2012 REGISTRATION DOCUMENT

ANNUAL FINANCIAL REPORT

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.

The information from the Annual Financial Report is clearly identiified in the table of contents by the AFR symbol AFR

Capgemini

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REGISTRATION DOCUMENT 2012

AUTORITÉ DES MARCHÉS FINANCIERS

AMF

The French version of this registration Document (Document de Reference) was filed with the Autorité des Marchés Financiers (AMF) on April 22th, 2013, 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, 2011:

- *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 26, 2012 under no. D.12-0437 (pages 73 to 92 and 117 to 180, respectively);*
- *the parent company financial statements of Cap Gemini S.A. and the Statutory Auditors' report on the parent company financial statements set out in the registration document filed on April 26, 2012 under no. D.12-0437 (pages 181 to 201 and 202, respectively);*
- *the Statutory Auditors' special report on regulated agreements and commitments, set out in the registration document filed on April 26, 2012 under no. D.12-0437 (page 203).*

2. Relating to the year ended December 31, 2010:

- *the management report, consolidated financial statements and the Statutory Auditors' report on the consolidated financial statements, set out in the registration document filed on May 3, 2011 under no. D.11-0442 (pages 73 to 93 and 117 to 180, respectively);*
- *the parent company financial statements of Cap Gemini S.A. and the Statutory Auditors' report on the parent company financial statements set out in the registration document filed on May 3, 2011 under no. D.11-0442 (pages 181 to 201 and 202, respectively);*
- *the Statutory Auditors' special report on regulated agreements and commitments, set out in the registration document filed on May 3, 2011 under no. D.11-0442 (page 203).*

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.

Board of Directors

Serge KAMPF, Chairman of the Board of Directors until May 24, 2012 and then Honorary Chairman and Vice-Chairman

Paul HERMELIN, Chief Executive Officer until May 24, 2012 and then Chairman and Chief Executive Officer

Daniel BERNARD

Yann DELABRIÈRE

Laurence DORS

Michel JALABERT until March 13th 2013, the date of his death

Phil LASKAWY

Bernard LIAUTAUD

Thierry de MONTBRIAL

Ruud van OMMEREN

Terry OZAN

Pierre PRINGUET

Bruno ROGER

Lucia SINAPI-THOMAS

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	2008	2009	2010	2011	2012
Revenues	**8,710**	**8,371**	**8,697**	**9,693**	**10,264**
Operating expenses	(7,966)	(7,776)	(8,110)	(8,980)	(9,477)
Operating margin	**744**	**595**	**587**	**713**	**787**
% of revenues	8.5%	7.1%	6.8%	7.4%	7.7%
Operating profit	**586**	**333**	**489**	**595**	**601**
% of revenues	6.7%	4.0%	5.6%	6.1%	5.9%
Profit for the year attributable to owners of the Company	**451**	**178**	**280**	**404**	**370**
% of revenues	5.2%	2.1%	3.2%	4.2%	3.6%
Earnings per share					
Number of shares at December 31	*145,844,938*	*154,177,396*	*155,770,362*	*155,770,362*	*161,770,362*
Earnings per share at December 31 *(in euros)*	3.09	1.16	1.80	2.59	2.29
Dividends per share for the year *(in euros)*	1.00	0.80	1.00	1.00	* 1.00
NET CASH AND CASH EQUIVALENTS AT DECEMBER 31	**774**	**1,269**	**1,063**	**454**	**872**
Average number of employees	**86,495**	**90,238**	**97,571**	**114,354**	**121,829**
Number of employees at December 31	**91,621**	**90,516**	**108,698**	**119,707**	**125,110**

* *Subject to approval by the Combined Shareholders' Meeting of May 23, 2013.*

Presentation of the Company and its activities

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1.1 MILESTONES IN THE GROUP'S HISTORY AND ITS VALUES

1967	Formation of SoGETI by Serge Kampf, on October 1, in Grenoble (France).
1970	SoGETI and OBM (Organization Bossard Michel) agree to combining IT and consulting services.
1971	Creation of Eurinfor, "facilities management" company, by SoGETI with the Cofradel Group and Lyonnaise de Banque.
1973	The 7th "Rencontres SoGETI" in Djerba (Tunisia), the last "Rencontres" to which all Group employees (440) are invited.
1974	SoGETI takes control of C.A.P. (the leading French IT service company at the time) and of Gemini Computer Systems (US).
1975	January 1 marks the official birth of the Cap Gemini Sogeti Group, which, with a headcount of 1,700, becomes Europe's top IT services company. 9th "Rencontres" in Istanbul (Turkey), with 270 participants.
1976	The Group moves it headquarters to 17, avenue Georges V, Paris. The first Annual Report is published (financial year 1975).
1977	The French authorities veto EDS acquiring a stake in the Group.
1978	The Group takes on the US market and sets up its first "outpost" in Washington DC (Cap Gemini Inc.).
1980	After a long tussle with the SESA, the Group gets the DGT contract to produce the French electronic phonebook.
1981	The sale of SORINFOR marks the Group's withdrawal from processing activities.
1982	Revenues exceed the one billion French franc (150 million euros) mark, of which half is generated outside France.
1984	To general surprise, Serge Kampf declares that English is to be the Group's official language.
1985	Spectacular initial public offering of the Group's shares on the Paris stock exchange (with demand 123 times the offer).
1987	The group takes control of SESA, having held a 42% stake since 1982.
1989	The Group reports a year-end after-tax profit of 7.4%, a record not yet broken.
1990	17th "Rencontres" in Marrakesh (Morocco): the 550 participants decide on an aggressive strategy including, if necessary, joining up with an industrial group. Shortly after, the Group makes several acquisitions: SCS in Germany, Hoskyns, the European leader in "outsourcing" activities, and two US companies (URC and Mac Group) to comprise the Group's consulting "pole." The invasion of Kuwait triggers a global economic crisis, which lasted four years.
1991	Daimler-Benz takes a 34% stake in the holding company Sogeti (which itself controls 60% of the Group).
1992	Acquisition of Volmac in the Netherlands (3,200 employees) and Progamator in Sweden (1,600 employees). GENESIS is launched at the 18th "Rencontres," which brings together 700 managers in Prague (Czechoslovakia). This is Group's first transformation program, and mobilizes up to 5,000 employees for over a year. By the year-end, Cap Gemini — after 25 years of consecutive growth — announces the first losses in its history (it will be a similar story in 1993 and 1994).
1996	Under the combined pressure of the two other major shareholders, Serge Kampf accepts the "amalgamation" of the two-tiered control of SKIP and SOGETI within the listed company Cap Gemini Sogeti.
1997	Daimler-Benz exits from the Group's share capital. Brossard Consultants (in which Capgemini has held a 49% stake for more than 20 years!) is integrated into the Group's "consulting" arm. Celebration of the Group's 30th birthday during a memorable evening at the Louvre Carrousel, Paris.
1998	Cap Gemini rejoins the Paris stock exchange's CAC40 index (it had been on the index from August 1988 to November 1993).
2000	Acquisition of Ernst & Young Consulting (employing more than 12,000 consultants). The Cap Gemini share price rose to its highest ever level of 368.9 euros in March, making a stock market capitalization on that day of 44.5 billion euros.
2002	Creation of a subsidiary specializing in local services and taking over the Sogeti name.
2003	Sogeti acquires Transiciel (7,000 employees); the Group signs a major multi-year contract with the British tax authorities and opens its first "offshore" production center in Mumbai (India).
2006	Launch of the I.cube (Industrialization, Innovation, Intimacy) transformation program.
2007	Acquisition of Kanbay, a US company with a strong presence in India and specializing in financial services (7,000 employees). Capgemini is the main sponsor of the 6th Rugby XV World Cup. Celebratory evening at the Louvre Carrousel, Paris, to mark the Group's 40th birthday.
2008	A number of small acquisitions, including Getronics PinkRoccade in the Netherlands.
2009	Acquisitions in Romania, Vietnam and Australia. Launch of five global service lines (Business Information Management, Application Lifecycle Services, Testing Services, Infostructure Transformation Services, Smart Energy Services).
2010	Acquisition of IBX in Sweden and CPM Braxis in Brazil (5,500 employees); 23rd Group "Rencontres" in Barcelona (Spain) around the theme"la niaque" (fighting spirit). The Group ends the year with a headcount in excess of 100,000.
2011	Acquisition of eight companies, including Artesys, Avantias and Prosodie in France, and Praxis Technology in China. The Group restructures around six Strategic Business Units (SBUs). Launch of a new global service line (Mobile Solutions).
2012	Serge Kampf passes the torch of Chairman to Paul Hermelin during the Combined Shareholders' Meeting of May 24, 2012.

Group values

Since the creation of the Group in 1967, our culture and business practices have been inspired and guided by our seven core values. These principles drive us as a Group and also as individuals. More than just rules of behavior, these values are at the heart of our approach as an ethical and responsible company. A fundamental part of the Group's DNA, they are the guarantor of Capgemini's reputation.

The first value, "and it's no coincidence" is **Honesty**, that is loyalty, integrity, 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 merit unless won through complete honesty and probity. All Group employees know that any failure to meet this obligation of honesty will be immediately and severely sanctioned.

Boldness, a flair for entrepreneurship, a desire to take considered risks and to show commitment (clearly linked to a firm determination to uphold one's commitments). This value is at the heart of competitiveness: it involves making 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 prudence and clear-sightedness, without which a bold manager can become reckless.

Trust means the willingness to empower both individuals and teams, to make decisions as close as possible to the point where they will be put into practice and to favor open-mindedness as well as the sharing of ideas and information.

Freedom is synonymous with independence in thought, judgment and deed and favors entrepreneurial spirit and creativity. It also means tolerance, respect for others and for different cultures and customs: essential qualities, for example, for the successful merger of two service companies.

Solidarity means team spirit, friendship, loyalty, generosity and fairness in sharing the rewards of teamwork. Respecting this value involves taking responsibility and spontaneous participation in group efforts, even in the most difficult circumstance.

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

Finally, **Fun**, means feeling good about being part of a Group with high growth and a good reputation, being proud of what one does, experiencing a sense of accomplishment in the search for excellence, participating in collective celebrations, etc.

1.2 SERGE KAMPF, FOUNDER, CHAIRMAN AND INSPIRATION OF THE GROUP FOR 45 YEARS, PASSES THE TORCH TO PAUL HERMELIN

During the Cap Gemini S.A. Board of Directors' meeting held at the Company's head office in Paris on April 4, 2012, its Chairman, Mr. Serge Kampf:

- informed directors of his decision not to go to the end of his term of office, as he had expressively reserved the possibility when his term of office was renewed in May 2010,
- reminded the Board of Directors of the recommendation he had made to it on the same day to reverse the decision taken in 2002 to separate the functions of Chairman and those of Chief Executive Officer, with immediate effect at the end of his term of office,
- recalled also that the same day the Board adopted this recommendation and that, again at the recommendation of Serge Kampf, decided that following the abolition of this separation of functions, Paul Hermelin would be appointed Chairman and Chief Executive Officer.

Everything went as planned on April 4. At the beginning of the Combined Shareholders' Meeting of May 24, 2012 Serge Kampf set out the personal and professional reasons he had considered in-depth over the previous winter, explained the decision he finally took to pass the torch that day to his successor who he had chosen as early as 2002, and lastly expressed for him and the Group – which is in excellent health as he steps back – the wish that change and continuity go hand in glove.

He than handed over to Paul Hermelin who firstly wished to underline that an individual such as Serge Kampf had to a certain extent built in his image the identity and culture of this Group that he created and led for nearly half a century. He welcomed his decision to remain active, both as Vice-Chairman of the Board of Directors and Chairman of several major subsidiaries, enabling him to continue making a major contribution to the discussions of the Board and the actions of Group Management, promoting the values forming the backbone of the Group and strengthening privileged relationships developed with certain major clients and leading company executives. He highlighted that on the creation of SoGETI, Serge Kampf was one of the pioneers of a new business focused on the service concept. He made commercial activity the keystone of the entire organization, thereby accelerating the growth of the Group which rapidly became international, first as a European leader and then as a major global player. Serge Kampf built the "Cap Gemini culture" around seven core values, paradoxically focused on the individual. The respect and promotion of these values unifies employees (and therefore the whole company) and provides them with an identity, thereby setting them apart from competitors and playing a major role in much of the Group's success. Finally, Paul Hermelin underlined the audacity with which Serge Kampf launched the transition/succession process in 2002, recalled the constant support he received from him and expressed the desire that to help him assume his new responsibilities transferred that day, Serge Kampf remains at his side as "his closest advisor".

The torch was therefore passed before 270 shareholders attending the Combined Shareholders' Meeting of May 24, 2012, many of whom immediately wished to publicly demonstrate (quite noisily for certain) the highest esteem in which they hold Serge Kampf and express their regret to see him start distancing himself from the Group.

1.3 MAIN GROUP SUBSIDIARIES AND SIMPLIFIED ORGANIZATION CHART

The Group performs its business activities through 125 consolidated subsidiaries as listed in Note 30, List of the main consolidated companies by country, to the consolidated financial statements for the year ended December 31, 2012 (page 169) and is present in around forty countries in eight geographic areas:

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

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

Cap Gemini S.A. holds:

- the entire capital of an inter-company service company known as Capgemini Service S.A.S.,
- the entire share capital of Capgemini Université S.A.S, which operates the Group's University,
- the entire share capital of Capgemini Gouvieux S.A.S, which operates the campus housing the Group's international training center,

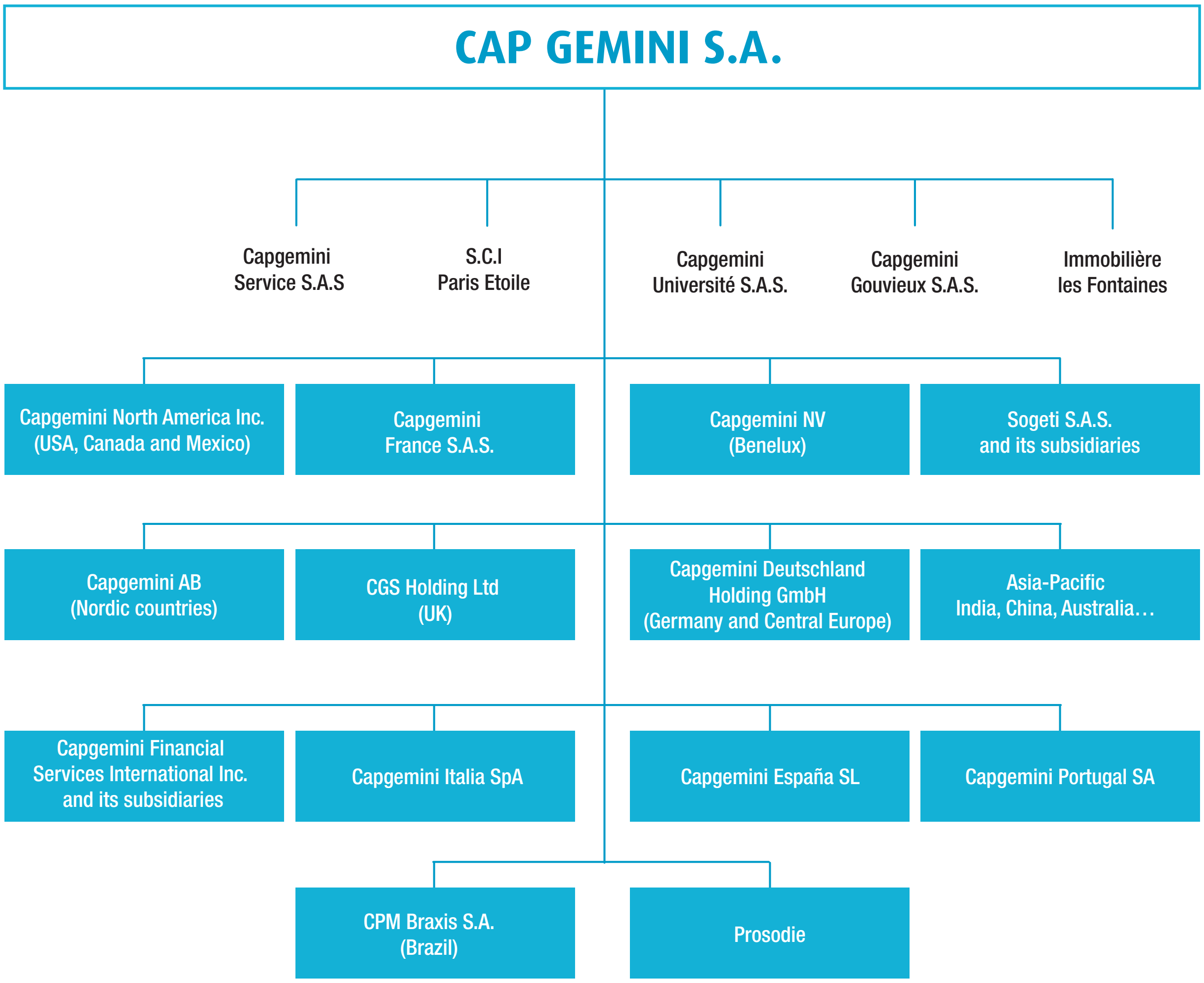
as well as operating subsidiaries held directly or indirectly via regional holding companies. The main operating subsidiaries are presented in the simplified organization chart below.

Finally, Group policy is not to own its business premises. The vast majority of Group subsidiaries rent their business premises from third-party lessors. There is no relationship between these lessors and the Group and its senior executive management.

The sole real estate assets owned by the Group are:

- a building held by S.C.I. Paris Etoile and housing Cap Gemini S.A.'s headquarters, located at Place de l'Etoile, 75017 Paris,
- the Group's University in Gouvieux, located 40 km (25 miles) north of Paris, owned by a real estate limited liability company, "Les Fontaines", which holds a real estate lease contract, and
- approximately one-third of the office space used by the Group in India.

The organization chart of the main Group subsidiaries (regional holding companies, operating, support and resource companies) directly or indirectly wholly owned by Cap Gemini S.A., with the exception of CPM Braxis S.A. (held 55.80%), is presented below:



1.4 THE GROUP'S ACTIVITIES

With a presence in 44 countries, the Capgemini Group is dedicated to helping its customers improve their performance and become more competitive, offering a range of services that combines four key business lines, considerable expertise in many sectors of activity and "packaged" offers that incorporate the finest available technology.

Four major businesses

- Consulting Services: helping companies and organizations to identify, structure and implement transformations that will permanently improve their results and their competitive edge.
- Technology Services (TS): devising, developing and implementing IT projects of all kinds involving the integration of complex systems and the development of IT applications.
- Local Professional Services (Sogeti): IT services tailored to meet local needs in terms of infrastructures, applications, engineering, testing and operation.
- Outsourcing Services (OS): taking charge for several years, either fully or partially, of a customer's IT system (or that of a group of customers) and/or business activities (Business Process Outsourcing, BPO).

To be sure of meeting its clients' expectations as closely as possible, the Capgemini Group has:

- developed a flexible global production capacity known as Rightshore®, standardizing its processes while bringing them more into line with CMMI (an international certification system for software production),
- worked closely with leading technology specialists to create an ecosystem that allows it to react rapidly to the current upheavals and make the most of them,
- implemented a broad portfolio of innovative offers in key areas (e.g. cloud computing, intelligent data management, mobility and application testing) by incorporating new service models based on intellectual property and geared toward specific sectors such as energy and retail.

EXPERT CONNECT

Direct access to the Capgemini experts at capgemini.com

On the "Expert Connect" platform launched in 2010, over 100 experts from around the world, representing all the Group's businesses, sectors of activity, technologies, solutions and service lines, share their experience and expertise via blogs, other content and social media, and can also be contacted directly. Since its creation, Expert Connect has already hosted over 75,000 conversations, frequently highlighting video content.

In 2012, Expert Connect won first prize in the Professional Services category of the British Chartered Institute of Marketing's annual awards. The project is a fine illustration of the Group's initiative, with interpersonal digital technologies generating new ways to stay in touch with Capgemini's key audiences and communicate with them. It combines the full wealth of expertise available from our worldwide network with the commitment of the individual experts themselves, offering the content and information needed by the people getting in touch with them.

Six sectors of activity

Thanks to its sector-specific expertise, the Group speaks the same language as its customers, understands their needs and is able to offer solutions tailored to meet their specific objectives. The Group is active in six sectors:

- The public sector: Capgemini helps central administrations, companies, public agencies and major local authorities to implement their modernization programs and projects,

- The energy, utilities and chemicals sector: drawing on the latest technologies, the Group helps companies tackle the double challenge of constantly changing regulations and ever-stricter environmental standards. Capgemini is the world leader in IT systems designed to manage smart electricity meters,
- Financial services: the Group is responsible for streamlining applications and infrastructures within financial institutions and has also contributed various innovations – particularly in terms of mobility and intelligent data management,
- The manufacturing sector: this needs to boost its competitiveness on a permanent basis; in particular, the cost of raw materials continues to rise sharply. In areas such as outsourcing and BPO, the Group offers its customers solutions that will allow them to make substantial savings in terms of managing their IT systems and their main functions,
- The consumer products, retail, distribution and transportation sector: many companies in this sector are facing similar productivity requirements. Capgemini offers them a technological framework with cloud computing at its heart, plus the level of expertise necessary to develop e-commerce platforms that combine speed and flexibility,
- The telecommunications, media and entertainment sector: operators in this sector have a variety of issues to address: the drop in the income generated by their traditional activities, competing digital content from players coming from other fields, and the saturation of their current networks arising from an explosion in such content. Having worked with these operators for over thirty years, Capgemini can offer an in-depth knowledge of the telecommunications and digital content sector and considerable technical expertise in respect of networks.

