONAL **Director of:** • PEUGEOT CITROËN AUTOMOBILES • AUTOMOBILES CITROËN • GEFCO **Manager (*Gérant*) of:** • GIE PEUGEOT CITROËN Finance et Comptabilité (Belgium) • PSA Services S.R.L. (Italy)
Jean-René FOURTOU **Date of birth:** **June 20, 1939** Number of shares held as of December 31, 2009: 4,000	2002-2009	Principal office: **Chairman of the Supervisory Board of:** • VIVENDI Other offices **Chairman of the Supervisory Board of:** • GROUPE CANAL+ **Chairman of the:** • BORDEAUX UNIVERSITY FOUNDATION **Member of the Supervisory Board of:** • MAROC TELECOM • AXA **Director of:** • CAP GEMINI S.A. • SANOFI-AVENTIS S.A. • NBC UNIVERSAL INC. (USA) • NESTLE (Switzerland) • AXA MILLESIMES S.A.S.	**Vice-Chairman of the Supervisory Board of:** • AXA **Chairman and Chief Executive Officer of:** • VIVENDI UNIVERSAL **Member of the Selection, Remuneration and Corporate Governance Committee of:** • SANOFI-AVENTIS S.A. **Chairman and subsequently Honorary Chairman of:** • INTERNATINOAL CHAMBER OF COMMERCE (ICC)

* as of the date of the 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 2009 AND CURRENT OFFICES	OTHER OFFICES HELD DURING THE LAST FIVE YEARS OUTSIDE THE GROUP
Paul HERMELIN **Date of birth:** **April 30, 1952** Number of shares held as of December 31, 2009: 187,048	2000-2009	Principal offices **Director and Chief Executive Officer of:** • CAP GEMINI S.A. **Chief Executive Officer of** *the Capgemini Group* Other offices **Chairman of:** • 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) **Chief Executive Officer of:** • Capgemini Service S.A.S. • Capgemini North America Inc. (U.S.A.) • Capgemini Holding Inc. (U.S.A) **Director of:** • 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. **Member of the Supervisory Board of:** • Capgemini N.V.	None
Michel JALABERT **Date of birth:** **January 20, 1933** Number of shares held as of December 31, 2009: 425	2000-2009	Principal office: **Director of:** • CAP GEMINI S.A. Other offices None	None
Phil LASKAWY **Date of birth:** **March 31, 1941** Number of shares held as of December 31, 2009: 7,600	2002-2009	Principal offices **Non-executive Chairman of:** • FANNIE MAE **Director of:** • CAP GEMINI S.A. • GENERAL MOTORS CORPORATION Other offices **Director of:** • HENRY SCHEIN, INC. • LAZARD LTD • LOEWS CORPORATION	**Chairman and Chief Executive Officer of:** • ERNST & YOUNG **Director of:** • THE GOODYEAR TIRE & RUBBER Company • HEIDRICK & STRUGGLES International, Inc. • THE PROGRESSIVE CORPORATION • DISCOVER FINANCIAL SERVICES

* as of the date of the 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 2009 AND CURRENT OFFICES	OTHER OFFICES HELD DURING THE LAST FIVE YEARS OUTSIDE THE GROUP
Bernard LIAUTAUD **Date of birth:** **June 17, 1962** Number of shares held as of December 31, 2009: 200	2009-2012	Principal office **General Partner:** • BALDERTON CAPITAL MANAGEMENT (BCM) UK Other offices **Member of the Supervisory Board of:** •SAP **Director of:** • CLINICAL SOLUTION (UK) • GLOBAL DATA CENTER MANAGEMENT (GDCM) (UK) • TALEND SA • QUICKBRIDGE (UK)	**Co-founder in 1990 of:** • BUSINESS OBJECTS **Chairman and Chief Executive Officer of:** • BUSINESS OBJECTS
Thierry de MONTBRIAL **Date of birth:** **March 3, 1943** Number of shares held as of December 31, 2009: 100	2005-2012	Principal office **Founder and Chief Executive Officer of:** • L'INSTITUT FRANÇAIS DES RELATIONS INTERNATIONALES (IFRI) Other offices **Chairman of** • CENTRE FRANCO-AUTRICHIEN POUR LE RAPPROCHEMENT ÉCONOMIQUE EN EUROPE **Emeritus Professor at:** • CONSERVATOIRE NATIONAL DES ARTS ET MÉTIERS **Member of:** • L'INSTITUT DE FRANCE (ACADÉMIE DES SCIENCES MORALES ET POLITIQUES)	**Member of:** • INTERNATIONAL ADVISORY BOARD DE LAFARGE • INTERNATIONAL ADVISORY BOARD (PRESIDENT) DE OCP GROUP (MAROC) • INTERNATIONAL ADVISORY BOARD DE RUSAL
Ruud van OMMEREN **Date of birth:** **September 11, 1936** Number of shares held as of December 31, 2009: 100	2000-2009	Principal office **Director of:** • CAP GEMINI S.A. Other offices **Chairman of the Supervisory Board of:** • Capgemini N.V. • GAK ONROEREND GOED V.O.F. **Member of the Supervisory Board of:** • WILLEM VAN RIJN B.V.	**Member of the Supervisory Board of:** • KONINKLIJKE GROLSCH N.V.
Terry OZAN **Date of birth:** **July 21, 1946** Number of shares held as of December 31, 2009: 24,300	2000-2009	Principal office: **Director of:** • CAP GEMINI S.A. Other offices **Director of:** • COHESANT INC. **Member of the Strategy Committee of:** • STATE INOF THESTRIAL PRODUCTS	**Director of:** • KANISA Corporation • NOTEWORTHY MEDICAL SYSTEMS, INC.