Operational organization

Capgemini's objective is to help its clients boost their competitive edge and their ability to react to developments within their markets by offering innovative solutions and reliable, high-quality services – all supplied promptly and at competitive prices. The Group is organized on an international level into large-scale operational units (Strategic Business Units, SBUs), and is based on global service lines.

OPERATIONAL UNITS

To ensure the optimum response to its customers' requirements and to developments in the market, Capgemini is structured into seven operational units (Strategic Business Units, SBUs):

- Capgemini Consulting handles the Group's consulting activities, covering the fields of strategy and transformation,
- Sogeti is in charge of local professional technology services,
- Infrastructure Services handles the design, implementation, outsourcing and maintenance of its customers' IT infrastructures,
- The Group's system integration and application maintenance capacities are divided geographically between two SBUs, Application Services One and Application ServicesTwo,
- Business Process Outsourcing (BPO) is responsible for services relating to the outsourcing of functions and processes on behalf of companies and organizations,
- The Group's Latin American activities covers the Application Services and Infrastructure Services businesses and includes a joint venture in Brazil.

These seven SBUs have recently been joined by Prosodie-Capgemini, an operator in the multi-channel transactional flow sector.

GLOBAL SERVICE LINES

- The multi-sectoral offers available from Capgemini are divided into three global service lines:
  - Business Information Management (BIM): optimizing the way a company's data is managed throughout its life cycle and exploiting its potential value to the full,
  - Testing Services: bringing together the industrialized approach and expertise of Capgemini and Sogeti to provide software testing and quality assurance services, with the emphasis on mobile and social applications,
  - Mobility Services: introduced in 2012 to cover every aspect of mobility.

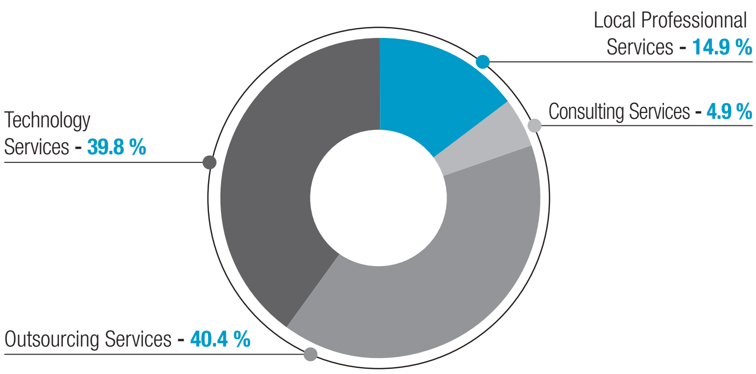
The Smart Energy Services (SES) line, dedicated to helping energy suppliers and distributors switch their existing assets to smart grids and terminals, has been assimilated into the energy, utilities and chemicals sector. Meanwhile, the Group's Business Process Management (BPM) services have merged with its Application Services SBU.

CENTERS OF EXCELLENCE

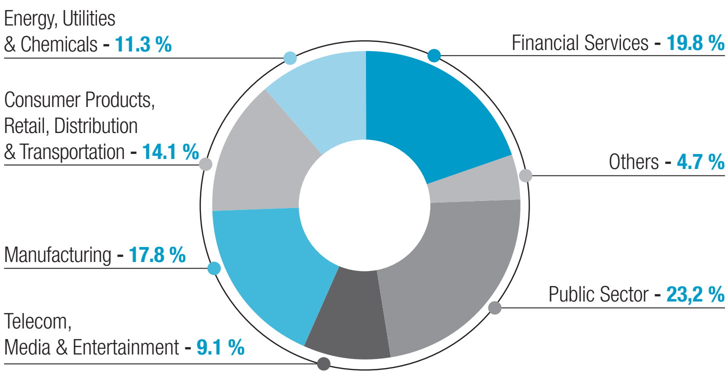
In India, the Centers of Excellence (CoE) are among the key hubs of innovation within the Capgemini Group. By creating offers, accelerators and solutions in response to the specific requirements of different business lines, they play a vital role in helping our customers maintain a distinctive market profile. India is the major contributor here, with centers including CALORIE (energy and utilities), CRESCENT (consumer products and retail), CHROME (industry and automotive), CHIME (media and entertainment), CELLS (life sciences), CARES (tax and social welfare) and COMMS (telecommunications).

Revenue

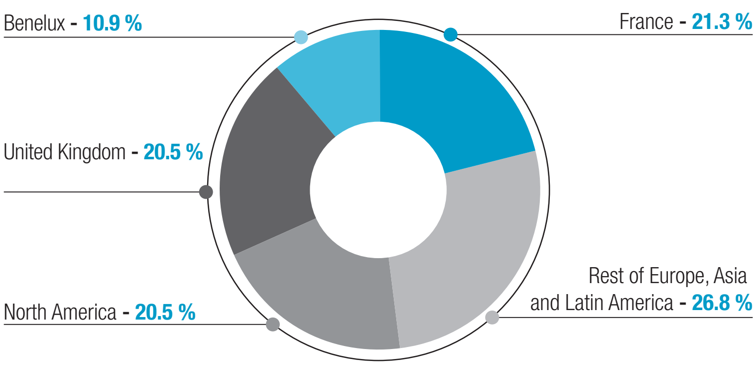
BREAKDOWN OF REVENUE BY BUSINESS



BREAKDOWN OF REVENUE BY SECTOR



BREAKDOWN OF REVENUE BY COUNTRY OR REGION



1.5 THE MARKET AND COMPETITIVE ENVIRONMENT

The market in which the Capgemini Group is active is one defined by Gartner Consulting, the American market analysis specialists, as the professional IT services market. In 2012, this was worth a total of €563 billion worldwide. The Capgemini Group is classified by Gartner as the seventh largest operator in its field globally – the fifth if we exclude the Japanese market, where the Group has no more than a marginal presence dating back to a small, targeted acquisition in 2012.

Our largest market worldwide is North America, accounting for 43% of the total – a vital part of the Group's activities because it became the largest part of them in 2012. Western Europe is our second largest market, representing around 28% of the total. Here, the Group is seen as the second largest player, and is in fact the market leader (in terms of revenue) in France and the Netherlands. Then come Japan, with 14% of the market, the Asia Pacific zone with 9% and Latin America with 4%. The Group now has a presence in all these zones. On a global level, the Group's market share was around 1.8% in 2012, and 4.7% in Western Europe.

Gartner segments the market into consulting, development and integration, system management (outsourcing) and process management (business process management). This division more or less matches the various businesses within the Group, except that our development and integration activities and system management all fall under the heading of Application Services. Since these different markets are very closely related, there is of course some overlapping – for example, the applications market, which incorporates both development and maintenance activities and is covered jointly by two of the Group's departments (Application Services and Sogeti), and IT infrastructures.

The consulting market is worth a worldwide total of €66 billion annually. On a global level, the Group is the tenth largest player in this market, with strong positions in Europe. Of all the segments, consulting is the most cyclical in nature.

The development and integration market amounts to an estimated €180 billion worldwide. Here, the Group ranks as the ninth largest player in the world, and the second largest in Western Europe. This is a fairly cyclical market, particularly when it comes to local activities, which follow short cycles and are governed by short contracts. System Integration activities, on the other hand, have somewhat longer cycles.

For the most part, both the consulting market and the development and integration markets are investment expenditure by the Group's customers, and this is what gives them their cyclical character.

The system management and process management markets are, by and large, maintenance and operations markets, with comparatively long cycles and contracts, and this makes them more resilient. The estimated value of the system management market is €209 billion, and the Group is considered to be the ninth largest global player in this field. The process management market amounts to an estimated €108 billion, but here the Group does not occupy a leading position.

The competition

The Capgemini Group's competitors fall into three categories: global, offshore and regional operators.

The global operators include two IT giants, IBM and HP. Their presence in other closely related technological markets, such as hardware and software, provides them with a broader overall market base for their customer relations. Then come the pure IT services players, such as Accenture or CSC. Capgemini is one of this select group of global players, making the others its most direct competitors. Also included here are Japanese groups such as Fujitsu and NTT Data, who are present primarily in Japan but are making inroads into other territories. The merger of CGI and Logica in 2012, coming hot on the heels of the merger of Atos and Siemens IT in 2011, confirms a trend toward consolidation in this sector.

To date, the offshore operators (who are mostly Indian in origin) are the ones who have grown most radically. The major names in this category, such as TCS, Infosys, Wipro, Cognizant or HCL, are now in a position to compete seriously with the global operators.

Lastly, the regional operators: there are a great many of these, because the IT services field is a comparatively easy one to enter; however, they do not generally have the wide range of offers of the global operators, or their geographical coverage. The most important of these are Atos, T-Systems, CGI-Logica, Indra and Steria in Europe, and Lockheed Martin, SAIC, CGI, Deloitte and Xerox in North America.

Markets trends

Alongside the main structural development in the IT services market – namely, the spectacular growth in offshore services (starting with the Indian service providers in the early 2000s) – we have also seen the rapid development of cloud computing, the emergence of new markets geared toward the "big data" phenomenon, the rapid changes in behavior associated with the massive growth in mobile services, and the increasingly vital role played by social networks.

The Indian service providers have made inroads into the North American markets by offering them a well-trained, low-cost workforce. The result has been a rapid increase in market share, especially in the segments, most readily accessible to them (re-engineering, maintenance, application development) and in the English-speaking countries (primarily the United States, but also the United Kingdom, Canada and others). Today, they are progressively extending their reach into the more complex segments, such as software package installation, and into non-English-speaking countries (starting with the Nordic countries, then taking in the Netherlands and Germany and eventually France). To fight off this competition, all the other operators, particularly global operators like the Capgemini Group, have greatly intensified their presence in India, and adapted their production model so as to enable their offshore teams to be involved in the handling of their customers' projects and then to increase their role. As a result, these operators have been able to restore their margin while cutting their prices, thereby remaining competitive. The offshore operators themselves have responded by strengthening their presence at a local level; this has brought them closer to their customers and allowed them to make headway in market segments that are difficult to service at a distance, such as consulting. Over the coming years, it seems likely that offshoring will continue to grow while undergoing a sea change, from a cost-cutting model to one that enables offshore teams to provide an increased level of added value. The growth in offshore services is likely to slow down in more mature zones such as North America, while accelerating within continental Europe.

The main players in this sector are also developing more and more "high value added" offers based at least in part on solutions to which they own the intellectual property. This trend allows them to meet their customers' needs better while limiting the pressure on the pricing of the services they offer. The Capgemini Group is devoting considerable resources to the development of such solutions.

The cloud computing phenomenon – the "on-demand" use of services or infrastructures shared among many public users – began with major players like Amazon, Google and Microsoft, and then picked up speed as mobile IT consumption using a wide range of terminals (PCs, tablets, smartphones) became widespread. Thanks to its strong positioning in the infrastructure management field and its business process expertise, the Capgemini Group is particularly well placed to benefit from the transformation of the economic model brought about by this new way to make use of IT resources.

The generation of data also continues to accelerate around the world, both on the part of consumers using various forms of equipment (e.g. computers, smartphones, tablets) and from the wide range of sensors used by many industries. Players in some sectors – the consumer goods sector, for example – are beginning to catch on to the potential value to be gained from such data, and are plowing substantial resources into disruptive projects designed to tap into more of the value represented by their consumers. Arriving alongside the revolution in consumption triggered by mobile terminals, this well-established trend has been a feature in our markets for some years now.

The growth in mobile usage accelerated in 2012, faster than many had expected. The fact that computers are being replaced by tablets or even smartphones for a wide variety of uses is revolutionizing both the field of commerce in general and many internal company processes: quite a few industries have by now been changed by the digital transformation.

Lastly, it is impossible to overlook the way social networks have permeated people's personal and professional environments – a factor that is profoundly changing the way individuals interrelate – both internally within companies and between companies and their customers. New customs and new needs are emerging as a result, and these in turn generate new requirements on the part of our customers.

1.6 2012: A YEAR OF STRENGTHENING AND DEVELOPMENT

A changing landscape

Today's major geopolitical and economic shifts are generating shock waves in both emerging economies and mature markets. The mainspring of economic power is changing from the transatlantic model to a more broadly distributed model, with Asia the center of gravity. At the same time, technology is becoming increasingly innovative and critical to both companies and political institutions, not only in rapid-growth regions but also in developed countries. Capgemini customers need to adapt to this context and determine where and how they can expand.

Against this backdrop, Capgemini's revenue exceeded €10 billion. A solid group with offices in 44 countries, it is a leader in its European market and is making major inroads in North America and Brazil. It has more than 125,000 employees, 40% of whom are part of its global delivery model, Rightshore®.

Key to Capgemini's success is the differentiating strategy it has employed for many years. In this new landscape, the Group has developed a clear vision and is basing its strategy on three major changes that are taking place:

- Technological change: smart computing (proliferation of transactions via mobile devices) and the participatory web (opinions shared through social media), which generate Big Data ready for analysis, and cloud computing. These are responsible for radical changes in consumer behavior, decision-making processes and companies' operational procedures. Businesses have to learn to "work differently" and undergo a "digital transformation."
- Social change: the boundary between professional and personal computing is starting to be erased. This creates new requirements in terms of flexibility, reactivity, decision-making and system architecture, as well as new rules of behavior, organization and security.
- Shattered boundaries and volume explosion: under pressure from these trends, the "truly global" economy is becoming an operational reality that is no longer limited to Europe and North America.

A clear, strategic vision...

The Group initiated its transformation in this climate several years ago. It has a clear goal: to continue to "make a difference" in the market and be regarded by its most demanding customers as a world-class business and technology partner.

- A world-class business partner because Capgemini is one of just a handful of players on the market combining technological skills and consulting expertise on a global scale across all industry sectors and regions.
- A world-class technology partner because of its dual expertise in application services and infrastructure, its innovative strategy, and its ability to partner with the market's top technology players, whether well-established companies or startups. These strengths are boosted by the Group's local and global presence and by its industrialization efforts.

... for methodical change

Consequently, 2012 was a year of methodical and systematic strengthening and development. The Group continued the three-pronged transformation program introduced in 2011, which consists of adapting its Portfolio, reviewing its human resources Pyramids and accelerating its Industrialization (PPI).

With regard to the Portfolio, the aim is to redirect our offerings toward high added value segments where innovation is most concentrated: Cloud, Big Data, Digital Transformation, Mobility and Multi-Channel Experience. The launch of the "Mobility" Top Line Initiative is an excellent example of this. Focus must also be placed on new economic models via new offerings that include intellectual property (IP), and partnerships with key market players strengthened. Work on the Pyramids consists of ensuring that the right people with the right skills are in the right place. The Group has also stepped up its recruitment of young graduates, who accounted for 40% of all new hires in 2012. With respect to Industrialization, ongoing method standardization has significantly improved productivity and costs, particularly via the transformation of Capgemini's Rightshore® model. Almost 7,000 employees have undergone training to ensure optimal delivery quality, while multi-customer AM factories have been introduced to further underpin this approach.

The Group has also continued to make a number of fundamental shifts:

- development of the infrastructure business through an original approach of positioning the Group as an "orchestrator." With the emergence of the cloud, IT service providers are gradually adopting on-demand models (SaaS and IaaS, for example), which means a change in the deployment of a company's IT infrastructure. The approach offered by Capgemini simplifies the planning of business operations and innovation projects while reducing investment-related costs and costs associated with running infrastructure,
- extension of the BPO offer, particularly by creating new production centers,
- strengthening of the Group's presence in the most promising regions and countries, such as Asia-Pacific and Latin America.

Development of the offers portfolio

Spearheaded by digital transformation, the Group's offers portfolio was substantially enhanced in 2012. Numerous new offers were launched, both horizontal and sectorial, many of which were developed with the Group's key technology partners and are available worldwide. These offers, developed and managed by a global team, are supported by major advertising and marketing campaigns. The aim is to respond to market needs at the global level by offering solutions based on technological innovations and replicable from one customer to another. To boost the offers portfolio and to design growth-generating programs, Capgemini keeps a constant watch on promising innovations.

The Group's offers portfolio was upgraded on the basis of four key tracks:

- launch of the new Mobile Solutions global service line (see box),
- creation of customized sectorial offers: overhaul of the customer experience and a demand-driven supply chain aimed at the consumer goods and distribution sectors; Smart Energy solutions and real-time analysis of data from smart meters and smart grids for Utilities customers; fraud protection in tax systems and social security in the area of public security,
- accelerated development of marketing solutions and models shared with our technology partners,
- investment in software solutions available to a large number of customers based on a pay-per-use model. These new offers market the Group's Intellectual Property (IP) which has either been developed in-house or acquired through the takeover of companies such as Prosodie in France, the country's leading customer relations management firm, acquired in 2011, and IBX (procurement management) and Skvader (installation and management of smart meters using its own software solution) acquired in 2010, both companies being of Swedish origin.

MOBILE SOLUTIONS: A NEW GLOBAL SERVICE LINE TO ORCHESTRATE AN ENTERPRISE'S MOBILITY

The Mobile Solutions global service line was launched in March 2012. As an enterprise mobility "orchestrator," the Group offers through this new line a comprehensive range of solutions covering all aspects of mobility to help companies implement an effective mobile strategy. As part of the Mobile Solutions line, a "one-stop shop for mobile requirements" has already won over a large number of customers, with services based on SaaS (Software-as-a-Service) or PaaS (Platform-as-a-Service) models. The software, set-up, hosting and applications support are offered on a pay-per-use basis to address customers' needs and expectations. This offer will be significantly enhanced by the pioneering mobile solutions co-innovation and co-development agreement signed with SAP.

CLOUD, IP, BIG DATA: NEW TYPES OF SERVICES AND NEW "TRANSFORMATIVE" OFFERINGS

In 2012 the Group focused on new economic models via new offerings that incorporated intellectual property (IP). Today, the Group's IP assets comprise a broad range of products: traditional solutions, Software-as-a-Service, service platforms and "accelerators."

As a result, the Business Process Outsourcing (BPO) SBU continues to upgrade its offering with new IP content. New SaaS offerings are enhancing outsourcing services, particularly in the area of financial and customer data analysis (Business Analytics-as-a-Service). In 2012, this same SBU launched a Governance Risk and Compliance (GRC) service. This is the market's first BPO offer introduced to help companies manage operations proactively and reduce finance and accounting, operational, and legislative and statutory compliance risks.

In addition, Utilities customers now benefit from a "Smart Water Services" SaaS platform that allows them to manage the water consumption cycle through a measuring system deployed across their networks.

One of the portfolio's many SAP implementation accelerators is EnergyPath. This SAP-certified All-in-One ERP (Enterprise Resource Planning) solution is aimed at energy sector companies (drilling and energy services).

In Big Data, the Group has developed analytical solutions with high added value for its customers in a variety of sectors. For example, the retail sector benefits from a broad range of new offers, such as the Customer Connect Retail solution, which is built on the Salesforce.com platform and offers a 360° customer overview by combining data from multiple channels. Also available are the Next Best Action solution for marketing decision-making, the Customer Retention solution and the Revenue Improvements solution.

THE BUSINESS CLOUD, PLAIN AND SIMPLE

The cloud's impact is felt everywhere in business, from the design of technology infrastructure to day-to-day business processes, new operations, information management, capital expenditure and IT solutions. The cloud is part and parcel of society, impacting not only our personal use of IT, but also redefining our professional expectations. Capgemini is one of the first companies to have exploited the cloud's advantages to the benefit of its customers.

In place of a dedicated infrastructure, it is now possible to access standardized and shared capabilities that are available on demand and on a pay-per-use basis, which reduces costs while improving service. In the face of this major shift, Capgemini has positioned itself as an orchestrator of cloud services – whether or not these services are based on in-house capabilities. Thanks to its technological expertise, deep understanding of its customers' businesses and processes, and advisory skills, the Group is able to manage complex situations and help customers transition more easily to these new services. Capgemini helps customers adapt their organization while at the same time respecting the integrity of existing systems.

INNOVATIVE SOLUTIONS FOR ALL SECTORS

In 2012, the Group's Centers of Excellence (CoE) in India introduced a raft of innovative solutions. For instance, for the retail and consumer products industry, CRESCENT created a framework of solutions for demand-driven supply chains. CRESCENT's "Multi-Channel Customer Experience" solutions also help customers in this industry transition into digital by diversifying their sales channels. Another example is the Digital Utilities Transformation framework launched by CALORIE. This offer provides customers with ways to "reinvent" themselves and adopt "breakthrough" digital technologies while limiting investment costs. It also provides them with the infrastructure and services to help them make the energy transition to a sustainable economy. Such solutions encourage utilities to introduce new services for individuals or local authorities, such as energy management.

Acceleration and strengthening of strategic and technological partnerships

Spurred on in particular by the innovative companies of Silicon Valley, business practices and computer technologies are undergoing a major transformation. To be at the very hub of global technological innovation, the Group has for many years based its Global Channels and Partners entity in the San Francisco Bay Area. Combining the Group's in-depth sector expertise and the skills of its technology partners, who are at the cutting edge of innovation, this team is ideally placed to spot future trends and technologies well in advance.

The Group makes significant investments with its strategic partners SAP, Oracle, Microsoft, EMC/VMware, HP and IBM. It also invests in new areas of innovation, including SaaS services, with fast-growing technology partners such as Salesforce.com, VMware, Amazon, Workday, NetSuite, BMC Software, Badgeville, Pega and SAS.

In addition to the partnerships mentioned in Section 4, "Financial Information" (page 110: "Significant events in 2012"), a number of agreements signed in 2012 are a good illustration of this strategy's dynamic nature.

PARTNERSHIPS TO ACCELERATE A COMPANY'S TRANSFORMATION

In February 2013, the Group announced the expansion of its global strategic alliance with EMC, with the signature of a new go-to-market agreement aimed at increasing operations in Brazil. Capgemini will collaborate with EMC to deliver next-generation cloud solutions, particularly in the agri-food and banking sectors. A new BU, Integrated Solutions, has been created for this purpose at Capgemini in Brazil. It will offer customers services with high added value based on EMC technology, as well as SaaS-based cloud solutions.

In June 2012, Capgemini signed a new partnership and co-development agreement with Oracle to offer customers the SWIFT HCM (Human Capital Management) solution. The goal is to provide companies with end-to-end methodology so that they can quickly implement cloud solutions. It will also help them transform their talent management and payroll processes.

Still with the same goal of accelerating customers' cloud adoption, Capgemini has significantly strengthened its shared services partnership with US company BMC Software. Henceforth, Capgemini's outsourced infrastructure customers in Europe will have the option to move from their existing IT service desk solution to a highly standardized, pay-as-you-go cloud service. The new Remedy OnDemand platform from BMC, a global leader in IT Service Management, is hosted at one of the Group's European data centers. Under the terms of their agreement, BMC and Capgemini will provide shared services capabilities to Capgemini customers via a joint center of excellence. Capgemini will also team with BMC Global Services to deliver IT Service Management and Business Service Management.

In 2012 Capgemini partnered with Badgeville, a company offering a platform that uses gaming technology in a professional context (gamification). Badgeville has recorded some of Silicon Valley's fastest SaaS growth and now has more than 200 customers worldwide. This partnership brings together Capgemini Consulting's experience in large-scale digital transformation and Badgeville's expertise in gamification techniques and focuses on transforming companies.

PARTNERSHIPS FOR MOBILE APPLICATIONS AND SOFTWARE QUALITY

In 2012 the Group embarked on a new type of partnership, signing a strategic co-innovation and co-development agreement with SAP for mobile solutions. Capgemini has been defined by SAP as "the preferred systems integrator for implementing mobile applications in the consumer products industry."

This is a major achievement: it is the first time a global systems integrator has participated in the creation and development of SAP mobile solutions.

Because software quality is vital to customers, Capgemini has also had a long-standing collaboration with CAST, a pioneer and now world leader in software analysis and measurement. Since 2007 CAST has been the "backbone" of Capgemini's Application Intelligence Center. Use of this platform has since been expanded globally to ensure the strictest quality standards in software development and maintenance. In 2012 the Group signed a new partnership agreement with CAST related to the use of its Application Intelligence technology so that customers can quickly assess their applications portfolio. This thorough audit of the structural health of an applications portfolio means that an information system's risks and vulnerabilities can be detected very early on, thus guaranteeing the highest quality standards in software development and maintenance at the lowest cost.

PARTNERSHIPS THAT PROVIDE NEW OFFERINGS TO THE PUBLIC SECTOR AND FINANCIAL INSTITUTIONS

To enhance its Business Information Management (BIM) global service line, in May 2012 Capgemini signed a new partnership agreement with SAS, a leader in business analytics software and services, aimed at the public sector. The goal is to provide government agencies in Europe, Brazil, India and Asia-Pacific with an end-to-end offering to help them combat fraud. This offering enables agencies to detect suspicious patterns in social programs, uncover tax evasion and identify sophisticated fraud and money laundering rings. These solutions have already been adopted by HM Revenue & Customs in the UK and the Maharashtra Sales Tax Department (MSTD) in India.

In August 2012, Capgemini signed a new partnership agreement with Pegasystems, a leading provider of Business Process Management (BPM) and Customer Relationship Management (CRM) solutions, and DLA Piper, a global law firm and leading regulatory advisor. The purpose was to offer the Comprehensive FATCA Compliance solution to financial institutions that are subject to the US Foreign Account Tax Compliance Act (FATCA), which took effect on January 1, 2013 and applies to all institutions with customers in the United States.

An ongoing industrialization and cost-reduction process

More and more customers are choosing to outsource their services by leveraging Capgemini's production network, which offers an optimal quality/price ratio through the Rightshore® model. This industrialized global delivery model provides services on a large scale to a substantial number of customers. Capitalizing on the lead it has acquired in this area, the Group is engaged in ongoing efforts to improve performance with the ultimate goal of optimizing costs, processes and standardization at each of its service stages – all for the benefit of customers.

This approach primarily leverages Lean Management tools and methods, the close relationships Capgemini has forged with its customers, and the quality of their collaboration.

To deliver the highest quality at the best price, in 2012 Capgemini transformed its main production models by focusing on three priorities: shared services for project management, the creation of multi-customer production units to manage applications, and the move toward performance-based production.

- **Shared services for optimized production.** To enable contract managers to focus on managing production and customer satisfaction, the Group deploys via its offshore centers a range of services that are shared by a large number of projects and customers for managing administrative tasks (project monitoring, financial reporting, document management, quality control, etc.).
- **Multi-customer production units.** This industrial approach is also used for application management. The Group has set up production units in India to deploy SAP applications and develop customized application solutions. This has the twofold benefit of sharing cutting-edge skill resources among several contracts and fully capitalizing on the advantages of standardization. Production units are also ideal platforms for innovation.
- **A performance-based production model.** To manage infrastructure, the market is now moving toward a standardized "catalog" of infrastructure services. Against this backdrop, Capgemini is changing its production model, no longer basing it on the number of man hours per week but on the notion of performance, which from the customer's viewpoint is far more important. To this end, in 2012 the Group launched a conversion program for its infrastructure services business, particularly at its offshore centers.

TRANSFORMATION OF THE RIGHTSHORE® MODEL

The Group's structure has long been supported by its Rightshore® production model. This unique model allows the Group to offer seamless service worldwide and is an efficient way of optimizing resources, guaranteeing customers that the right person will be in the right place at the right time. Each project is carried out uniformly by a single team, as reflected in the motto: "Global talent, one team."

The model consists of establishing production centers in various countries to give customers a competitive advantage, and now combines offshore (emerging countries), nearshore (neighboring countries) and onshore (local) production. Alongside the main production center in India, which employs more than 40,000 people – one third of the Group's resources – the Rightshore® model has platforms in Poland, Morocco, Vietnam, the Philippines, Brazil, Guatemala, Argentina and Mexico. Brazil is also home to a global production center for Business Process Outsourcing (BPO) services. Within this model, offshore operations, particularly in India, are moving toward increasingly sophisticated end-to-end integration. For example, to promote digital transformation offerings, India has created its own sales teams who work closely with onshore teams. This development was one of the factors that led to the Group's winning of several major contracts in 2012.

Appropriate geographical deployment

In 2012, the Group continued its geographical expansion and set itself three goals: to maintain its leadership position in all regions, to strengthen its presence in all countries where it ranked in the top 10, and to invest and expand in countries where IT services are experiencing rapid growth, such as Asia-Pacific – particularly Australia, New Zealand and China – and Brazil. Two regions in particular offer significant potential for expansion:

- North America, the world's largest market for IT services, where growth is fueled by low energy costs and the West Coast is a major source of innovation. This region is one of the most profitable for Capgemini, and currently accounts for more than 20% of the Group's total revenue. In 2012 revenue for the region increased by a remarkable 16.4%.
- Brazil, where the market is driven by a combination of three factors: public investment in infrastructure, the emergence of large, ambitious global customers, and upcoming events that will boost the economy, such as the Olympic Games and Soccer World Cup.

In China, the customer base has experienced rapid growth over the last decade. The Group has offices in the major cities (Beijing, Guangzhou, Shenzhen and Hong Kong), operates Business Process Outsourcing (BPO) centers in Guangzhou and Hong Kong, and has a shared services center in Kunshan in Jiangsu Province.

BRAZIL, A LAND OF DEVELOPMENT

Brazil is a genuine springboard for the Group's expansion in Latin America, thanks to Capgemini's stake in CPM Braxis, the country's fourth largest IT services provider. Moreover, with the opening of a new site in 2012, the Group has expanded its role as a global production center for Business Process Outsourcing (BPO) services.

Some key contracts signed in 2012

In addition to the contracts for applications and infrastructure services and BPO services mentioned in Section 4, Financial Information ("Operations by business," page 107, and "Significant events in 2012," pages 108 and 109), a number of other contracts signed in 2012 are worth noting.

In France, Prosodie-Capgemini signed a six-year contract with the national health insurance fund (Caisse nationale d'assurance maladie) for a call management solution aimed at individuals and healthcare professionals. The solution is based on the Prosodie IVR (Interactive Voice Response) call qualification platform and its cloud-based intelligent routing solution, Odigo, which is deployed at 4,500 work stations in more than 80 internal call centers. Already used by Pôle Emploi, France's national job center, this new service strengthens the Group's position in public sector entities.

Prosodie-Capgemini also won a project with Total in connection with the collection of France's national HGV Ecotax. Lastly, Prosodie-Capgemini was awarded a contract with Spanish telecommunications operator Telefónica, which chose Backelite (a Prosodie-Capgemini subsidiary) to design its Mi Movistar mobile portal to provide customers in Spain with access to a broad range of services.

Sogeti was selected by SNCF (French national railways) for its ambitious strategic CONCERTO project (CONCEption de Roulements de rames TGV Optimisée). This innovative solution allows designers to produce early studies using simulation to improve the performance, productivity and robustness of high-speed TGV trains.

In China, CPIC, one of the country's leading insurers, launched a customer-centric transformation program. Capgemini Consulting spearheaded two projects that consisted of designing and implementing CPIC's digital operating models and target multi-channels. By organizing the sharing of customer data between channels, these projects led to an increase in the number of policies held per customer and to new targets being reached as a result of innovative online initiatives. Capgemini Consulting set the operating priorities, defined the target positioning of the channels to support these operations and associated set-up, determined IT tool requirements, and structured the implementation. It also put in place a team that combined local and international expertise.

Studies: Capgemini paves the way

"Having control means being able to anticipate..." Deciphering major trends to help company executives anticipate the future is part of Capgemini's remit. In addition to providing consulting services to private companies and government agencies, the Group makes every effort to understand the key trends driving economic sectors and IT. Every year it publishes dozens of studies that are standard references. Whether sector-specific or cross-sector, these annual studies cover a wide range of topics, from digital transformation to the state of global wealth. They are usually produced internationally and conducted in collaboration with established partners. They provide valuable and sometimes unexpected insight, and help managers pursue the most effective strategy to meet the challenges of a rapidly changing world.

THE DIGITAL ADVANTAGE: HOW DIGITAL LEADERS OUTPERFORM THEIR PEERS IN EVERY INDUSTRY

This survey by Capgemini Consulting-MIT was widely covered by the media and presented to more than 400 business leaders around the world. It revealed that the most digitally mature companies – the Digirati – significantly outperform their competitors. Digital pioneers such as Burberry, Prisa, Asian Paints and L'Oréal earn an average of 9% more from their assets than other companies in their respective industries. Furthermore, they are 26% more profitable, and their stock market valuation is also substantially higher (12%).

The first study produced by Capgemini Consulting and MIT on companies' digital transformation was identified by Source, a provider of research about the management consulting market, as one of five best pieces of thought leadership from the last decade.

The Deciding Factor: big data and decision making. This survey from The Economist Intelligence Unit of more than 600 senior executives around the world confirms that there is a growing appetite by companies for data analysis. It reveals that for nine out of ten executives, data is now the fourth factor of production and as important to the company as land, labor and capital. Companies that base their decisions on data analysis have a competitive advantage: the use of Big Data improves their performance by an average of 26%, a figure that could reach 41% over the next three years, when most of the companies surveyed said that they planned to increase investment in this area. Today, two-thirds of senior managers consider their company to be "data driven," with strategy and day-to-day decision-making being largely based on the data they have collected and analyzed. As for those who make decisions based solely on intuition or experience, they are increasingly rare.

Business Cloud: the state of play shifts rapidly. This global study based on interviews with 460 business and IT executives reveals that cloud adoption, spurred on by IT departments, now extends to all areas of a company's operations. The cloud is of interest not just as an IT platform, but also for the possibilities it offers in terms of pay-per-use and accelerated project implementation. Beyond simple technology, the cloud is a transformation tool that offers the opportunity to "work differently" and adopt new growth models. The study concludes that the cloud can no longer be viewed as simply an IT platform. Now firmly embedded within the business way of working, it has become a real business and technology driver that brings together a range of new public and private services to deliver the benefits of agility, scalability, simplicity and flexibility.

Global Business Process Management Report. This study of over 1,000 senior business leaders and IT decision makers reveals that in the current economic climate, business process management is increasingly viewed as an absolute priority, particularly in banking, insurance and private equity, where increased regulation makes compliance paramount.

World Wealth Report 2012. This report, published with RBC Wealth Management, found that the population of high-net-worth individuals increased by 0.8% to 11 million in 2011, while overall wealth fell by 1.7% to US$42 trillion.

Asia-Pacific Wealth Report 2012. This report, published with RBC Wealth Management, found that there are more rich individuals in Asia-Pacific than in North America. The number of Asia-Pacific residents with investable assets of $1–$5 million climbed by 1.9% in 2011 to 3.08 million. The region is growing in importance as a wealth management center, at a time when the world's rich are struggling to hold on to their fortunes.

European Energy Markets Observatory 2012. This annual report from Capgemini tracks progress in establishing an open and competitive electricity and gas market in the EU-27 (plus Norway and Switzerland), as well as headway on meeting the EU's 2020 climate change goals. The study shows that in a period of economic uncertainty, governments and regulators are placing increased pressure on utilities, jeopardizing not only future profitability but also much-needed investment in energy infrastructure.

Cars Online 2012/2013. This 14th annual study involved over 8,000 consumers in eight countries: Brazil, China, France, Germany, India, Russia, the UK and the US. The report provides a detailed global analysis of numerous aspects of the automobile industry, including purchasing behavior, consumer profiles, the use of social media, online purchasing, "green" vehicles, smartphone applications, connected car services and after-sales service. The study shows that technological innovation improves the customer experience, from making the purchase to driving the vehicle. Ninety-four percent of people looking to buy a car start with online research.

World Quality Report 2012-13. The fourth edition of this global report, published by Capgemini and Sogeti with Hewlett Packard, is based on telephone interviews across 25 countries. It found that most companies are struggling to keep up with the demands of the "access any information, anywhere, as soon as you can" age. More than two-thirds are failing to test their mobile applications properly, and less than a fifth is focusing on security.

Big Social: Predicting behavior with Big Data. This report, published in 2012 by VINT, Sogeti's Research and Innovation laboratory, describes available sources and shows how organizations can predict consumer behavior in the short term by using Big Data. This predictive power can be applied in many areas, such as fraud detection to identify where the next burglary will take place or predicting the most intimate events in consumers' lives which will influence their buying behavior.

Digital Shopper Relevancy. This study by Capgemini Consulting reveals that consumers around the world, and particularly in mature markets, want to shop using all available channels – online shopping, social media, mobile apps and shopping centers – seamlessly and transparently.

For more information, visit http://www.capgemini.fr.com

Capgemini: a player recognized by key customers, analysts and partners

CAPGEMINI RANKED A WORLD LEADER

Capgemini has been ranked a world leader by the following organizations:

- *IT Organization Redesign Consultancies, Q4 2012 by Forrester Research, Inc. (Nov. 2012)**
- *Business Intelligence Services Providers, Q4 2012 by Forrester Research, Inc. (Oct. 2012)***
- *Oracle Implementation Service Providers, Worldwide by Gartner, Inc. (Sept. 2012)*** (a)*
- *CRM Service Providers, Worldwide by Gartner, Inc. (Sept. 2012)*** (b)*
- *Help Desk Outsourcing, Europe by Gartner, Inc. (Aug. 2012)*** (c)*
- *SAP Implementation Service Providers, North America by Gartner, Inc. (July 2012)*** (d)*
- *Global F&A BPO by Gartner, Inc. (July 2012)*** (e)*
- *Leading software testing position in EMEA based on 2011 revenue by NelsonHall (Jan 2012)*****

In addition, Capgemini was ranked in the top 10 of the 2012 Global Outsourcing 100 list, a survey conducted by the International Association of Outsourcing Professionals® (IAOP®). This ranking is established according to revenue, customer results, competencies, customer relations management, talent management, and experience.

* The Forrester WaveTM: IT Organization Redesign Consultancies, Q4 2012, Forrester Research Inc., Nov. 14, 2012

** The Forrester WaveTM: Business Intelligence Services Providers, Q4 2012, Forrester Research Inc., Oct. 18, 2012

***(a) Gartner, Inc.: "Magic Quadrant for Oracle Applications Implementation Services, Worldwide," Alex Soejarto, Sept. 27, 2012

***(b) Gartner, Inc.: "Magic Quadrant for CRM Service Providers, Worldwide," Patrick J. Sullivan, Ed Thompson, Sept. 20, 2012

***(c) Gartner, Inc.: "Magic Quadrant for Help Desk Outsourcing, Europe," Gianluca Tramacere, Claudio Da Rold, Frank Ridder, Aug. 29, 2012

***(d) Gartner, Inc.: "Magic Quadrant for SAP Implementation Service Providers, North America," Susan Tan, July 12, 2012

***(e) Gartner, Inc.: "Magic Quadrant for Finance and Accounting BPO," Cathy Tornbohm, May 30, 2012

**** NelsonHall: "Software Testing Assessment and Forecast January 2012," Dominique Raviart, Jan. 2012

During the China International Service Outsourcing Cooperation Conference in July 2012 in Nanjing, China, the China Council for International Investment Promotion (CCIIP) ranked Capgemini among the top 10 global service providers in China for the second consecutive year.

At the 2012 SAP® Pinnacle Awards, Capgemini received two awards in the categories of "Transformational Award: Unwired Enterprise" and "Business Process Outsourcing (BPO) and Business Process as a Service (BPaaS) Provider of the Year." These awards recognize excellence in partnership development and customer success.

Having also won two finalist selections (out of 150 nominations in 22 categories), Capgemini established itself as one of the top performing partners in the SAP ecosystem.

Microsoft named Capgemini "2012 Microsoft Services Outstanding Collaboration Partner of the Year." Almost 3,000 entrants from around the world competed for this award, which recognizes excellence in innovation and implementation of solutions based on Microsoft technology.

1.7 THE GROUP'S INVESTMENT POLICY, FINANCING POLICY AND MARKET RISKS

Investment policy

Against a backdrop of economic and financial uncertainty, the major players in the IT services sector adopted an extremely prudent approach to external growth.

Few companies performed major acquisitions, with the exception of the Canadian company, CGI, which bought the UK company, Logica.

In this context, Capgemini adopted a prudent external growth policy, concentrating on the integration and development of companies acquired in previous months.

Accordingly, the leading Brazilian public bank, Caixa, acquired a 22% stake in the Brazilian company, CPM Braxis, joining Capgemini which acquired this company at the end of 2010 and which remains the majority shareholder along with the other existing Brazilian shareholders.

At the same time, CPM Braxis became Caixa's strategic partner for IT services.

Several projects were studied during the year with a significant realization potential for certain of them during the opening months of 2013.

Capgemini will continue its external growth policy in 2013 driven by the goal of always satisfying the Group's ambitions in terms of geographical coverage and the development of the technology portfolio.

These acquisitions will be made possible thanks to the Group's very solid financial position, which they should not comprise.

Financing policy and financial rating

FINANCING POLICY

Cap Gemini S.A. financing policy is intended to provide the Group with adequate financial flexibility and is based on the following main criteria:

- a moderate use of debt leveraging: over the last ten years Capgemini Group has strived to maintain at all times a limited level of net debt (and even a positive net cash position) including in the manner in which it finances its external growth,
- diversified financing sources adapted to the Group's financial profile: Capgemini seeks to maintain a balance between bank financing (including the syndicated credit line and the use of leasing to finance property and IT equipment) and market financing (issue of OCEANE bonds convertible and/or exchangeable for new or existing shares for €437 million in June 2005 and €575 million in April 2009 ; euro bond issue performed in November 2011 for €500 million - see Note 17 to the consolidated financial statements),
- a good level of liquidity and durable financial resources, which means:
  - maintaining an adequate level of available funds (€2,091 million at December 31, 2012), supplemented by a €500 million multicurrency syndicated line of credit secured on January 13, 2011 and maturing on January 13, 2016 and backed by a €550 million commercial paper program,
  - borrowings, with only a limited portion falling due within 12 months (contractual cash flows within less than one year; see Note 17 to the consolidated financial statements) representing just 9% of total contractual cash flows at December 31, 2012.

FINANCIAL RATING

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

Market risks

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

1.8 RISK ANALYSIS

Identification of risks

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

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

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

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

Risks related to operations

Capgemini is a service provider and consulting group, 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. In the course of its consulting activities, the Group has an obligation to provide information and could incur liability should it fail to do so.

RISKS CONCERNING PROJECT PERFORMANCE

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

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

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

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

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

REPUTATION

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

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

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

EMPLOYEES

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

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

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

Figures concerning, in particular, the attrition rate, the utilization rate, changes in headcount (including in offshore countries), career management, the development of expertise and building employee loyalty are presented in the Chapter "Capgemini, its values, employees and Corporate Social Responsibility", Section 3.2 "Our people, a key Group asset" (pages 69 *et seq.*).

INFORMATION SYSTEMS

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

PRODUCTION SECURITY

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

ENVIRONMENT

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

CLIENTS

Capgemini serves a large client base, in a wide variety of sectors and countries, limiting the risk of dependency on a given sector and/or market. The Group's biggest clients are multinationals and public bodies (see Note 15 to the consolidated financial statements, page 142).

SUPPLIERS AND SUB-CONTRACTORS

Capgemini is dependent upon certain suppliers, especially in its Technology Services and networks businesses. While alternative solutions exist for most software and networks, the failure of a supplier to deliver specific technology or expertise could have prejudicial consequences for certain projects (see Section 3.3 – Stakeholders and the environment, Our suppliers and business partners, page 88).