* as of the date of the 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 2009 AND CURRENT OFFICES	OTHER OFFICES HELD DURING THE LAST FIVE YEARS OUTSIDE THE GROUP
Pierre PRINGUET **Date of birth:** **January 31, 1950** Number of shares held as of December 31, 2009: 1,000	2009-2012	Principal office **Chief Executive Officer and Director of:** • Groupe PERNOD RICARD Other offices **Director of:** • ILIAD S.A.	**Joint Chief Executive Officer and sole Managing Director of:** • Groupe PERNOD RICARD
Bruno ROGER **Date of birth:** **August 6, 1933** Number of shares held as of December 31, 2009: 20,226	2000-2009	Principal office: **Chairman of:** • LAZARD FRERES S.A.S. • COMPAGNIE FINANCIERE LAZARD FRERES SAS **Chairman and Chief Executive Officer of:** • LAZARD FRERES BANQUE Other offices **Chairman of:** • GLOBAL INVESTMENT BANKING of LAZARD **Director of:** • CAP GEMINI S.A. **Managing Partner of:** • LAZARD FRERES • MAISON LAZARD ET CIE **Member of the Deputy Chairman Committee of:** • LAZARD FRERES GROUP	**Member of the Supervisory Board of:** • AXA • PINAULT PRINTEMPS REDOUTE **Director of:** • COMPAGNIE DE SAINT-GOBAIN

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.

* as of the date of the Shareholders' Meeting held to approve the financial statements of the year concerned

IV - AGREEMENTS WITH EXECUTIVE CORPORATE OFFICERS

This information is provided in section 4.10 of the Management Report presented by the Board of Directors at the Combined Shareholders' Meeting of May 27, 2010.

Regulated agreements with related parties

No agreements falling into the scope of Article L.225-38 of the French Commercial Code (Code de Commerce) were authorized by the Board of Directors in the year ended December 31, 2009.

Loans and guarantees granted to directors and managers of the Company

None.

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:

Stock options granted to/exercised by the ten employees (non-corporate officers) having received the greatest number of shares	Total number of stock options granted/exercised	Weighted average price	Plan number
Options granted during the year by Cap Gemini S.A. to the ten employees of all eligible companies having received the greatest number of shares	n/a	n/a	n/a
Options exercised (held previously by Cap Gemini S.A.), by the ten Group employees having exercised the greatest number of shares	236,750	23.08	5th and 6th plans

Performance shares

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

Performance shares granted to/exercised by the ten employees (non-corporate officers) having received the greatest number of shares	Total number of shares granted/exercised	Plan number
Performance shares granted during the year by Cap Gemini S.A. to the ten employees of all eligible companies having received the greatest number of shares	130,000	1st Plan
Shares exercised (held previously by Cap Gemini S.A.), by the ten Group employees having exercised the greatest number of shares	n/a	n/a

VI - GROUP MANAGEMENT STRUCTURE

The Group's management is organized into two committees, as follows:

- **The Executive Committee has 15 members**:

Paul Hermelin	Chief Executive Officer
Henk Broeders	TS Global Coordination
Lanny Cohen	TS Amérique du Nord
Pierre-Yves Cros	Consulting Services (Capgemini Consulting)
Alain Donzeaud	General Secretary
Nicolas Dufourcq	Deputy General Manager and Chief Financial Officer
Cyril Garcia	Strategy & Transformation Director
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 Sevillia	TS Europe 3 (France, Southern Europe and Latin America)
Paul Spence	Outsourcing Services

- **The Group Management Board comprises the members of the Executive Committee plus the following 17 individuals:**