The bankruptcy of a suppler, its takeover by a competitor (and a change in its current service offer/product range), a change in its sales model, such as the use of Cloud Computing for IT services, or a technical (fire or natural event) or human (error/negligence or malicious act) incident could generate additional risks.

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

COUNTRY

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

An increasing portion of its production is based in emerging countries, and primarily India, which now represents approximately 33% of the Group's total headcount. Consequently, Capgemini is now more exposed to the risk of natural disasters in South East Asia and Latin America, political instability in certain regions of India and adjoining countries, and even terrorist attacks. From an economic standpoint, the Group is also exposed to risks stemming from the negative effects of insufficiently controlled growth (wage inflation, which is particularly rife in the IT sector, inadequate domestic infrastructure and higher taxes).

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

EXTERNAL GROWTH

External growth transactions, one of the cornerstones of the Group's development strategy, also contain an element of risk. Integrating any newly-acquired company or activity, particularly in the service sector, may prove to be a longer and more difficult process than predicted. The success of an external growth transaction largely depends on the extent to which the Group is able to retain key managers and employees, maintain the client base intact, coordinate development strategy effectively, especially from an operating and commercial perspective, and dovetail and/or integrate information systems and internal procedures. Unforeseen problems can generate higher integration costs and/or lower savings or synergies than initially forecast. If a material, unidentified liability subsequently comes to light, the value of the assets acquired may turn out to be lower than their acquisition cost. (see Note 12 to Capgemini's Consolidated financial statements, page 139).

ECONOMIC CONDITIONS

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

Legal risks

FAILURE TO COMPLY WITH REGULATIONS GOVERNING OUR ACTIVITIES

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

CONTRACTUAL RISK

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

COMPLIANCE WITH LEGISLATION

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

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

LITIGATION RISK

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

There are no governmental, legal or arbitration proceedings, including any proceedings of which the Group is aware, that are pending or liable to arise, which are likely to have or have had in the last 12 months a material impact on the Group's financial position or profitability other than those that are recognized in the financial statements or disclosed in the notes thereto (see Note 21 to Capgemini's Consolidated financial statements page 158).

Financial risks

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

EQUITY RISK

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

CREDIT AND COUNTERPARTY RISK

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

LIQUIDITY RISK

The financial liabilities whose early repayment could expose the Group to liquidity risk are mainly the 2009 convertible bond issue and the November 2011 bond issue.

INTEREST RATE RISK

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

CURRENCY RISK

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

EMPLOYEE-RELATED LIABILITIES

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

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

Insurance

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

The Group risk management and insurance policy encompasses the security of individuals, its assets and those assets under its responsibility. The Group's insurance policy is to adjust insurance coverage to the replacement value of insured assets, or in the case of liability insurance, to an estimate of its own risks and reasonably conceivable third party risks in its business sector, taking account of country-specific risks, as well as changes in major exposure under contacts signed with clients. 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 designed, taken out and managed centrally at Group level. Cap Gemini S.A. and all subsidiaries over which it exercises direct or indirect control of more than 50% are insured against the financial consequences of commercial general liability or professional indemnity arising from their activities, under an integrated global program involving a range of lines contracted with a number of highly reputable leading insurers. The terms and conditions of this program, including coverage limits, are periodically reviewed and adjusted to reflect changes in risk exposure, due particularly to the Group's activities, new countries where Capgemini operates and changes in client contracts, as well as the position on insurance markets.

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

PROPERTY DAMAGE AND BUSINESS INTERRUPTION

The Group has set-up an integrated property damage and business interruption insurance program covering all of its subsidiaries worldwide. Its real estate policy is to rent rather than to buy its business premises, and consequently it owns little property.

Capgemini's business premises are located in a wide variety of countries, and the Group operates at multiple sites in most of them. The Group has approximately 500 sites with an average surface area of 2,500 square meters. Some of the Group's consultants work off-site at client premises. This geographical dispersion limits risk, in particular the risk of loss due to business interruption, arising from an incident at a site. The Group's largest site, which is located in India, employs some 8,000 people in a number of different buildings. Supply shortage risk is assessed and insured to the extent possible, based on knowledge of the materiality of the risk and the available offering in the insurance market.

OTHER RISKS

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

The Group has decided not to insure against employment practice liability risks, given its preventive approach in this area. Pollution risks are low in an intellectual services business, and Capgemini is not insured against these risks in any country 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 or restricted under the general conditions imposed by the insurance market.

Corporate governance and internal control

2

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2.1 ORGANIZATION AND ACTIVITIES OF THE BOARD OF DIRECTORS

2.1.1 History and composition of the Board of Directors

LEGAL STRUCTURE

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

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

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

On July 24, 2002, Serge Kampf took the initiative to recommend to the Board of Directors - which accepted - to split the functions of Chairman and Chief Executive Officer, as recently made possible by the New Economic Regulations Law (NRE). He considered that after creating, expanding, leading and managing the Group for 35 years, the time had come for him to give more power and visibility to the person who, from 1999, he considered the best qualified to succeed him one day. This two-man team operated efficiently and in harmony for 10 years and legally could have continued until the Combined Shareholders’ Meeting in the Spring of 2014, called to approve the 2013 financial statements, marking the simultaneous end of the current terms of office.

This being said – and as Serge Kampf highlighted in 2011 * – the smooth functioning of this team was more closely tied to the long-standing relationship of trust, friendship and mutual respect between Paul Hermelin and him than what legislation says regarding the respective roles, powers and responsibilities of the Chairman and the Chief Executive Officer. Certain directors even observed that the very general drafting of this law could one day - for example should one or other no longer be part of this two-man team – become a source of ambiguity, confusion and possibly even conflict. Serge Kampf therefore indicated last year that he did not exclude the possibility that after having enjoyed the benefits of “separation” for 10 years, he may decide to propose to the Board of Directors to return to a “traditional” limited liability form (i.e. in which the functions of Chairman and Chief Executive Officer are exercised by a single individual) and concomitantly appoint Paul Hermelin as Chairman and Chief Executive Officer. He would remain at his side and be available if necessary, while continuing to work in the interests of the Group, particularly within the Board of Directors and in the business world at large.

Accordingly, in line with the above, the Cap Gemini Board of Directors’ meeting on April 4, 2012, chaired by Serge Kampf, took due note that he:

- had decided (as he expressly reserved the possibility on May 27, 2010 when his term of office was renewed) not to go to the end of his term of office as Chairman and to resign on May 24, 2012, the date of the Ordinary Shareholders’ Meeting,
- proposed – in accordance with the general principle already discussed and accepted during the Board meeting of March 27, 2010 – that the Company decide concomitantly:
  - to return to a unified governance structure in which the functions of Chairman of the Board of Directors and Chief Executive Officer are exercised by a single individual,
  - to appoint the current Chief Executive Officer, Paul Hermelin, as Chairman and Chief Executive Officer.

Serge Kampf highlighted that these decisions were the outcome of a transition process launched exactly ten years previously. This probationary period of quite exceptional length enabled the Group to develop and strengthen its position as global leader, thanks to the remarkable relationship enjoyed over these years by the Chairman and the Chief Executive Officer.

After deliberating (and hearing in this respect the concordant recommendations of the Ethics and Governance Committee) the Board thus unanimously decided:

1) to change the governance structure of the Company and return to the traditional form of Chairman and Chief Executive Officer from the Ordinary Shareholders’ Meeting of May 24, 2012,
2) to appoint Paul Hermelin to this office as of the same date,
3) to pay tribute to the immense contribution of Serge Kampf, founder (in 1967), leader and inspiration of the Group for 45 years, by solemnly conferring on him the title of Honorary Chairman of Cap Gemini and appointing him Vice-Chairman of the Board of Directors.

* *See 2010 Financial Report/Registration Document, page 108.*

Accordingly, we can say that there have been five main periods in the governance of the Group:

Duration	Period	Legal form	Administrative bodies/Group Management
29 years	From creation (1967) to May 24, 1996	"Traditional" Limited liability company (*Société Anonyme*)	Chairman and Chief Executive Officer: Serge Kampf No General Manager
4 years	From May 24, 1996 to May 23, 2000	Limited liability company with a Management Board and a Supervisory Board (*Société a Directoire et Conseil de Surveillance*); the Supervisory Board was initially chaired by Klaus Mangold (Daimler-Benz) and then by Ernest-Antoine Seillière (C.G.I.P.) from September 8, 1997	Management Board with 4 members: Serge Kampf (Chairman) Paul Hermelin, Pierre Hessler and Geoff Unwin
2 years	From May 23, 2000 (merger with Ernst & Young Consulting) to July 24, 2002	Return to a "traditional" Limited liability company (*Société Anonyme*)	Chairman and Chief Executive Officer: Serge Kampf General Manager: Geoff Unwin (until December 12, 2001) and then Paul Hermelin
10 years	From July 24, 2002 to May 24, 2012	Limited liability company (*Société Anonyme*) with separation of the functions of Chairman and Chief Executive Officer	Chairman: Serge Kampf Chief Executive Officer: Paul Hermelin
1 year	From May 24, 2012 to date	Limited liability company (*Société Anonyme*) with unification of the functions of Chairman and Chief Executive Officer	Chairman and Chief Executive Officer: Paul Hermelin Honorary Chairman and Vice-Chairman of the Board of Directors: Serge Kampf

This summary clearly demonstrates that the Company's governing bodies have always successfully organized the governance structure to ensure it is constantly aligned with the interests and specific requirements of the Group, however temporary.

A. COMPOSITION OF THE BOARD OF DIRECTORS

The term of office of members of the Board of Directors, which was initially six years, was reduced to four years by decision of the Combined Shareholders' Meeting of May 11, 2006, in response to recommendations in governance rules aimed at more frequently offering shareholders the opportunity to decide on the composition of the Board which represents them.

Strengthened by the experience and diversity of its members, the Cap Gemini Board currently has fourteen directors [1]:

- two of these directors, **Bernard Liautaud and Pierre Pringuet**, were appointed at the Combined Shareholders' Meeting of April 30, 2009 and their terms of office therefore expire today,
- two additional directors, **Daniel Bernard and Thierry de Montbrial**, were initially appointed at the Combined Shareholders' Meeting of May 12, 2005 and their terms of office were renewed for a further four years at the same Combined Shareholders' Meeting on April 30, 2009. Their terms of office therefore also expire today,
- eight other directors, who have been Board members for several years, saw their terms of office renewed at the Combined Shareholders' Meeting of May 27, 2010 for a period of four years, therefore expiring in the Spring of 2014, the day of the Combined Shareholders' Meeting called to approve the 2013 financial statements: the directors in question are **Yann Delabrière, Paul Hermelin, Michel Jalabert [1], Serge Kampf, Phil Laskawy, Ruud van Ommeren, Terry Ozan, and Bruno Roger,**
- the thirteenth director was elected by the same Combined, Shareholders' Meeting of May 27, 2010 to replace Jean-René Fourtou, who did not seek the renewal of his term of office. The term of office of the director in question, **Laurence Dors**, will also expire in the Spring of 2014, at the same time as the above eight directors,
- the fourteenth director was elected by the Combined Shareholders' Meeting of May 24, 2012. The term of office of the director in question, **Lucia Sinapi-Thomas**, who represents employee shareholders, will expire in the Spring of 2016, the day of the Combined Shareholders' Meeting called to approve the 2015 financial statements.

The Board of Directors was long assisted by two non-voting directors who were previously directors and who were appointed non-voting directors in July 2002: Pierre Hessler and Geoff Unwin, who replaced Phil Laskawy (a non-voting director subsequently appointed director) and Chris van Breugel. Their terms of office were renewed for a period of two years at the Combined Shareholders' Meeting of May 27, 2010 and therefore expired the day of the Combined Shareholders' meeting of May 24, 2012. Despite the Company's directors having on several occasions indicated their satisfaction with the contribution of the two non-voting directors to Board meetings (the attendance rate for non-voting directors was 94% in 2011) and the quality of their contributions to the two Committees on which they sat, the Combined Shareholders' Meeting of May 24, 2012 did not see fit to renew their terms of office. The Board of Directors unanimously regretted this decision.

B. RENEWAL OF THE TERMS OF OFFICE OF DIRECTORS EXPIRING TODAY

The Board of Directors currently has 13 members following the death of Mr. Michel Jalabert on March 13, 2013 at 80 years of age, after a long illness.

The terms of office of four of these thirteen directors expire today.

(1) *13 since March 13, 2013, the date of Michel Jalabert's death.*

Faced with the expiry of these terms of office and deliberating at the recommendation of the Ethics & Governance Committee chaired by Mr. Serge Kampf, the Board of Directors took account of the upcoming application of diverse legislative provisions already adopted or in the course of adoption concerning male/female representation on Boards and the widening of Boards to include employee representatives. In order to ensure the collective-nature and efficiency of their decisions, all Board members wish to restrict the number of directors to 12 and therefore it was decided to propose the renewal of only three of the four terms of office expiring. Mr. de Montbrial – sharing these objectives- did not seek the renewal of his term of office.

It is therefore proposed today to renew the terms of office as director of Messrs. Daniel Bernard, Bernard Liautaud and Pierre Pringuet for a period of 4 years.

The Board of Directors thanked Thierry de Montbrial, a director since 2005, for his contribution to the development of the Group. During the last 8 years, which have seen the Group confirm its global outlook both through its commercial presence and the internationalization of its production tool, Thierry de Montbrial has enriched the work of the Board of Directors with his in-depth knowledge of international challenges and emerging countries.

If the Combined Shareholders' Meeting follows the recommendations of the Board of Directors, the latter will comprise fewer directors, with a younger age pyramid and a more diversified nationality and gender spread.

2.1.2 Other offices and duties exercised by members of the Board of Directors

Members of the Board	First appointment and expiry * of term of office	Offices held in 2012 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 at December 31, 2012: **4,897,492**	2000-2013	**Principal office** Chairman of the Board of Directors until May 24, 2012 and then: Honorary Chairman Vice-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.) Sole manager of: ■ SCI PARIS ETOILE	Member of the *Académie des Sports*

* *At the date of the Shareholders' Meeting held to approve the financial statements of the year concerned.*

Members of the Board	First appointment and expiry * of term of office	Offices held in 2012 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 at December 31, 2012: **227,048**	2000-2013	**Principal office** Chief Executive Officer until May 24, 2012 and then: Chairman and Chief Executive Officer of: ■ CAP GEMINI S.A. Chief Executive Officer of Capgemini Group **Other offices** (1) Chairman of: ■ CAPGEMINI AMERICA, INC. (U.S.A) ■ CAPGEMINI US LLC (U.S.A) ■ CAPGEMINI NORTH AMERICA INC. (U.S.A.) ■ CAPGEMINI HOLDING INC. (U.S.A.) Chief Executive Officer of: ■ CAPGEMINI SERVICE S.A.S. ■ CAPGEMINI NORTH AMERICA INC. (U.S.A.) ■ CAPGEMINI HOLDING INC. (U.S.A) Director of: ■ CGS HOLDINGS LTD (UK) ■ SOGETI S.A. (BELGIUM) ■ CAPGEMINI AUSTRALIA PTY LTD ■ CAPGEMINI FINANCIAL SERVICES INTERNATIONAL INC. ■ CPM BRAXIS S.A. (BRAZIL) Member of the Supervisory Board of: ■ CAPGEMINI N.V.	None
Daniel BERNARD Date of birth: February 18, 1946 Number of shares held at December 31, 2012: **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 Chairman of: ■ THE HEC FOUNDATION Senior Advisor to: ■ TOWERBROOK CAPITAL PARTNERS, L.P.	None
Yann DELABRIÈRE Date of birth: December 19, 1950 Number of shares held at December 31, 2012: **2,550**	2004-2013	**Principal office** Chairman and Chief Executive Officer of: ■ FAURECIA	Director of: ■ SOCIÉTÉ GÉNÉRALE

** At the date of the Shareholders' Meeting held to approve the financial statements of the year concerned.*

(1) A resolution proposing the appointment of Paul Hermelin to the Board of Directors of AXA is presented to the AXA Shareholders' meeting of April 30, 2013.

Members of the Board	First appointment and expiry * of term of office	Offices held in 2012 and current offices	Other offices held during the last five years outside the Group
Laurence DORS Date of birth: March 16, 1956 Number of shares held at December 31, 2012: **100**	2010-2013	**Principal office** Senior Partner of: ■ ANTHENOR PARTNERS **Other offices** Director of: ■ CRÉDIT AGRICOLE SA ■ EGIS SA ■ INHESJ (FRENCH NATIONAL INSTITUTE FOR ADVANCED STUDIES IN SECURITY AND JUSTICE) ■ IFA (FRENCH INSTITUTE OF DIRECTORS) Member of: ■ IHEAL (INSTITUTE OF LATIN AMERICAN STUDIES) STRATEGIC POLICY COMMITTEE ■ MEDEF (FRENCH PRIVATE BUSINESS ASSOCIATION) INTERNATIONAL COMMERCE COMMISSION	Corporate Secretary of: ■ EADS Senior Executive Vice-President Member of the Executive Committee of: ■ DASSAULT SYSTÈMES Corporate Secretary Member of the Executive Committee of: ■ RENAULT GROUP
Michel JALABERT (2) Date of birth: January 20, 1933 Number of shares held at December 31, 2012: **425**	2000-2013	**Principal office** Director of: ■ CAP GEMINI S.A. **Other offices** ■ NONE	None
Phil LASKAWY Date of birth: March 31, 1941 Number of shares held at December 31, 2012: **7,600**	2002-2013	**Principal office** Chairman (non-executive) of: ■ FANNIE MAE (USA) Director of: ■ GENERAL MOTORS CORPORATION (USA) **Other offices** Director of: ■ HENRY SCHEIN, INC. ■ LAZARD LTD ■ LOEWS CORPORATION	Director of: ■ DISCOVER FINANCIAL SERVICES
Bernard LIAUTAUD Date of birth: June 17, 1962 Number of shares held at December 31, 2012: **200**	2009-2012	**Principal office** General Partner of: ■ BALDERTON CAPITAL MANAGEMENT (BCM) (UK) **Other offices** Member of the Supervisory Board of: ■ SAP Director of: ■ NLYTE SOFTWARE LTD (UK) ■ TALEND SA (FRANCE) ■ SAP (GERMANY) ■ WONGA GROUP (UK) ■ SCYTL (SPAIN) ■ ABIQUO GROUP INC. (USA) ■ VESTIAIRE DE COPINES S.A. (FRANCE) ■ DASHLANE INC. (USA) ■ RECORDED FUTURE INC. (USA) ■ EWISE GROUP INC. (USA) ■ QUBIT DIGITAL (UK)	Co-founder in 1990 of: ■ BUSINESS OBJECTS Chairman and Chief Executive Officer of: ■ BUSINESS OBJECTS Director of: ■ CLINICAL SOLUTION (UK) ■ QUICKBRIDGE (UK)

* *At the date of the Shareholders' Meeting held to approve the financial statements of the year concerned.*

(2) *Until March 13, 2013, the date of his death.*

Members of the Board	First appointment and expiry * of term of office	Offices held in 2012 and current offices	Other offices held during the last five years outside the Group
Thierry de MONTBRIAL Date of birth: March 3, 1943 Number of shares held at December 31, 2012: **100**	2005-2012	**Principal office** Founder and Chief Executive Officer of: ■ IFRI (FRENCH THINK TANK ON INTERNATIONAL RELATIONS) **Other offices** Chairman of: ■ THE FRANCO-AUSTRIAN CENTER FOR ECONOMIC CONVERGENCE IN EUROPE ■ WOPYCO SAS Chairman of: ■ OCP GROUP INTERNATIONAL ADVISORY BOARD (MOROCCO) Member of: ■ RENAULT FOUNDATION ■ LAFARGE INTERNATIONAL ADVISORY BOARD ■ RUSAL INTERNATIONAL ADVISORY BOARD ■ L'INSTITUT DE FRANCE (ACADÉMIE DES SCIENCES MORALES ET POLITIQUES) Emeritus Professor at: ■ CONSERVATOIRE NATIONAL DES ARTS ET METIERS	None
Ruud van OMMEREN Date of birth: September 11, 1936 Number of shares held at December 31, 2012: **100**	2000-2013	**Principal office** Director of: ■ CAP GEMINI S.A. **Other offices** Chairman of the Supervisory Board of: ■ CAPGEMINI N.V. Member of the Supervisory Board of: ■ WILLEM VAN RIJN B.V.	Chairman of the Supervisory Board of: ■ GAK ONROEREND GOED V.O.F. Member of the Supervisory Board of: ■ KONINKLIJKE GROLSCH N.V.
Terry OZAN Date of birth: July 21, 1946 Number of shares held at December 31, 2012: **24,300**	2000-2013	**Principal office** Director of: ■ CAP GEMINI S.A. **Other offices** Director of: ■ COHESANT INC. ■ TFS FINANCIAL CORPORATION Member of the Strategy Committee of: ■ STATE INDUSTRIAL PRODUCTS	Director of: ■ NOTEWORTHY MEDICAL SYSTEMS, INC.
Pierre PRINGUET Date of birth: January 31, 1950 Number of shares held at December 31, 2012: **1,700**	2009-2012	**Principal office** Vice-Chairman of the Board of Directors and Chief Executive Officer of: ■ PERNOD RICARD GROUP **Other offices** Director of: ■ ILIAD S.A.	Joint Chief Executive Officer and sole Managing Director of: ■ PERNOD RICARD GROUP

* *At the date of the Shareholders' Meeting held to approve the financial statements of the year concerned.*

Members of the Board	First appointment and expiry * of term of office	Offices held in 2012 and current offices	Other offices held during the last five years outside the Group
Bruno ROGER Date of birth: August 6, 1933 Number of shares held at December 31, 2012: **100**	2000-2013	**Principal office** Chairman of: ■ LAZARD FRÈRES S.A.S. ■ COMPAGNIE FINANCIÈRE LAZARD FRÈRES SAS Chairman and Chief Executive Officer of: ■ LAZARD FRÈRES BANQUE **Other offices** Chairman of: ■ LAZARD GLOBAL INVESTMENT BANKING Managing Partner of: ■ LAZARD FRÈRES ■ MAISON LAZARD ET CIE Member of the Deputy Chairman Committee of: ■ LAZARD FRÈRES GROUP	Non-voting director: ■ EURAZEO
Lucia SINAPI-THOMAS Date of birth: January 19, 1964 Number of shares held at December 31, 2012: **6,614**	2012-2015	**Principal office** Deputy Chief Financial Officer of: ■ CAP GEMINI S.A. **Other offices** (1) Chairman of: ■ CAPGEMINI EMPLOYEES WORLDWIDE (FRANCE) Director of: ■ CAPGEMINI REINSURANCE INTERNATIONAL (LUXEMBOURG) ■ SOGETI SVERIGE AB (SWEDEN) ■ SOGETI SVERIGE MITT AB (SWEDEN) ■ SOGETI DANMARK AS (DENMARK) ■ SOGETI NORGE A/S (NORWAY) ■ SOGETI SA (BELGIUM)	None

* *At the date of the Shareholders' Meeting held to approve the financial statements of the year concerned.*

(1) *A resolution proposing the appointment of Lucia SINAPI-THOMAS to the board of Directors of Bureau Veritas is presented to the Bureau Veritas Shareholders' meeting of May 22, 2013.*

2.1.3 Role, meetings, operating rules and self-assessment procedure

THE ROLE OF THE BOARD OF DIRECTORS

The principal role of the Board of Directors is to determine the key strategies of Cap Gemini and its subsidiaries, to ensure that these strategies are implemented, to validate the legal and operational structure of the Group and the appointment of key managers and, more generally, to deal with any issues that arise in respect of the day-to-day operation of the Group. The Board pays particular attention to the management of the Group's 125,000 employees and thousands of managers across the globe, given Capgemini's business as a service provider. The Board takes decisions collectively and seeks to comply with and ensure compliance with all rules of good governance together with a certain number of values which each Board member has solemnly undertaken to respect. A "Code of Business Ethics" was drafted at its initiative and distributed to all Group employees (and is signed by all new recruits) with the following main objectives:

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

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

MEETINGS

The Board meets at least six times a year. Meetings are convened by the Chairman in accordance with a timetable decided by the Board before the end of the prior year. However, this timetable may be amended during the year in response to unforeseen circumstances or at the request of more than one director. In 2012, the Board met seven times (four times during the first six-months and three times during the second six-months), with an average attendance rate of 90%. All absences noted were due to cases of *force majeure*.

The Notice of Meeting, generally sent to directors 15 days before the meeting date, contains the agenda determined after the Chairman and Chief Executive Officer has consulted with the Vice-Chairman and any directors who proposed specific points to be discussed by the Board. If the agenda includes questions requiring specific analysis, a memorandum or supporting documentation prepared by members of Group Management is sent to directors prior to the meeting (or exceptionally is handed to them at the beginning of the meeting) such that they have the information they need to form an opinion on the issues on the agenda. Needless to say, a secure electronic system has been implemented to ensure 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 members of the Board. Directors are also sent or handed a summary report comparing the share price of the Cap Gemini share to that of various general and sector indexes and to its main competitors and, where appropriate, a table providing a breakdown of the last known consensus. In addition, important press releases (signature of major contracts, alliances, etc.) issued by the Company are of course brought to the attention of directors throughout the year.

OPERATING RULES

For many years, the Cap Gemini Board of Directors has applied the best governance practices now aligned with the recommendations of the AFEP/MEDEF corporate governance code to which Cap Gemini refers. Accordingly, the Board has:

- prepared, adopted, applied (and amended where useful or necessary) highly detailed Internal Rules of Operation (see section 2.1.5),
- set up four specialized Board Committees – the Audit Committee, the Selection & Compensation Committee, the Ethics & Governance Committee, and finally the Strategy & Investment Committee – and given each a clearly defined role (see section 2.1.4),
- adopted a system for allocating attendance fees, whereby the majority of such fees are indexed to attendance at Board and Committee meetings (see section 2.1.5),
- periodically reviewed the personal situation of each director in light of the definition of independence adopted by the AFEP/MEDEF corporate governance code (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). Based on the aforementioned reviews, the Board considers that ten out of fourteen directors qualify as independent (Daniel Bernard, Yann Delabrière, Michel Jalabert [1], Phil Laskawy, Bernard Liautaud, Thierry de Montbrial, Ruud van Ommeren, Terry Ozan, Pierre Pringuet and Laurence Dors).

SELF-ASSESSMENT PROCEDURE

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

(1) *Who died March 13, 2013.*

the consulting firm Leaders Trust International, the questionnaire was divided into five sections:

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

Each of these sections contained numerous questions (between 8 and 15 for the most detailed), including an open question encouraging respondents to add any specific comments for two sections. In addition, each of the four Specialized Board Committees received a specific tailored questionnaire. An analysis of the information collected from the questionnaires and the one-on-one interviews was summarized in a report submitted by Jean-Philippe Saint-Geours to the Board on June 22, 2011, when it was discussed at length. The primary focus of this assessment was to analyze the activities of the Board today and to compare them with its activities three years ago. From this point of view, the general conclusion of the summary report was as follows:

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

In terms of progress achieved since 2008, all directors noted and appreciated the efforts of the Chairman (and also the Chief Executive Officer at the time, who is now Chairman and Chief Executive Officer) to take account of the recommendations made three years previously and thereby improve the operation and working conditions of the Board:

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

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

- the Board would like even more comprehensive information and in particular a true management report covering the roll-out of the strategy adopted by the Group. Extremely rapid changes in markets and technologies are sometimes difficult for Board members (who come from a variety of professional backgrounds) to follow and they have asked for "ongoing training" in these areas to enable them to more precisely assess the competitive position of the Group,
- the time devoted to the presentation by the Specialized Committees of their activity reports is considered somewhat insufficient,
- Board members would like a better balance between financial issues and operational and strategic issues in meeting agendas,
- with regard to other issues, such as the human resources policy (particularly concerning key managers) and the identification of risks and the risk management policy, directors wish better coordination between the Board and Specialized Committees (Selection & Compensation, Audit).

2.1.4 Role and composition of the four Specialized Board Committees

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

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

At its meeting of July 26, 2006 and at the proposal of its Chairman (Serge Kampf), the Board decided to set up a fourth Committee called the Ethics & Governance Committee, whose terms of reference encompass all matters relating to the legal or operational organization of the Group (previously included in the brief of the Selection & Compensation Committee) and appoint Serge Kampf as its Chairman.

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 & Investment Committee and Pierre Pringuet to the Audit Committee.

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

Following the appointment of a new director at the Combined Shareholders' Meeting of May 24, 2012 (Lucia Sinapi-Thomas) and the decision of this same meeting not to renew the terms of office of the two non-voting directors (Pierre Hessler and Geoff Unwin), the Board of Directors meeting of June 20, 2012 – after warmly thanking the two non-voting directors for their precious contributions (over ten years) to the activities of the Board and the two Committees on which they sat – decided to appoint Lucia Sinapi-Thomas to the Selection & Compensation Committee.

THE AUDIT COMMITTEE

In accordance with the provisions of Article L. 823-19 of the French Commercial Code and the AMF recommendations of July 22, 2010, the role of the Cap Gemini Audit Committee is to control the processes governing the preparation and distribution of accounting and financial information, to assess the appropriateness and the consistency of the accounting policies and methods used to prepare the annual and half-year consolidated and company financial statements, to check the efficiency of internal control and risk management procedures, to ensure by all means the quality of information presented to the Board and finally to present to the Board its assessment of the various engagements carried out by the Statutory Auditors and give its opinion on whether their audit engagement should be renewed.

The Audit Committee currently has **four** [(1)] directors: **Yann Delabrière** (Chairman), **Michel Jalabert** [(1)], **Phil Laskawy** and **Pierre Pringuet**. Through their professional careers, Audit Committee members have amassed the necessary accounting and financial expertise to perform their duties. For example, the Chairman, an independent director, was Chief Financial Officer of PSA Peugeot Citroën from 1990 to 2007 and Phil Laskawy was the Chairman and Chief Executive Officer of Ernst & Young from 1994 to 2001.

The Committee met six times in 2012, with an average attendance rate of 96%.

The Committee reviewed the company and consolidated financial statements for the year ended December 31, 2011 and the consolidated financial statements for the half-year ended June 30, 2012. It focused in particular on the accounting treatment of events with a material impact on the annual or half-year financial statements and on changes in working capital requirements, the treatment of deferred tax, the measurement of goodwill, the recognition of put/call options covering the remaining share capital of CPM Braxis (45%) and the financial impact of the UK employee pension plan. It also reviewed the proper performance of a certain number of major contracts. The Committee interviewed:

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

(1) Three since March 13, 2013, the date of Michel Jalabert's death.

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

The Statutory Auditors also issued recommendations to the Audit Committee to make the accounting and financial procedures even more efficient.

THE SELECTION & COMPENSATION COMMITTEE

This Committee is tasked with monitoring the human resources policies applied by Cap Gemini subsidiaries to executive managerial positions (executive appointments, additional training, changes in theoretical and actual compensation, setting objectives to determine the variable portion of compensation, criteria for the grant of performance shares, career and succession planning, etc.) and making sure that the policies are both consistent – while complying with specific local requirements – and closely aligned with individual and collective performances in the Business Unit to which the manager concerned belongs. It is consulted by Group Management prior to any decisions concerning the appointment or replacement of Executive Committee members and Strategic Business Unit directors and on their compensation (fixed and variable). It also presents to the Board its opinion on the compensation, personal objectives and performance of the Chief Executive Officer and on the Chairman's compensation. Finally, the Committee reviews the various schemes enabling employees to share in Group profits (performance share grants, Group savings schemes, etc.) and proposes to the Board of Directors the incentive instruments it considers appropriate and capable of being implemented in all (or certain) Capgemini Group companies.

The Selection & Compensation Committee currently has **five** directors (1): **Ruud van Ommeren** (Chairman), **Michel Jalabert** (1), **Terry Ozan and Pierre Pringuet and Lucia Sinapi-Thomas**.

The Committee met six times in 2012, with an average attendance rate of 90%.

In accordance with the Committee's remit, it ensured throughout 2012 the consistency of the Group's senior executive management and compensation policy. Its Chairman regularly reported on the Committee's work and presented recommendations to the Board of Directors concerning the following areas:

- the general compensation policy of the Group and its subsidiaries,
- the compensation of the two executive corporate officers (unification of the functions of Chairman and Chief Executive Officer from May 24, 2012) and that of the members of the Executive Committee and the Group's key managers. These recommendations focused at the beginning of the year on:
  - an appraisal of the individual performance of each of these managers compared with objectives set at the beginning of the year,
  - calculation of the variable portion of compensation paid in the first quarter of the next year,
  - adjustment of the fixed and two variable portions of the "theoretical" compensation for the following year,
  - setting objectives to be used at the end of the current year as a basis for calculating the actual variable portion due.

The Committee studied the principle and means of granting performance shares to certain managers. It drafted and communicated a list of 132 beneficiaries and the proposed allocation between them of 1,003,500 performance shares to the Board of Directors for agreement on December 12, 2012.

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

THE ETHICS & GOVERNANCE COMMITTEE

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

The Ethics & Governance Committee currently has **three** directors: **Serge Kampf** (Chairman), **Daniel Bernard** and **Bruno Roger**. From the creation of this committee, Serge Kampf wished Paul Hermelin to be a regular guest.

This Committee met five times in 2012, with an attendance rate of 80%.

The Committee interviewed:

- **Philippe Christelle**, the Internal Audit Director, who presented a special report describing the strengthening of the ethical framework within which the Group has decided to operate, as well as instances of non-compliance (most often involuntary of course), changes and updates performed during 2012 and identifying a certain number of potential improvements in the follow-up of audit recommendations,
- **Hervé Canneva**, the Chief Ethics and Compliance Officer, appointed by the Committee on March 1, 2009, who presented a report on the foundations of the Group's ethics program which is based on four documents available in eight languages – the Code of Business Ethics (signed by all new recruits), the anti-corruption policy, the antitrust policy and the Blue Book (manual of principles and procedures applicable within the Group) – and presented to all new recruits. New recruits must also follow an e-learning program aimed at establishing and strengthening throughout the Group perfect

(1) Four since March 13, 2013, the date of Michel Jalabert's death.

integrity in the conduct of business and awareness of the importance of adopting at all times a behavior in accordance with Cap Gemini ethics. This report also highlighted the Group's major efforts in e-learning (in 2 years over 77,000 employees followed the ethics charter course). It also referred to the progressive implementation in the main countries of the employee advice and professional warning procedure (known as the "Raising Concern Procedure"). Finally, it proposed a certain number of recommendations aimed at further strengthening the culture of business ethics.

Of course, the Committee discussed the conditions and means of the change in Cap Gemini's governance structure following Serge Kampf's decision (as he expressly reserved the right in 2010 when his term of office was renewed) not to go to the end of his term of office as Chairman of the Board of Directors (that is the day of the Combined Shareholders' Meeting in the Spring of 2014 called to approve the 2013 financial statements).

The Committee also discussed the composition of the Board of Directors and likely changes therein and particularly the principle of equal representation of men and women, as well as the Board's activities and changes in the operational governance of the Group.

THE STRATEGY & INVESTMENT COMMITTEE

The role of this Committee is to:

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

More generally, the Committee identifies and deliberates on any direction or issue considered relevant to the Group's future, provided it does not compromise the smooth running of operations and guarantees operating and financial stability.

The Strategy & Investment Committee currently has **six** directors: **Bernard Liautaud** (Chairman), **Daniel Bernard**, **Laurence Dors**, **Paul Hermelin**, **Thierry de Montbrial** and **Bruno Roger**.

This Committee met four times in 2012, with an attendance rate of 96%.

One of its major tasks during the year was to prepare the discussions and activities of the Board which held a day-and-a-half "Strategy Seminar" at the Capgemini University in Gouvieux (Oise) in June 2012 to discuss the following issues:

- market developments and trends,
- the impact of technology breaks and the "cloud" on service activities,
- changes in the competitive environment,
- the identification of key performance drivers for the Group,
- the update of the acquisition policy and priorities.

It also studied the integration monitoring process for completed acquisitions, reviewed a possible typology for the management of future acquisitions and proposed to the Board of Directors the definition of limits framing potential negotiations.

2.1.5 Rights and obligations of Directors – Compensation

INTERNAL RULES OF OPERATION

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

The Internal Rules of Operation of the Board set out the main obligations of the Code of Business Ethics that Cap Gemini directors undertake to comply with throughout their term of office, and in particular the rules governing share trading and the obligation for each director to communicate to the French stock market authority (AMF) and to the Company any transactions they may have carried out in the Company's shares within five trading days of the execution of such transactions.

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

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 Chief Executive Officer, the directors have no individual power and actions and decisions must therefore be taken on a collective basis.

The role of the four Specialized Board Committees is to study and document the issues that the Board has scheduled for discussion and to present recommendations on the subjects and sectors within their remit to plenary sessions of the Board. The Committees are consultation bodies and therefore hold no decision-making powers. Their members (and the Chairman) are appointed by the Board of Directors and are selected exclusively from among Cap Gemini directors (and non-voting directors where applicable). They are appointed in a personal capacity and may under no circumstances be represented at the meetings of the Committee(s) to which they belong. The Board reserves the right to amend at any time the number and/or make-up of these Committees, as well as the scope of their duties. Finally, the Internal Rules of Operation of each of the four Committees - and any amendments thereto which the Committee may later propose – must be formally approved by the Board.

As Chairman of the Board of Directors, the Chairman and Chief Executive Officer prepares, organizes and leads its work. He sets the agenda of meetings, ensures that directors are able to carry out their duties and have all information necessary for this purpose, and oversees the proper operation of the Company's bodies, the correct implementation of Board decisions and compliance with the rules of good conduct adopted by Cap Gemini. He chairs Combined Shareholders' meetings to which he reports on the activities and decisions of the Board.

The Vice-Chairman: in the absence of the Chairman - and for the duration of this absence - the Chairman's powers will be exercised by a Vice-Chairman appointed by the Board of Directors (see page 2).

As Chief Executive Officer, the Chairman and Chief Executive Officer has the most extensive powers to act in all circumstances in the name of the Company.

The Internal Rules of Operation stipulate nonetheless that he must seek and obtain prior approval from the Board of Directors for any decision which is of major strategic importance or which is liable to have a material impact on the financial position or commitments of the Company or those of one or more of its principal subsidiaries. This applies in particular to:

- the approval and update of the three-year plan based on the strategy approved by the Board,
- the approval of the annual investment and divestment budget,
- the conclusion of strategic alliances,
- significant changes to the structure of the Group or to its range of business activities,
- significant internal restructuring operations and/or changes to the make-up of the Group Management team (including Strategic Business Unit Managers) that he wishes to make,
- financial transactions with a material impact – or a potential material impact – on the financial statements of the Company or the Group (in particular the issue of securities conferring immediate or future access to the share capital, or issues of market debt instruments),
- acquisitions or disposals of assets or investments not recorded in the budget, individually worth more than €100 million and subject to a cumulative annual ceiling of €300 million,
- increases or reductions in the share capital of a direct subsidiary of Cap Gemini, concerning an amount in excess of €50 million,
- the grant to employees of incentive instruments conferring access to the share capital of the Company,
- specific authorizations concerning the granting of pledges, security and guarantees.

COMPENSATION OF DIRECTORS, NON-VOTING DIRECTORS AND EXECUTIVE CORPORATE OFFICERS

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

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

It should be highlighted that Serge Kampf and Paul Hermelin spontaneously decided for 2012 (in the same way as for the last three years) to waive their right to collect attendance fees as directors of Cap Gemini, a decision warmly received by the Board. In application of the above, attendance fees paid to directors and non-voting directors in respect of fiscal year 2012 totaled €710,500 (€403,000 for the first-half and €307,500 for the second-half), representing 89% of the ceiling authorized by the Combined Shareholders' Meeting.

A breakdown of compensation paid in respect of fiscal year 2012 to the two executive corporate officers (Serge Kampf until May 24, 2012) is presented in the section 2.3.1 "Compensation of the two Executive Corporate Officers" (page 49).

2.1.6 Declaration concerning the Group's executive corporate officers

As far as the Company is aware, none of the current members of the Board of Directors:

- has been found guilty of fraud at any time during the last five years,
- has been involved in any bankruptcy, receivership or liquidation at any time during the last five years,
- has been subject to any form of official public sanction and/or criminal liability, pronounced by a statutory or regulatory authority (including designated professional bodies),
- has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from participating in the management or conduct of the affairs of any issuer at any time during the last five years.

As far as the Company is aware, there are no:

- conflicts of interest among the members of the Board of Directors between their duties towards Cap Gemini and their private interests and/or any other duties,
- service contracts between the members of the Board of Directors and Cap Gemini or any of its subsidiaries that provide for the granting of benefits upon termination thereof.

REGULATED AGREEMENTS WITH RELATED PARTIES

No agreements falling within the scope of Article L.225-38 of the French Commercial Code *(Code de Commerce)* were authorized by the Board of Directors in the year ended December 31, 2012.

LOANS AND GUARANTEES GRANTED TO DIRECTORS AND MANAGERS OF THE COMPANY

None.

2.2 GENERAL ORGANIZATION OF THE GROUP

2.2.1 Composition of management and administrative bodies

Cap Gemini is the parent company of what is generally known as "the Capgemini Group" comprising approximately 165 companies, which are listed on pages 169 *et seq.* of this Registration Document (after removing dormant companies and companies in the course of dissolution).

OPERATIONAL STRUCTURE

One of the founding principles underlying the creation of this Group is decentralization. It seeks to ensure that operating managers act as entrepreneurs, taking each year the risk to commit to a budget and personal and collective objectives. It is the Company's role to provide them with the means necessary to react rapidly to market requirements and to provide consistent responses to changes in demand as well as new opportunities offered by particularly rapid and abundant technological innovation.

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

These basic units are grouped by business and geographical area. The grouping by business ensures consistent economic models, the sharing of experience and the industrialization of processes and methods to serve international clients efficiently and consistently.

There are seven strategic business units:

- 4 global strategic business units:
  - Consulting Services,
  - Infrastructure Services, i.e. the design, installation and maintenance of client IT infrastructures,
  - BPO (Business Process Outsourcing),
  - Local Professional Services, provided by the SOGETI sub-group and its subsidiaries,
- 2 systems integration and applicative maintenance strategic business units in the following regions and countries:
  - Application Services One: North America, the United Kingdom and the Asia/Pacific region and global responsibility for the Financial Services sector; China is included in this unit from 2013,
  - Application Services Two: France, Benelux, the Nordic countries, Germany and Central Europe and Southern Europe,
- the Group's operations in Latin America encompassing the Application Services and Infrastructure Services businesses and including the joint venture in Brazil,
- in addition to these seven Strategic Business Units, Prosodie is the precursor of a new "Business Model" unit.

These basic business units – grouped, depending on their number, into larger business units – reflect the Group's presence in around forty countries, which are in turn grouped into eight geographic areas, useful for reporting purposes and comparing performance year-on-year:

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

GROUP MANAGEMENT

The Capgemini Group Management structure was substantially altered in 2012, with the reunification of the functions of Chairman of the Board of Directors and Chief Executive Officer and the personal choices of the two executives who, alongside Paul Hermelin, comprised the Group Management team.

Since May 24, 2012, Paul Hermelin is Chairman of the Board of Directors and Chief Executive Officer of Cap Gemini.