Peter Barbier	TS Netherlands
Bertrand Barthelemy	Managed Business Service
David Boulter	ITS Global service line
John Brahim	ALS global service line
Hervé Canneva	Ethics and Compliance Director
Aiman Ezzat	TS Services financiers
François Hucher	Technical and Support Director (IT and procurement)
Andy Mulholland	Technology
Paul Nannetti	BIM global service line
Lan O'Connor	Transformation Director
Ulrich Praedel	Sales
Baru Rao	Capgemini India
Jeremy Roffe-Vidal	Human Resources
Isabelle Roux-Chenu	International Legal Affairs
Antonio Schnieder	Coordination Committee-Germany
Perry Stoneman	Smart energy solutions
Hans Van Waayenburg	Testing global service line

VII - PERSONS RESPONSIBLE FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Principal Statutory Auditors:

- PricewaterhouseCoopers Audit
  member of the *Compagnie Régionale des Commissaires aux Compte 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 Ordinary Shareholders' Meeting to be called to approve the fiscal year 2013 financial statements.

- KPMG S.A.
  member of the *Compagnie Régionale des Commissaires aux Compte de Versailles*
  Immeuble le Palatin, 3, cours du Triangle, 92939 Paris la Défense Cedex
  represented by **Jean-Luc DECORNOY**
  First appointed at the Ordinary Shareholders' Meeting of April 25, 2002.
  Current term expires at the close of the Ordinary Shareholders' Meeting to be called to approve the fiscal year 2013 financial statements.

Substitute Statutory 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 Ordinary Shareholders' Meeting to be called to approve the fiscal year 2013 financial statements.

- Bertrand VIALATTE
  1, cours Valmy, 92923 Paris la Défense Cedex
  Substitute for KPMG S.A.,
  Appointed at the Ordinary Shareholders' Meeting of April 17, 2008.
  Term of office expires at the close of the Ordinary Shareholders' Meeting to be called to approve the fiscal year 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		%	
Audit	2009	2008	2009	2008	2009	2008	2009	2008
Statutory audit, certification of the individual company and consolidated financial statements	2,289	1,962	78%	71%	2,776	2,676	54%	39%
- Issuer	*565*	*263*	*19%*	*9%*	*723*	*438*	*14%*	*6%*
- Fully consolidated subsidiaries	*1,724*	*1,699*	*59%*	*61%*	*2,053*	*2,238*	*40%*	*33%*
Other work and services directly related to the statutory audit assignment	358	558	12%	20%	114	1,060	2%	16%
- Issuer	*261*	*34*	*9%*	*18%*	*83*	*954*	*2%*	*14%*
- Fully consolidated subsidiaries	*97*	*46*	*3%*	*2%*	*31*	*106*	*1%*	*2%*
SUBTOTAL	**2,647**	**2,521**	**90%**	**91%**	**2,890**	**3,736**	**56%**	**55%**
Other services								
Legal, tax and employee-related matters	139	239	5%	9%	99	184	2%	3%
Other (1)	157	20	5%	1%	2,134	2,876	42%	42%
SUBTOTAL	**296**	**259**	**10%**	**9%**	**2,233**	**3,060**	**44%**	**45%**
TOTAL	**2,944**	**2,780**	**100%**	**100%**	**5,123**	**6,796**	**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
Tel.:+33 (0)1 47 54 50 00

IX - 2010 PROVISIONAL FINANCIAL CALENDAR

First quarter 2010 revenue announcement:	February18, 2010
Second quarter 2010 revenue announcement:	May 6, 2010
First half 2010 results announcement:	July 29, 2010
Third quarter 2010 revenue announcement:	November 4, 2010
2010 Results:	February 17, 2011

This provisional calendar is provided for information purposes only and is subject to subsequent amendments.

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 2009 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 58 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.

A statutory auditors' report was issued on the consolidated financial statements for the year ended December 31, 2009 presented in this document. This report, presented on page 76, contains a technical observation regarding the impact of the new accounting standards applicable with effect from January 1, 2009.

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 is not qualified and 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 May 4, 2010, pursuant to Article 212-13 of the AMF's General Regulations. It may be used in connection with a financial transaction if it is accompanied by an Information Memorandum approved by the AMF. This document was prepared by the issuer and engages the responsibility of its signatories.

In accordance with Article 28 of European Regulation no. 809/2004 of April 29, 2004, the following information is incorporated by reference in this registration document:

1. Relating to the year ended December 31, 2008:

- the management report, consolidated financial statements, and the Statutory Auditors' report on the consolidated financial statements, set out in the registration document filed on March 12, 2009 under no. D.09-0117 (pages 63 to 80 and 81 to 145, respectively).
- the parent company financial statements of Cap Gemini S.A. and the Statutory Auditors' report on the parent company financial statements set out in the registration document filed on March 12, 2009 under no. D.09-0117 (pages 146 to 163 and 164, respectively)
- the Statutory Auditors' special report on certain related party agreements, set out in the registration document filed on March 12, 2009 under no. D.09-0117 (page 165).

2. 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 the 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, respectively)
- 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).

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.

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