In 2012, Paul Hermelin was assisted in his duties of Chief Executive Officer by a Deputy General Manager, Nicolas Dufourcq and a General Secretary, Alain Donzeaud. Alain Donzeaud retired with effect from July 1, 2012 and Nicolas Dufourcq was called on by the French government to take up an important role in the public sector and left the Group on December 1, 2012.

These changes led the Board of Directors, at the advice of the Ethics & Governance Committee, to introduce a new Group Management structure. This new structure has a dual objective: provide him with the time and distance necessary to the proper exercise of his duties as Chairman of the Board of Directors and confer wider powers of operating control on several talented managers of the Group who, jointly with him, will be involved in Group Management.

Paul Hermelin will however remain the only executive corporate officer of Cap Gemini.

Group Management, led by Mr. Paul Hermelin, is structured around two bodies:

- the Group Management Board (GMB) whose role is to lead Group operations and take the necessary measures in this respect. It prepares the broad strategies and issues presented to the Executive Committee for decision and ensures their application by the strategic business units. The GMB comprises Paul Hermelin and five individuals:
  - Salil Parekh, responsible for the general management of the Apps 1 strategic business unit and supervision of Sogeti,
  - Olivier Sévillia, responsible for the general management of the Apps 2 strategic business unit and supervision of Capgemini Consulting, Prosodie and BPO,
  - Patrick Nicolet, responsible for the general management of the Infrastructures Services strategic business unit and supervision of Latin America,
  - Aymar de Lencquesaing, responsible for Group Resources and particularly the supervision of our operations in India,
  - Aiman Ezzat, Group Chief Financial Officer.
- the Executive Committee, whose role is to assist Group Management define broad strategies and prepare decisions concerning the operational structure of the Group, the choice of priority offerings, production rules and organization and the means of implementation of human resource management. It assesses the performance of Group managers and prepares succession plans for major positions within the organization. The Executive Committee meets once a month with, in addition to the Chief Executive Officer and GMB members:
  - the Global Sales and Portfolio Director,
  - the Delivery Director (Production / Methods and Support Department),
  - the General Secretary,
  - the Marketing and Communications Director,
  - the Development Director,
  - the Director of our operations in India,
  - the Directors of the above strategic business units,
  - the Deputy Director of the Apps-Continental Europe strategic business unit.

representing a total of 16 individuals.

Two special-purpose committees assist Group Management:

- the Group Review Board which examines the major business proposals in the course of drafting or negotiation, multi-national or multi-business framework agreements entered into with clients or suppliers, major contracts involving guarantees given by the Group etc.,
- the Merger & Acquisitions Committee which examines acquisition and divestment projects in the course of identification, selection, assessment or negotiation.

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

THE CENTRAL DEPARTMENTS

Group Management is assisted by the following central departments:

The Group Finance Department

Headed by Aiman Ezzat since December 13, 2012, the primary tasks of this department are the preparation of budgets and monitoring performance, management control, operational reporting, financial and management accounting, consolidation and accounting standards, treasury management, taxation, and financial communications. He is also responsible for IT and procurement.

The General Secretary

Since September 1, 2012, this position is occupied by Jean-Baptiste Massignon who is responsible for:

- Legal Affairs, covering two departments: one dealing with all legal matters related to the Group's operating activities (Isabelle Roux-Chenu) and the other concerned with the functioning of the Group's governing bodies (the Board of Directors, Specialized Board Committees, Shareholders' Meetings, etc.) and in charge of legal matters impacting the general Group structure (Philippe Hennequin),
- the Ethics & Compliance Department whose primarily task is promoting and ensuring compliance by all Group entities with a corporate culture and a duty of integrity that requires all 125,000 Group employees to behave in an ethical manner. It implements initiatives aimed at consolidating prevention methods and avoiding any infractions or non-compliance in this area (Hervé Canneva),
- Corporate Secretarial Services for Capgemini Service, the entity managing Capgemini holding company activities both with respect to its operation and the management of Group managers and related share capital incentive programs. Duties also encompass the supervision of the companies comprising the Group's real estate assets, the head office premises and the Fontaines domain in Gouvieux (Jacques Collin),
- Management of the control process for risks presented by certain business proposals also falls within his remit.

The Global Sales and Portfolio Department

Headed by Paul Nannetti, this department encompasses:

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

The Development Department

Headed by Pierre-Yves Cros, this department encompasses, in particular, Strategy and investment and divestment transactions and is primarily tasked with fostering deliberations on strategic issues by Group Management, the Board of Directors, its Chairman and the Strategy & Investment Committee. To this end, it maintains close relations with leading firms specializing in analyzing the market and trends therein. It investigates acquisitions and divestments in close conjunction with the Finance Department.

The Production / Methods and Support Department

Headed by François Hucher, this department is tasked with designing and disseminating prevailing methodologies within the Group, certifying certain categories of employee (project leaders, architects, etc.) and performing audits of risk-sensitive projects conducted by specialized teams known as "flying squads". It leads and supervises the various production industrialization programs undertaken by the strategic business units and particularly the "Lean" program for permanent improvements in productivity and quality.

Group Resources Department

Headed by Aymar de Lencquesaing, this department is responsible for common resources of the Group, whether its most valuable asset, human resources, or intellectual capacity, intellectual property, production capacity in India or shared services.

In this respect, it is responsible for:

- enhancing Group offerings, selecting investments in the "solutions" sector and implementing our intellectual property policy,
- the Human Resources Department, which is tasked with coordinating policies that fall within its remit implemented by the Group's subsidiaries, in particular career management and employee retention policies for high potential managers (Jeremy Roffe-Vidal),
- the supervision of operations in India,
- coordinating the implementation of shares services to provide support functions.

The Marketing and Communications Department

This department is responsible for the Group's internal and external communication and is tasked with coordinating actions implemented in this area by operating subsidiaries as well as their marketing deliberations and initiatives and proposing a selection of "sponsoring" choices. It is headed by Philippe Grangeon, who is also responsible for Capgemini University, which is tasked with providing Group managers and employees with the additional training they require (in new technologies and commercial functions, large-scale project management skills, personal leadership skills development, etc.) and also forms a natural and convivial platform for exchange for all Group members (Steven Smith).

The Internal Audit Department

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

2.2.2 Transactions carried out by members of the Board of Directors and other Senior Managers involving Cap Gemini shares

Transactions carried out in 2012 and by directors and senior managers involving the Company's shares, based on AMF disclosures and Article 223-26 of the AMF's General Regulations, may be summarized as follows: Serge Kampf (Vice-Chairman of the Board of Directors) performed three sales transactions of 100,000 shares each on August 1, 2012, September 7, 2012 and December 10, 2012 at a unit share price of €29.67, €31.53 and €33, respectively.

2.3 COMPENSATION OF CORPORATE OFFICERS

2.3.1 Compensation of the two executive corporate officers

Gross amounts	Total 2010 (Reminder)	Compensation in respect of 2011 Paid in 2011	Paid in 2012	Total 2011	Compensation in respect of 2012 Paid in 2012 (5 months)	Paid in 2013	Total 2012
Serge Kampf: Chairman until May 24th 2012							
Gross fixed compensation	960,000	960,000	-	960,000	400,000	-	400,000
Variable compensation	-	-	-	-	-	-	-
Exceptional compensation	-	-	-	-	-	-	-
Attendance fees	-	-	-	-	-	-	-
Benefits in kind*	-	-	-	-	-	-	-
Value of options granted	-	-	-	-	-	-	-
Value of performance shares granted	-	-	-	-	-	-	-
TOTAL	**960,000**	**960,000**	**-**	**960,000**	**400,000**	**-**	**400,000**
Paul Hermelin: Chief Executive Officer then Chairman as of May 24th 2012	**Total 2010 (Reminder)**	**Paid in 2011**	**Paid in 2012**	**Total 2011**	**Paid in 2012**	**Paid in 2013**	**Total 2012**
Gross fixed compensation	1,320,000	1,320,000	-	1,320,000	1,320,000	-	1,320,000
Variable compensation	834,680	-	864,000	864,000	-	929,100	929,100
Exceptional compensation	-	-	-	-	-	-	-
Attendance fees	-	-	-	-	-	-	-
Benefits in kind*	3,600	3,600	-	3,600	3,600	-	3,600
Value of options granted	-	-	-	-	-	-	-
Value of performance shares granted	-	-	-	-	808,866	-	808,866
TOTAL	**2,158,280**	**1,323,600**	**864,000**	**2,187,600**	**1,323,600**	**929,100**	**3,061,566**

* *Serge Kampf and Paul Hermelin did not receive any benefits in kind in 2012, with the sole exception of contributions paid by the Company for Paul Hermelin's unemployment insurance underwritten by the "Garantie Sociale des Chefs d'Entreprise" of €3,600.*

2012 COMPENSATION OF SERGE KAMPF, CHAIRMAN OF THE BOARD OF DIRECTORS UP TO MAY 24, 2012

It was at the proposal of Mr. Serge Kampf himself, that the Board of Directors set his 2010 compensation at €960,000, equal to the fixed only portion of his 2009 compensation. This compensation was maintained at the same level in subsequent years. The Board of Directors also took due note of Serge Kampf's decision to waive his right to collect attendance fees as Chairman of the Board of Directors of Cap Gemini S.A. and Chairman of the Ethics & Governance Committee in respect of 2012, as he did for the last three years.

Finally, it should be highlighted that since 1988 and for the 24th year in a raw, Serge Kampf decided not to ask the Company to reimburse the expenses he incurred in the performance of his duties (business travel, entertainment, etc.), with the exception of TGV train travel between Paris and Grenoble, the historical headquarters of Cap Gemini.

2012 COMPENSATION OF PAUL HERMELIN, CHIEF EXECUTIVE OFFICER UP TO MAY 24, 2012 AND CHAIRMAN AND CHIEF EXECUTIVE OFFICER FROM THIS DATE

After noting that Paul Hermelin's compensation comprises – as does that of all Group managers – fixed compensation equal to 60% of the total theoretical amount and variable compensation (40% of the total theoretical amount) based 50% (V1 component) on a comparison of actual audited and budgeted Group consolidated results and 50% (V2 component) on the attainment of a certain number of personal strategic and operational objectives set at the beginning of the fiscal year, the Board of Directors:

- verified that for Paul Hermelin, as for the other key managers of the Group, V1 is – for fiscal year 2012 – equal to 107.16% of its theoretical value,

- validated the Selection & Compensation Committee's appraisal of the degree of attainment of each of the personal objectives set for fiscal year 2012, resulting in a total mark awarded of 104 (out of a theoretical total of 100).

Paul Hermelin's actual compensation for fiscal year 2012 therefore breaks down as follows:

- fixed compensation of €1,320,000 paid in 12 monthly payments of €110,000 each,
- V1 compensation of €471,500 equal to 107.16% of theoretical V1 compensation (€440,000),
- V2 compensation of €457,600, equal to 104% of theoretical V2 compensation (€440,000),

  representing total actual compensation of €2,249,100, up 3% on his 2011 actual compensation (€2,187,600).

In addition, on December 12, 2012, the Board of Directors granted Paul Hermelin entitlement to a maximum of 50,000 performance shares. It notes in this respect that the last grant performed in March 2009 concerned the same number of shares and that – based on the performance condition calculation – only 25,000 shares definitively vested in March 2011 (i.e. 50% of the initial grant). It should also be noted that Paul Hermelin is required to hold all shares of this nature granted to him until the expiry of his term of office as corporate officer and at least four years. The unit value of shares granted was calculated in accordance with IFRS 2 (€16.18 per share) and the performance conditions applicable to these shares are detailed in Section 4.4 on pages 183 *et seq.*

Finally, the Board of Directors took due note of Paul Hermelin's decision to waive his right to collect attendance fees as a Director of Cap Gemini S.A. in respect of 2012, as Serge Kampf and he did for the last three years.

2013 COMPENSATION OF PAUL HERMELIN

When setting the amount of this compensation for fiscal year 2013, the Selection & Compensation Committee proposed to the Board of Directors to take account of the fact that in addition to his duties as Chief Executive Officer, Paul Hermelin assumes the duties of Chairman of the Board of Directors since May 24, 2012. It also reminded the Board that as early as 2008, Paul Hermelin requested that his compensation remain unchanged until an improvement in the economic environment. Taking account of these recommendations, the Board of Directors decided to increase his theoretical compensation for fiscal year 2013 from €2,200,000 to €2,420,000 (+10%), still consisting of fixed compensation equal to 60% of the theoretical total (€1,452,000 paid in 12 monthly payments of €121,000 each) and variable compensation equal to 40% of the theoretical total (€968,000).

EMPLOYMENT CONTRACT OF EXECUTIVE CORPORATE OFFICERS

Serge Kampf, founder, Chairman and corporate officer of the Group for 45 years, has never had an employment contract.

With regards to Paul Hermelin, the Board reminds readers that his employment contract is suspended in its entirety since May 24, 1996 (date from which he exercised his first term of office as a member of the Management Board), but that if was decided in 2009, upon a recommendation by the Selection & Compensation Committee, to maintain jointly his term as corporate officer and his employment contract. This decision was based on the desire to maintain for this executive corporate officer his entitlement to pension benefits, given his seniority in the Group (20 years at March 1, 2013) and the services he has rendered to the Company and was in no way motivated by a desire to maintain for his benefit any entitlement to a severance pay provision stipulated in his employment contract (his contract does not contain any such provision), the Chief Executive Officer not enjoying any specific compensation clause in the event of his early departure at the initiative of the Board of Directors. In keeping with this measure, 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: employment contracts and deferred compensation	Employment contract	Supplementary pension scheme (see below)	Indemnities and benefits following appointment, termination or change in function	Indemnities in respect of non-compete clause
Serge Kampf – Chairman of the Board of Directors up to May 24, 2012	No	Yes	No	No
Paul Hermelin – Chief Executive Officer up to May 24, 2012 and Chairman and Chief Executive Officer thereafter	Yes	Yes	No	No

OTHER COMPENSATION

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

With regard to Serge Kampf, readers are reminded that he has long exercised – in addition to his duties as Chairman of Cap Gemini S.A. – and still exercises, several other duties within the Group: accordingly he is Chairman (since its creation in 1993) of Capgemini Service, an inter-company service company which groups together and manages a large part of Group top management and whose role is to provide services and assistance to all operating companies of the Group (commercial development, financial and legal assistance, external growth, human resource management, consistency in commercial relations with major clients, communication, etc.), as well as Chairman of Capgemini Switzerland for over 45 years (i.e. since the creation in 1968 of this the Group's first subsidiary), Director of Capgemini North America Inc. (USA) and sole partner of SCI Paris Etoile. He received total compensation of €560,000 in respect of these duties for the period June to December 2012.

2.3.2 Paul Hermelin, Chairman and Chief Executive Officer, compensation policy

In a drive for increased transparency, Cap Gemini decided to further improve in this Registration Document the information already disclosed in the Management report on the procedures for setting the compensation of Paul Hermelin, Chairman and Chief Executive Officer.

The following paragraphs comply with the recommendations of the AFEP/MEDEF Code and supplement such information.

The components and procedures for setting Paul Hermelin's compensation integrate the recommendations of the AFEP/MEDEF code, whether with respect to the fixed and variable portions, performance share grants and other share-based incentive schemes or the supplementary pension scheme. The latter is also described in full in the Management report (see above); the inclusion of Paul Hermelin in the supplementary collective defined benefit pension scheme was approved by the Combined Shareholders' Meeting of April 26, 2007.

Paul Hermelin does not receive any benefits in kind, nor enjoy any termination compensation or non-compete clauses. He has waived his right to receive attendance fees since fiscal year 2009.

PROCEDURES FOR SETTING HIS COMPENSATION

The procedures for setting Paul Hermelin's compensation for year N is decided by the Board of Directors' meeting of year N held to approve the financial statements for year N-1 at the recommendation of the Selection & Compensation Committee, which comprises only independent directors and the director representing employee shareholders. Committee recommendations take account of executive management compensation levels and components in leading French and foreign companies in the IT services and consulting sector (and CAC 40 companies).

As disclosed in the Management report (see § 2.3.1) Paul Hermelin's compensation comprises - as does that of all Group managers - fixed compensation equal to 60% of the total theoretical amount if objectives are achieved and variable compensation equal to 40% of this total theoretical amount.

Overall, the Board of Directors:

- decides the fixed compensation for year N,
- decides the "theoretical" variable compensation comprising two components tied to performance indicators and Group results (V1) and based on the attainment of personal objectives by Paul Hermelin (V2),
- decides the company internal performance indicators and the weighting applicable to each indicator. The percentage attainment of these indicators is based on the ratio of actual audited to budgeted consolidated Group results and determines the actual level of V1 compensation,
- decides the personal strategic and operational objectives underlying V2 compensation and their weighting.

Actual variable compensation may vary between nil and twice the theoretical amount.

The percentage attainment of objectives and the amount of variable compensation are decided by the Board of Directors' meeting held to approve the financial statements for fiscal year N meeting in N+1, at the recommendation of the Selection & Compensation Committee. The Committee meets shortly before the Board of Directors' meeting and examines the percentage attainment by Paul Hermelin of his objectives.

Paul Hermelin's fixed compensation is paid in twelve equal monthly installments in fiscal year N.

His variable compensation is paid after the Board of Directors' meeting that approves the financial statements for fiscal year N underlying the calculation of the variable compensation and that decides the percentage attainment of the objectives set. Payment generally takes place in March of fiscal year N+1.

CAP GEMINI SHARE-BASED INCENTIVE POLICY

The company intends to continue its current share grant policy in fiscal year 2013 and beyond, that is:

- the grant of performance shares or equivalent share capital incentive instruments based on Cap Gemini results and the involvement of its main executive,
- the non-systematic grant of shares depending on the year, it being noted that Paul Hermelin did not receive any performance shares in 2010 or 2011,
- the grant of shares to Paul Hermelin at a rate below that authorized by the Combined Shareholders' Meeting in favor of executive corporate officers, it being noted that the Combined Shareholders' Meeting of May 24, 2012 authorized the grant to executive corporate officers of 10% of the 1.5% of share capital authorized for all beneficiaries. Performance shares granted to Paul Hermelin on December 12, 2012 represented 2.06% of the total amount authorized by the Combined Shareholders' Meeting of May 24, 2012 and 4.9% of the total grant to all beneficiaries,
- the grant of shares subject to the same performance conditions as those granted to other executive and employee beneficiaries of the Group.

Paul Hermelin must hold all performance shares vested under the 2009 and 2012 plans until the later of the end of the mandatory two-year (2009 plan) or four-year (2012 plan) lock-in period and the expiry of his term as corporate officer.

2013 COMPENSATION OF PAUL HERMELIN

As indicated above in section 2.3.1, the fixed compensation of Paul Hermelin in respect of fiscal year 2013 was set at €1,452,000.

Variable compensation is comprised for 50% of V1 compensation and for 50% of V2 compensation, as defined above. The target variable compensation for 2013 was set at €968,000.

The operating indicators adopted for 2013 V1 compensation are:

- revenues,
- operating margin [(1)],
- net income,
- free cash-flow.

The personal strategic objectives adopted for 2013 V2 compensation are:

- the sustainable performance of the Group,
- the attainment of mid-term strategic objectives,
- further improvements to the governance of the Company, now reunified, and the functioning of management teams.

Paul Hermelin's theoretical or target compensation for 2013 is therefore €2,420,000, up 10% on 2012. The decision to increase Paul Hermelin's compensation was taken by the Board of Directors this year taking account, firstly, of the fact that his theoretical compensation has not changed since 2008, secondly, of the change in Group structure and, finally, of his wider responsibilities.

As in previous years, the Board of Directors will report on its assessment of Paul Hermelin's results and the percentage attainment of his 2013 objectives following the Board of Directors' Meeting held to approve the 2013 financial statements. As indicated above, its decision will be taken after hearing the recommendation of the Selection & Compensation Committee.

(1) Since 2012, the published operating margin is the operating margin before amortization of intangible assets recognized in business combinations.

2.3.3 Attendance fees and other compensation received by corporate officers

Readers are reminded that Serge Kampf and Paul Hermelin voluntary waived their right to collect attendance fees as Directors of Cap Gemini S.A. in respect of 2012 (in the same way as for the last three years).

in euros	Amount awarded in respect of 2011	Amount awarded in respect of 2012
Serge KAMPF	0	0
Daniel BERNARD	57,000	60,000
Yann DELABRIERE	66,000	69,000
Laurence DORS	45,000	48,000
Paul HERMELIN	0	0
Michel JALABERT	72,000	54,000
Phil LASKAWY *	48,000	51,000
Bernard LIAUTAUD *	60,000	60,000
Thierry de MONTBRIAL	51,000	48,000
Ruud van OMMEREN *	69,000	69,000
Terry OZAN *	51,000	48,000
Pierre PRINGUET	57,000	72,000
Bruno ROGER	57,000	60,000
Lucia SINAPI-THOMAS	n/a	28,500
TOTAL	**633,000**	**667,500**

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

The twelve non-executive corporate officers received no additional compensation other than the attendance fees indicated above, with the exception of Lucia Sinapi-Thomas who represents employee shareholders. Lucia Sinapi-Thomas holds an employment contract in respect of her functions in the Group Finance Department and receives compensation in this respect that is unrelated to her corporate office in the Company.

The Board of Directors decided to continue paying the two non-voting directors the same attendance fees as the directors in respect of the first five-months of 2012 (the Combined Shareholders' Meeting of May 24, 2012 decided not to renew their term of office), as in previous years. They therefore received the following compensation in respect of the last two years:

in euros	2011	2012
Pierre HESSLER	46,000	23,000
Geoff UNWIN *	43,000	20,000
TOTAL	**89,000**	**43,000**

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

Attendance fees paid to directors and non-voting directors for 2012 therefore amount to €667,500 + €43,000 = €710,500 (or €629,850 after deduction of withholding tax on the amounts paid to non-resident beneficiaries).

The rules governing the allocation of these attendance fees are presented in section 2.1.5.

2.3.4 Stock subscription options, stock purchase options and performance shares

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

Stock options granted during the year to each executive corporate officer	Plan date and number	Number and type (purchase or subscription) of options granted during the year	Value of options calculated using the method adopted in the consolidated financial statements	Strike price	Exercise period
Serge KAMPF	n/a	n/a	n/a	n/a	n/a
Paul HERMELIN	n/a	n/a	n/a	n/a	n/a

Performance shares * granted during the year to each executive corporate officer by Cap Gemini S.A. and/or any other Group company	Plan date and number	Theoretical maximum number of shares granted during the year	Value of shares calculated using the method adopted in the consolidated financial statements	Potential vesting date	Potential availability date
Serge KAMPF	n/a	n/a	n/a	n/a	n/a
Paul HERMELIN	3rd Plan	50,000	808,866	01/01/2015	Later of the end of his term of office and 01/01/2019

* *A detailed description of performance shares is presented in section 4.4 on pages 183 et seq. of the Registration Document.*

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

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

It should be noted that:

- Serge Kampf has never been awarded (and has never requested) any stock options or performance shares,
- as Paul Hermelin was not granted any performance shares in 2010 or 2011, no shares vested in 2012.

HISTORICAL INFORMATION CONCERNING STOCK OPTIONS GRANTED TO CORPORATE OFFICERS

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

* *Complete historical information on stock options granted and still available for exercise is provided on pages 183 to 186 of the Registration Document.*

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

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

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

Performance shares granted/vested to the ten employees (non-corporate officers) having received the greatest number of shares	Total number of shares vested / granted	Plan number
Performance shares granted during the year by Cap Gemini to the ten employees of all eligible companies having received the greatest number of shares	165,000	3rd Performance share plan
Shares available (held previously on Cap Gemini) to the ten Group employees holding the greatest number of vested shares	106,175	2nd Performance share plan

2.4 INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

The implementation of systems and procedures contributing to strengthening the uniformity of processes within the Group continued in 2012.

Among these measures, the following may be highlighted:

- the update of the Blue Book (manual of rules and procedures),
- the launch of the roll-out of a global application for human resource management (excluding recruitment) to focus the Group on systems, procedures and expectations defined centrally,
- finally, the continued transformation of the finance function with:
  - the roll-out of a single integrated management system,
  - the transfer of subsidiary accounting services to shared service centers.

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

Objectives and means

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

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

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

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

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

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

For over 30 years, the Capgemini Group has had a central Internal Audit function. Its Director, Philippe Christelle (see Section 2.2.1), reports directly to the Chairman and Chief Executive Officer, guaranteeing the independence of the internal audit function with respect to the functions and business units audited. The internal audit team comprises 26 auditors, representing 10 different nationalities and covering 92% of the languages spoken locally in the Group. This significant internationalization of the internal audit team reflects the desire to accompany the expansion of the Group into new regions of the world; the internal audit department also has a Bombay desk, created four years ago, with nine auditors including two technical experts specializing in the review of IT projects. The Internal Audit department is tasked with:

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

Each Strategic Business Unit is audited in line with a bi-annual program that the Chairman and Chief Executive Officer has the power to modify in the event of a contingency (delays and irregularities, major divergence from budgetary commitments, etc.). During 2012, the Internal Audit Department performed:

- 59 audits of units belonging to all Group Strategic Business Units, with each audit involving on average 33 days in the field and concluding with the issue of an action plan that management of the unit audited undertook to implement as quickly as possible in order to improve or correct the points identified by the audit. The Internal Audit Department uses a tool enabling it to monitor real-time the implementation of recommendations following the audit, focusing particularly on priority actions,
- 2 special assignments for Group Management,
- 3 due diligence assignments, that is, a prior audit of a company that the Group intends to acquire. Since 2012, the Group Internal Audit Department is directly responsible for coordinating, with the Group's Chief Ethics and Compliance Officer, the ethics phase of due diligence assignments. These reviews involve an examination, from an ethical stance, of commercial, environmental, social, employer and buyer practices within the target company in order to ensure, in particular, their compatibility with Capgemini Group expectations.

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

- to the Audit Committee, a comprehensive report on the department's work (particularly regarding internal control efficiency and risk management in the preparation and processing of financial and accounting information),
- to the Ethics & Governance Committee, a specific report on compliance with the Group's Code of Business Ethics,
- finally, the Internal Audit Department may at any moment draw up a special report for presentation to the Chairman and Chief Executive Officer on any matter that it considers should be brought to his attention.

General principles

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

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

  This process has been formalized in an authorization matrix which requires both prior consultation and the provision of sufficient information to the parties involved. Recommendations submitted to the final decision-maker must include the views of all interested parties as well as an objective assessment of the advantages and drawbacks of each of the possible solutions,
- the framework of general policies and procedures: the Blue Book sets out the main principles and basic guidelines underpinning the Group's internal control procedures, and covers specific issues relating to the following areas:
  - the Group's organization and corporate governance scenarios as well as authorization guidelines,
  - sales policy,
  - contractual engagement guidelines,
  - service production,
  - finance function organization and procedures,
  - human resources management,
  - external communications,
  - business knowledge management, sharing and protection,
  - information systems,
  - procurement organization and controls,
  - environmental protection guidelines.

Operational risk and management procedures

ACTIVITY-RELATED RISK MANAGEMENT

Project risk

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

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

Pre-sale risk controls

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

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

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

Production and quality control

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

- clear definition of the roles and responsibilities of each individual regarding execution and supervision throughout the entire production process, in particular as regards the choice of project leader, client relationship management, billing, estimation of costs to completion, joint oversight arrangements with the client, etc.,
- use of proprietary production methodologies in all of the Business Units,
- global access to the expertise available through Capgemini's Applications Development Centers,
- monthly Group-wide identification of all risk-sensitive projects in the execution phase, and the implementation of action plans aimed at eliminating or containing such risks,
- commissioning independent technical audits of the teams in charge of a given project to identify additional risks in cases where actual performance appears to diverge from forecasts or from commitments undertaken. These engagements are carried out by the Production/Methods and Support Department, and complement the upstream independent technical audits carried out by the Business Units as a preventative measure for operational risks.

Business control

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

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

Reputation risk

Compliance with clear principles of business ethics is firmly embedded in Capgemini's culture. On its creation in 1967, the Group identified seven core values which form the keystone of its identity. Today, each of the 125,000 managers and employees continue to refer to these values and have committed to applying them personally on a daily basis and ensuring their compliance by individuals in their business unit or who participate on joint projects. From this point of view, the Code of Business Ethics issued in 2010 represents the continuation and formal documentation of cultural reflexes already firmly embedded in Capgemini. A specific policy dealing with the prevention of corruption was distributed within the Group in 2011, followed by a second in 2012 covering anti-trust legislation. All new recruits undertake to comply with the principles explained in these two policies and follow an e-learning training course thereon.

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

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

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

Human resources risk

The Group pays very close attention to the quality of its human resource management and employee commitment. Accordingly, an internal survey is conducted each year aimed at measuring commitment and expectations among the Group's 125,000 employees. This survey is an appraisal tool and action plans are established based on identified results.

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

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

Management information systems risk

While the Group is not highly dependent on its management information systems in the course of its business, it has nevertheless implemented business continuity procedures in the event of a disruption to IT services. The Group has drawn up an IT infrastructure security policy and the main management IT systems are covered by a back-up plan at a second datacenter. The security policy and the back-up plans are verified periodically.

Production security risk

Production systems and services provided by the Group to its subsidiaries are duplicated and covered by back-up plans that are tested periodically.

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 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.

Communication (email) and collaborative systems are covered by a redundant architecture at two datacenters ensuring service continuity.

Business continuity and resumption plans in the event of a disruption to the specific IT infrastructures of a given center, client or contact are the responsibility of the Group subsidiaries:

Where required by specific contracts, a business continuity plan is prepared by selecting appropriate measures according to the criticality of the service. Reviews and simulations are performed in the subsidiary entities to test the efficiency of these plans. Certain of these entities have heightened security requirements reflecting client imperatives and they are consequently certified ISO 27001-compliant by an independent agency.

Environmental risk

As an intellectual service provider, Capgemini has little impact on the environment. The Group nonetheless strives to reduce its environmental footprint through a number of measures set out in theCapgemini, its value, employees and corporate social responsability Chapter (3.3.3 The Group and the Environment, page 95). The risks to which the Group is exposed in this respect are not considered material. The Group pays special attention to energy consumption, the management of its IT hardware and waste and has implemented specific action plans in these areas and particularly in the data processing centers. Measures to raise employee awareness and aimed at reducing business travel, though the use of internet and video technology, have been implemented.

Client risk

The Group is exposed to several types of client risk:

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

Supplier and subcontractor risk

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

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

Country risk

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

Acquisition risk

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

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

Economic climate risk

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

LEGAL RISK MANAGEMENT

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

Failure to comply with regulations governing our activities

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

Contractual risk

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

Compliance with legislation

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

Litigation risk

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

FINANCIAL RISK MANAGEMENT

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

Equity risk

The Cash surplus investment policy defined by the Group Finance Department and documented in the internal manual (Transform), prohibits all equity investments. The proper application of this policy is regularly controlled by internal and external auditors.

With a few exceptions, the Group holds the entire share capital of its subsidiaries and does not hold any listed equity investments.

Cap Gemini has a share buyback program authorized by its Shareholders' Meeting. Its implementation is authorized each year by the Board of Directors, which also approves each share buyback decision (outside the liquidity agreement, implementation of which is delegated and subject to a resource ceiling). The value of these shares is deducted directly from Group equity and fluctuations in the Cap Gemini share price do not impact its results.

Counterparty and credit risk

The investment policy authorizes the investment of cash surpluses in money market mutual funds (FCP and SICAV) satisfying the "monetary" classification criteria defined by the AMF and other types of investment (negotiable debt securities, term deposits, capitalization contracts) immediately available or with investments periods, potentially renewable, not exceeding 3 months, issued by companies or financial institutions with a good credit rating (minimum A2/P2 or equivalent). The Group also applies maximum concentration per counterparty rules.

The Group abides by similar risk quality/minimum rating and diversification rules when selecting counterparties for foreign currency and interest rate management hedging contracts.

Liquidity risk

The majority of Group financing is borne by the parent company and, as such, implementation of the finance policy is largely centralized. The Group adopts a prudent finance policy based primarily on:

- measured recourse to debt leverage, combined with limiting the grant of contractual provisions that could trigger the early repayment of borrowings,
- the maintenance of an adequate level of liquidity at all times,
- the active management of financial liability maturities, aimed at limiting the concentration of borrowing maturities,
- the diversification of financing sources, to limit dependence on certain categories of lenders.

Interest rate risk

As part of its financing policy, the Group seeks to restrict interest rate risk by opting for either fixed rates or capped floating rates.

The Group favors investments offering a high level of security and generally floating – rates and as such accepts – in the event of a fall in interest rates - the risk of a drop in returns from the investment of cash surpluses (and as such an increase in the finance cost differential).

Foreign currency risk

The Group implements a policy aimed at mitigating and managing foreign currency risk:

- production cost risks primarily concern internal flows with India and Poland; a hedging policy is defined by the Group and its implementation which is mainly centralized at Cap Gemini S.A. level primarily involves forward purchases and sales of currency,
- financial flows exchanged as part of inter-company financing activities primarily in Cap Gemini S.A. are mainly hedged (primarily using forward purchases and sales of currency),
- royalty flows payable to Cap Gemini S.A. by subsidiaries whose functional currency is not the euro are also generally hedged.

Employee-related liabilities

In conjunction with the Trustees, the Group strives to strengthen the governance and management resources of its main pension funds. The investment strategy of its main pension funds, encompassing the management of assets and liabilities, is reviewed annually and monitored periodically with the aim of reducing volatility, as much as economically possible and reasonable to do so. Increased life expectancy is taken into account as and when it is recognized by actuaries.

Group commitments in respect of pension shortfalls depend on local regulations. They are reviewed and negotiated with the Trustees approximately once every three years and give rise to payments spread over periods of 5 to 10 years.

RISK MANAGEMENT PROCEDURES CONCERNING THE PREPARATION AND PROCESSING OF FINANCIAL AND ACCOUNTING INFORMATION

Compliance with rules governing share trading

The Group requires all employees to refrain from carrying out any transactions involving the Company's shares during certain periods of the year. All Group employees are reminded of these restrictions in writing before the start of each such period.

Procedures concerning the preparation and processing of financial and accounting information

These procedures are used to ensure the application of and compliance with Group accounting rules relating to the preparation of budgets and forecasts, financial reporting, consolidation, management control and financial communications. During each accounts closing period, the Group Finance Department sends out a questionnaire to all subsidiaries dealing with the application of general internal control principles and procedures concerning the processing of reported financial and accounting information. These questionnaires are analyzed for any irregularities and corrective measures devised where appropriate.

a. Financial and accounting structure

The Group's financial functions are integrated into the operating structure, that is, both Business Units and countries. They have access to common resources encompassing accounting rules and procedures, information and management systems and share service centers. Each Business Unit has a dedicated financial controller (reporting to the corresponding Strategic Business Unit's financial controller) who is responsible for ensuring that the results of its activities are accurately reported in the accounts in accordance with Group accounting rules and methods. The financial controller verifies that services are correctly billed and paid for, checks profit estimates for ongoing projects and assesses their accounting impact, and ensures the quality of the information contained in the financial reports and accounting packages used as the basis for preparing the Group's consolidated financial statements. These Business Unit financial controllers report to the financial controller of the Strategic Business Unit, whose main responsibility is to ensure that financial and accounting information is reported to the parent company on a timely basis. Their direct superior is the Group Chief Financial Officer in order to safeguard the independence required when preparing accounting results. Operational control is, therefore, decentralized.

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

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

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

Furthermore, the Group has a single integrated management system (GFS), which continued to be rolled out in the Group's subsidiaries in several countries in 2012. Other major business units will migrate to this system in 2013. The desired uniformity of management systems is therefore a step closer, strengthening the control environment.

Finally, the shared service centers pool the accounting processing resources of the Group's subsidiaries. The main centers are located in Cracow (Poland) and Calcutta (India). The centralization of accounting processes was stepped up in 2012 and also contributed to increased uniformity within the Group.

b. Budgets, forecasting, financial reporting and consolidation

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

- budget and forecasting process: budgets form the basic building blocks in the management control process. They are debated and negotiated at length between the different Group Business Unit managers and their superiors, with each budgetary item decided based on past performance, the Group's chosen strategic priorities and available information concerning expected market trends. Group Management sets quantified targets for each geographic area, Strategic Business Unit and their component Business Units. The budget preparation process is a key moment in the relationship between the different levels of the Group's management and makes it possible to substantially link the variable portion of the compensation paid to Business Unit managers to the attainment of the budgetary targets of their Business Unit and the next level Business Unit to which they belong. A forecast operating income statement (for the current month, the following six months and the full year) is prepared monthly by each Business Unit manager. Variances from budget are analyzed so that any corrective action plans that may be needed can be drawn up as quickly as possible,
- operational reporting process: information reporting is structured by geographic area and business. This allows revenues and costs to be analyzed on a monthly basis both by type and function, and performance indicators to be updated and measured against budget (A/B), the latest forecasts (A/F) and prior-year figures (A/A). Balance sheet items are analyzed on a quarterly basis. A monthly management report is prepared for each Strategic Business Unit jointly by the manager and financial controller, and is submitted to Group Management for review. This report gives a detailed breakdown of actual performance, forecasts for the following six months and actions taken in the event of material variances between actual and budget figures. Reconciliations are performed systematically to ensure that financial information derived from the operational reporting system is consistent with the consolidated financial information provided by the legal entities within the Group,
- consolidation process: at each yearly or half-yearly closing, the scope of consolidation is updated at Group level by the Finance Department and validated by the Legal Affairs Department. Written instructions are issued providing the schedule for period-end tasks (particularly the reconciliation of inter-company transaction balances), highlighting current accounting issues requiring specific attention, and describing the control procedures applied during the preparation of the consolidated financial statements. The consolidation process is based on accounting packages by geographic area, which must be signed off by the person responsible for preparing them. Income statements, balance sheets and other key management indicators required for subsequent analysis are stored in a single database maintained at Group level. Access to this information system is strictly controlled.

c. Financial information

Controlling financial information: financial information and its communication are subject to specific controls at half-year and annual period ends. These include:

- a systematic review carried out with the assistance of the Legal Affairs Department of all material operations and transactions occurring during the period,
- a procedure to identify, collate and report off-balance sheet commitments and any other information liable to have significant repercussions on the financial position of the Group or one of its subsidiaries at the period-end,
- a review of the tax position of each of the Group's legal entities,
- a review of the value of intangible assets,
- a detailed analysis of the statement of cash flows.

The controls described above carried out by the Group Finance Department are supplemented by the work of two independent bodies tasked with carrying out checks on the internal control environment and verifying the quality of the financial statements: the Internal Audit department and the Statutory Auditors:

- Internal Audit: based on its program covering the Group's Business Units, drawn up in agreement with the Chairman and Chief Executive Officer (to who it reports directly), the Internal Audit department is responsible for carrying out controls to ensure that procedures relating to the safeguarding of assets, the valuation of work-in-progress, the actual amount of trade accounts receivable, and the proper recognition of liabilities, are applied in each Business Unit in accordance with the rules and methods established by the Group. In particular, the Internal Audit department is required to pay special attention to revenue recognition methods and to controlling the percentage of completion of projects, so as to ensure that these are accounted for on the basis of rigorous, up-to-date technical assessments. The Internal Audit brief also includes a review of the procedures and controls in place within the Business Unit to ensure the security and validity of transactions and accounting entries,
- the Statutory Auditors, who it need merely be noted here, carry out an ongoing review of internal control procedures with an impact on the preparation and quality of the financial statements as part of their audit engagement.

Communicating financial information: this is subject to rigorous internal control, with a particular focus on three key media used to report financial information:

- the half-year financial report and annual report,
- financial press releases,
- analyst and investor meetings.

The Annual Report has been the cornerstone of the Group's financial communications strategy for the past 38 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, of his honorary Chairman and vice-chaiman. All the sections of the Group's Annual Report are written internally by staff and managers of the Group who are each responsible for designing and setting out a chapter on their area of competence, within the general framework proposed by the Communications Department. The Registration Document, which is integrated in the Annual Report, combines all the information that must be provided pursuant to legal and regulatory requirements and is drawn up under the responsibility of the Finance Department.

Financial press releases are only published further to the formal validation of the Board of Directors or the Chairman and Chief Executive Officer, and they must therefore be submitted sufficiently in advance to allow time for such approval. Financial press releases are published outside the trading hours of the Paris stock exchange, except in exceptional circumstances.

Analyst and investor meetings are subject to specific preparation, and their content is presented to the Board of Directors prior to such meetings. This preparatory work is then used as a framework for comments and explanations provided by the Chairman and Chief Executive Officer, the Chief Financial Officer, or employees in charge of investor relations during the meetings.

2.5 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

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

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

To the Shareholders,

In our capacity as Statutory Auditors of Cap Gemini S.A., and in accordance with Article L.225-235 of the French Commercial Code (*Code de commerce*), we hereby report to you on the report prepared by the Chairman of your Company in accordance with Article L.225-37 of the French Commercial Code for the year ended December 31, 2012.

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

It is our responsibility:

- to report to you on the information set out in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information; and
- to attest that this report sets out the other information required by Article L.225-37 of the French Commercial Code, it being specified that it is not our responsibility to assess the fairness of this information.

We conducted our work in accordance with professional standards applicable in France.

INFORMATION CONCERNING THE INTERNAL CONTROL PROCEDURES RELATING TO THE PREPARATION AND PROCESSING OF FINANCIAL AND ACCOUNTING INFORMATION

The professional standards require that we perform procedures to assess the fairness of the information on internal control and risk management procedures relating to the preparation and processing of financial and accounting information set out in the Chairman's report. These procedures mainly consisted of:

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

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

OTHER INFORMATION

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

The Statutory Auditors

Neuilly-sur-Seine, February 22, 2013 PricewaterhouseCoopers Audit	Paris La Défense, February 22, 2013 KPMG Audit Division of KPMG S.A.

Serge Villepelet Partner	Edouard Sattler Partner	Jean-Luc Decornoy Partner	Jacques Pierre Partner

Capgemini, its values, employees and corporate social responsibility

3

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For Capgemini the principles of Corporate Social Responsibility (CSR) & Sustainability extends beyond legal compliance and philanthropy. Hence our focus has been on embedding them into our business strategy, our processes and our daily way of working. They are no longer specialist or peripheral activities, but rather a real requirement for all leaders and businesses. These principles, grounded in the Group's shared values, have been encapsulated in our Code of Business Ethics and guide our relationships with our stakeholders, our communities, our environments and the over 40 countries in which we have offices.

Paul Hermelin called for the Group to show its passion and energy as well as its intellectual capability. He refers to this "fighting spirit" as *"la niaque*" and calls for a culture that reflects our values and history, respects our people, acknowledges performance, and inspires energy and ambition.

This approach to CSR & Sustainability contributes to Capgemini's potential to succeed and achieve this ambition. The Ethics & Compliance program contributes to attracting, developing and retaining the best people. The Annual Employee Survey shows that the employees' commitment is strongly linked to the belonging to a group with an ethical culture. Achieving commitment and creating an ethical environment lead the strengthening of our reputation, win business and to take our place in the "Champions League" i.e. amongst the leaders of our industry.

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

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

1. **Leadership, Values & Ethics:** The way we lead, work, and behave. We embrace the seven core Values of Honesty, Boldness, Trust, Freedom, Team Spirit/Solidarity, Modesty and Fun. We maintain a strong Code of Business Ethics, an Anti-corruption Policy and a Competition Laws Policy both underpin all of our business practices.
2. **Our employees and our workplace:** We are committed to being a responsible employer and an employer of choice. We strive to ensure that both the physical working environment and our business practices comply with safety regulations and allow our employees 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 employees as individuals. At Capgemini, being treated and treating others with respect and courtesy is a right and a duty for everyone. We believe that effective communication is a prerequisite for an open and inclusive culture.
3. **Our clients:** The way we collaborate with our clients. We aim to understand their real business needs and are dedicated to delivering profitable and sustainable growth by working together with our clients to deliver added value through our expertise and behavior. We take customer dialog and feedback very seriously. CSR, Green IT, and Sustainability considerations are integrated into our service offerings.
4. **Communities.** The way we build a positive impact in the communities in which we work, live, and want to make a difference. As a major global employer, we work on national and international levels with local authorities and associations on different themes. We encourage the active involvement of our employees in community development
5. **Suppliers & Partners.** We are committed to follow reliable and sustainable procurement principles with our suppliers. We expect our suppliers to fully comply with the country laws. We work with business partners to bring added value to our clients, and expect our partners to strictly comply with the law.
6. **The environment.** The way we are recognized for our impact on the environment. We strive to measure and reduce any negative environmental impact from the Group's business activities. These include: greenhouse gas emissions; energy consumption in our offices, data centers and business travel; waste created by our operations; and our procurement activities. We endeavor to raise employee awareness on the critical issues of sustainable development.

More information on the Group's six pillars can be found at:

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

3.1 ETHICS

Our Ethics & Compliance Program was launched in 2009 by the Group Board of Directors. This program is based on the culture of ethics which has been a core part of the Group since its creation in 1967. As part of this program, a network of Ethics and Compliance Officers was set up, and a Code of Business Ethics, an Anti-corruption Policy and a Competition Laws Policy have been launched to reassert its values in every country in which it operates. Since, all new recruits are expected to undertake to comply with the principles of these "three basic foundations", and follow an e-learning tuition on each.

Group fundamentals, guidelines and policies: the blue book

In our largely decentralized and entrepreneurial organization, it is essential to have a set of common guidelines, procedures and policies which govern our daily operations. The company confidential Blue Book, so-called on account of its color, was created in 1989. It provides a shared global reference tool which enables each employee and Company service or department to work effectively and maintain unity.

The Blue Book contains:

- Group fundamentals – Group mission & expertise, fundamental objectives, Values, Code of Business Ethics, and collaboration principles,
- Group governance and organization,
- Authorization processes,
- Sales and delivery rules and guidelines,
- Business risk management, pricing, contracting and legal requirements,
- Finance, merger, acquisitions, disposals and insurance rules and guidelines,
- Human resources policies,
- Marketing and communications, knowledge management and Group IT,
- Procurement policies, including ethical purchasing and supplier selection,
- Environment and community policies.

All businesses must ember these policies, procedures and guidelines as a minimum in their local policies, procedures and guidelines while at the same time adhering to local legal requirements and specificities. Compliance with these guidelines forms a part of our Internal Audit process. The Group Blue Book is reviewed on a regular basis and updated to reflect changes and increased focus on CSR & sustainability. Its update in 2012 allows us to incorporate our Code of Business Ethics and reinforce Group governance. The Blue Book is available to all employees on our intranet.

Business ethics

Grounded in our seven core Values, Capgemini's CSR & Sustainability principles guide all our relationships with stakeholders and the communities and environment in which we operate. Of our six pillars, Leadership, Values & Ethics rank amongst the most important.

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

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

The objectives of the program are to:

- develop a sustainable ethical culture, which reinforces integrity and leads to ethical behavior,
- strengthen knowledge and awareness of international regulations, national laws and internal policies applicable in the Group companies, and
- implement initiatives reinforcing prevention and aiming at avoiding misconduct and breaches in the field of ethics and compliance.

Ethics & compliance organization and network

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

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

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

Ethics & compliance program in 2012

THE CODE OF BUSINESS ETHICS

Encapsulating our long-term ethical culture, the Code of Business Ethics released in 2010 is available in 13 languages. It received the collective and individual support of the members of the Board, the Group Executive Committee and the "Vice-Presidents" community.

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

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

At the end of 2012, more than 77,000 employees had followed the related e-learning module, available in four languages. This represented more than 61% of the Group's employees at end-2012.

In addition, all new employees are expected to undertake to comply with the principles set out in the Code of Business Ethics and to complete the related e-learning module.

SPECIFIC POLICIES

Group Anti-corruption Policy

In 2011, the Group distributed a specific policy concerning the prevention of corruption, available in eight languages. At the end of 2012, more than 73,000 ☑ employees had followed the related e-learning module, available in four languages. This represented more than 58% of the Group's employees at end-2012.

In addition, all new employees are expected to undertake to comply with the principles set out in the Group Anti-corruption Policy and to complete the related e-learning module.

Group Competition Laws Policy

In September 2012, the Group distributed a specific policy concerning the competition laws, available in eight languages. At the end of 2012, i.e. 3 months after, more than 12,000 employees had followed the related e-learning module.

In 2013, all new employees will be expected to undertake to comply with the principles set out in the Group Competition Laws Policy and to complete the related e-learning module.

A dedicated procedure for requesting advice and guidance and to raise a concern

The Code of Business Ethics provides that anyone faced with a question or issue involving ethics or compliance should discuss it first with his/her local management team. If the issue is not resolved by the management, or if the employee is not comfortable discussing the matter with the management team or if other procedures for dealing with individual grievances and complaints are not applicable, the employee may use the Raising Concern Procedure (RCP) and seek advice and guidance from or report concerns on ethics and compliance issues to the local General Counsel – Ethics & Compliance Officer (GC-ECO); and/or even directly to the Chief Ethics & Compliance Officer (CECO) in Paris. At the end of 2012 the RCP is currently in operation on a case-by-case basis in more than 35 countries where the Group operates, in accordance with the applicable legislation.

International laws and voluntary codes

As a basic rule, we respect international, national and local laws and regulations in the countries in which we work and undertake all necessary commitments to adhere to them. For Capgemini the principles of CSR & Sustainability extend beyond strict legal compliance. We support and adhere to international laws and standards, such as:

- the principles of the 1948 Universal Declaration of Human Rights and refuses the use of forced labor and child labor,
- the principles of the fundamental conventions on labor standards of the International Labour Organization,
- the OECD guidelines for Multinational Enterprises,
- the Principles of the UN Global Compact Program and has signed up the UN Global Compact "Caring for climate" initiative.

3.2 OUR PEOPLE, A KEY GROUP ASSET

3.2.1 Methodology-perimeter and themes

Three sources of information are available to provide the HR and Social data in the Group and are used in this report:

- The Group financial reporting tool, including data reported monthly or quarterly using common indicators such as total headcount and its movements (hires/acquisitions/departures/attrition rate). The coverage for these data is Group wide.
- An internal Business Intelligence (BI) tool, which is interfaced with most local HR systems. It provides monthly statistics on seniority, age range, gender, grading whenever legal. 96% of the Group is connected to this tool.
- An ad-hoc questionnaire collecting social and community indicators, which are either more qualitative or only needed annually.

Consistency checks and trends are performed to ensure quality of data and in case of doubt or inaccuracies, corresponding data are excluded. The coverage percentage which is indicated for each indicator reported there-after, only includes data deemed relevant and appropriate. All the social themes of the Article R225-105-1 of the French Commercial Code are covered in this report as, based on our analysis they were all declared relevant for our business.

3.2.2 A moving social environment

STRATEGIC DIRECTIONS AND RISK FACTORS

Our Group Human Resources (HR) priorities seek continuous improvement in the recruitment, appraisal, development, and promotion process:

The Human Resources Department continues to improve contribution:

- giving Managers the means to properly career manage their employees,
- giving Employees the means to perform and further develop,
- we progressively build an Employee Self-Service to support increased mobility, virtual working and human relations,
- improving employee safety, especially during business trips.

Capgemini hires around 30,000 new employees year on year:

- every recruitment is carefully reviewed to ensure a cultural fit with the group values and right skills,
- overall, we ensure gender diversity in the external recruitment and internal promotion processes, while reflecting the characteristics of our local communities,
- we continue our policy regarding the employment of people with a disability,
- more than 40% of our hires are “freshers”. We therefore continue to strengthen our partnerships with major business schools and universities worldwide to facilitate the integration of young graduates. Our employees are appraised by our clients and developed through a competency and career framework governed by the Capgemini University,
- every employee is part of a competency and career framework. His and her skills are assessed against technological changes and Company’s business objectives,
- personal ambition is equally important in the definition of a career path while ensuring that discussions are open and fair,
- all employees have access to a wide range of training to enable their professional development,
- group University, available on three continents (Les Fontaines in France, Hyderabad in India and Chicago in North America) ensures that every year over 4.2 million hours of training are delivered to our employees world-wide. All training programs are aligned to new technologies, client requirements and employee needs,
- to improve access to learning, we accelerate our efforts in virtual programs and e-learning modules.

Capgemini is favoring the mobility of talent at local and global levels.

- Year-on-year, over 20,000 employees work on international assignments.

Leadership becomes essential in a People Company:

- Every external and internal recruitment, promotion, mobility, and salary decision follows our our New Leader Profile (business pioneer, profit shaper, people leader, la niaque, collaboration),
- We now have created a full leadership journey supported by a specific training opportunities at each level,
- Performance and career evolution is reviewed systematically.

Personalized career management

The Career & Competency Framework

Employees' professional development is supported by a Career & Competency Framework which forms the basis for performance appraisals and personal career advancement. Rooted in shared values, the Career & Competency Framework is tailored to take into account the specific needs of each of the Group's businesses and Group's functions. Common frameworks allow today employees to understand competencies across businesses.

Capgemini believes in offering an opportunity for a successful and rewarding career - not just a job. Each employee has his or her own personal aspirations, motivations and career preferences. The Career & Competency Framework has been designed to help employees to develop in a wide variety of different roles, with the clarity required to support clear career progression, and the flexibility to let you take charge of your own career.

As a global organization, our clients expect consistency of services and uniform excellence, regardless of where we deliver. As individuals, we expect clarity in the career options available to us. The Career & Competency Framework defines and describes a standard set of roles for our businesses, regardless of your region, business unit (BU), project, account, sector or technology specialization. At a glance, you should be able to understand the breadth of options available to you.

The Career & Competency Framework allows employees to understand and measure the competencies they need to be successful in each role/level, and to be clear about what they need to achieve to be ready for the next step up the career ladder.

For each role, there are a number of core attributes; professional competencies that apply to everyone in Capgemini, independent of where you sit in the business; and role-specific competencies, tailored to the Capgemini businesses.

To support your development, learning maps can guide you about the best ways to hone your skills for each role.

STRONG HEADCOUNT GROWTH, BOTH ORGANIC AND EXTERNAL

The development of the Group's workforce over the last ten years is a reflection of the economic cycles that have affected the Consulting Services 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 more than doubled in five years. Moreover, this period was marked by sustained demand for Consulting and Technology services due to the oncoming Y2K, the introduction of the euro and development of the Internet.

During the three years following 2000, a slowdown in investment in the information technology sector led to the downsizing of our workforce. This slowdown can be attributed to two factors: firstly, a general economic deterioration due to the emergence of major international crises, culminating in the 9/11 attacks and the war against Iraq, and secondly, the bursting of the Internet bubble.

The year 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 the Aspire contract in the United Kingdom). Growth continued, with a doubling of the workforce between 2004 and 2011 as a result of acquisitions (notably Kanbay in 2007, BAS in 2008 and CPM Braxis in 2010) and strong organic growth, in particular in offshore markets (India, Poland, Latin America, China and Morocco). While the economic crisis of 2008 resulted in a clear slowdown in the rate of hires and led in 2009 to the first reduction in the year end workforce for a decade, the upturn in new hires seen in late 2009 accelerated through 2010 and 2011. The Group passed the milestone of 100,000 employees in September 2010 and has now more than 125,000 employees by the end of 2012, an increase of more than 5,400 employees (+ 4.5%) over the year. Headcount growth was largely generated by India in 2012.

The size of this growth has been a significant influence on the Group's transformation. The workforce more than doubled in a decade, with an increase of 125% or nearly 70.000 people. This growth came mainly from offshore.

	Average headcount		End-of-year headcount	
Year	**Number**	**Change**	**Number**	**Change**
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%
2010	97,571	8.1%	108,698	20.1%
2011	114,354	17.2%	119,707	10.1%
2012	121,829	6.5%	125,110	4.5%

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

The acquisitions of Kanbay, BAS B.V. and CPM Braxis in recent years, strong organic growth notably in Asia and Latin America, and the economic crisis that affected continental Europe and the USA in particular, continued to significantly affect the geographical distribution of Group employees. This development is summarized in the table below:

	December 31, 2010		December 31, 2011		December 31, 2012	
Breakdown of workforce by region	**Numbers**	**%**	**Numbers**	**%**	**Numbers ☑**	**%**
North America	8,667	8.0%	9,505	7.9%	9,609	7.7%
United Kingdom & Ireland	8,515	7.8%	8,977	7.5%	8,964	7.2%
Nordic countries	4,012	3.7%	4,538	3.8%	4,504	3.6%
Benelux	10,782	9.9%	10,391	8.7%	9,186	7.3%
Germany and Central Europe	7,929	7.3%	8,962	7.5%	9,581	7.7%
France and Morocco	20,277	18.7%	21,738	18.2%	21,738	17.4%
Southern Europe and Latin America	14,853	13.7%	16,499	13.8%	16,735	13.4%
Asia-Pacific	33,654	30.9%	39,079	32.6%	44,767	35.8%
Middle East & Africa	9	0.0%	18	0.0%	26	0.0%
TOTAL	**108,698**	**100%**	**119,707**	**100%**	**125,110**	**100%**

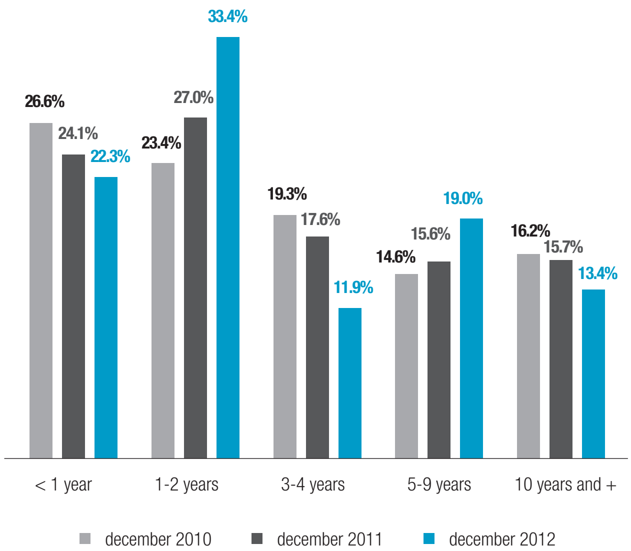
The calculation of numbers of employees in any one country excludes staff based in other countries but carrying out operations destined for that country.

The above development reflects: the ongoing adaptation of delivery capabilities to our Rightshore® model, combining local resources (in the client's area) with those situated in specialized production centers, the balance depending on the technology or the offering concerned. This resulted in the significant increase seen in the Asia-Pacific headcount (notably India), which now comprises more than one third of the Group's resources (compared with 12.1% in 2006 and less than 5% in 2004). Growth in Central Europe, notably due to the development of the BPO business in Poland, and the emergence of Latin America following the acquisition of CPM Braxis in Brazil and the signing of new contracts in this region, were both reflected in the increasing share of these two regions in the Group's population. Moreover, India saw very significant development in recent years with headcount rising from slightly under 2,000 people in 2004 to more than 40,000 in 2012. Similarly, Poland had fewer than 500 employees in 2004 but by end-2012 the headcount has passed the bar of 5,000 employees. Lastly, the Group has been growing in Latin America (Argentina, Chile, Brazil and Guatemala) since 2007. With the buyout of CPM Braxis in Q4 2010, the region had nearly 9,300 employees at end-2012, including 7,500 in Brazil.

Benelux was the main region to see its headcount fall for the second year in a row, due in particular to a difficult economical situation in the Netherlands. In France headcount is stable in 2012, although its relative weight has decreased because of the headcount increase in BRIC countries.

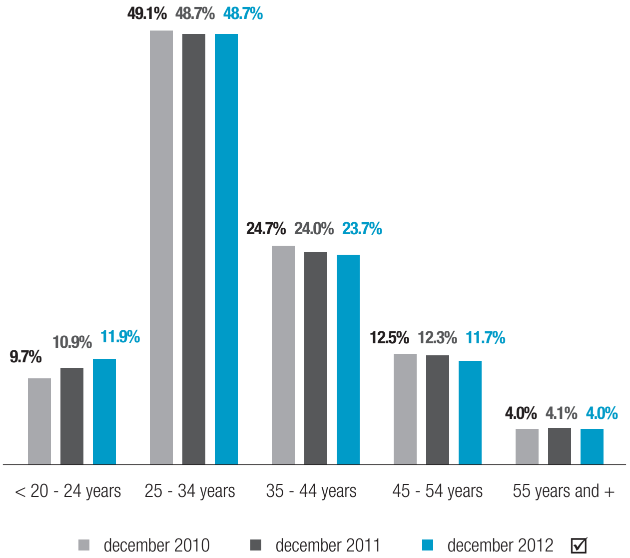
Breakdown of workforce by length of service: 2010-2012 changes

The coverage interval for the data below is 98% of year-end headcount. Changes for average length of service reflect the Group's recruitment dynamics over the last few years with more than 30,000 recruits each year. The high percentage of employees with an average level of service of less than three years (56% of the headcount) is clearly due to the high level of recruitment over the last three years. The large number of recent recruits has therefore automatically reduced the percentage of employees with more than five or ten years' service. For the purpose of calculating length of service, it should be noted that it is the date of recruitment by the acquired company, and not the date of integration into Capgemini, which is taken into consideration. Average length of service in the Company stands at 4.4 years in 2012, a decrease of 0.1 years versus 2011, due to the high number of recruitments in the last three years. This varies according to the geographical area, ranging from just over 1.9 years for India to 9.7 years in the Benelux countries.



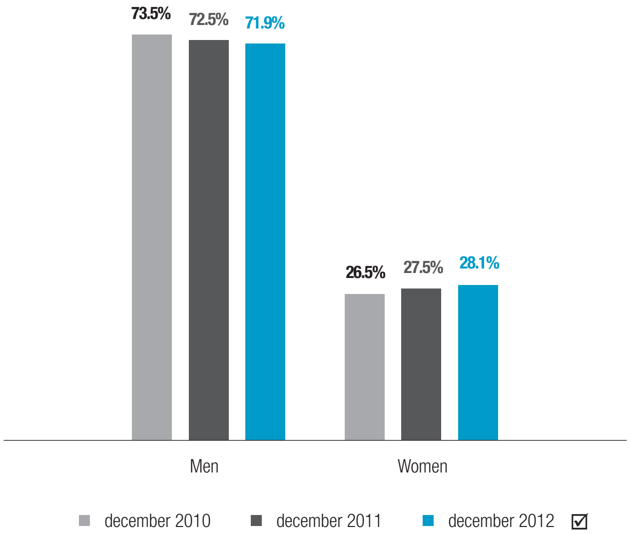
Breakdown of workforce by age: 2010-2012 changes

The coverage interval for the data below is 97.9% of year-end headcount. The average age of employees is declining again in 2012 at 34.3 years due to the hiring of young graduates who represented 42.3% of recruitment in 2012. The percentage of employees aged less than 35 years rose by 1 point over the previous year to 60.6%, the highest level since 2003. This rise was due in full to the increase in the number of employees aged less than 25 years which has improved by 1 pt between 2011 and 2012. The share of employees in the 35 to 44 age group fell by 1 points since 2010, and the over 45 group dropped in by 0.8 points. The proportion of employees aged 55 years is very stable around 4%. Average age is lowest and below 30 in Latin America (Brazil/Guatemala/Chile), India, China or Poland, whilst United Kingdom, Sweden, Canada and Netherlands are the only country with an average age just above 40 years.



Breakdown of workforce by gender: 2010-2012 changes

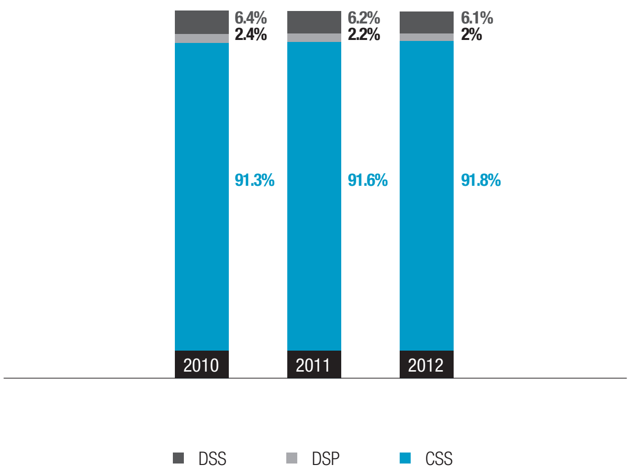
The coverage interval for the data below is 96.9% of year-end headcount. The percentage of females in the workforce continued to rise in 2012, increasing by 0.6 point over 2011 to reach 28.1% at year end. This improvement was mainly due to strong growth in previous years of BPO (a business sector in which the proportion of females can reach 50%), an activity which attracts more females, and despite its recent expansion in countries (notably India where the ratio of males to females is 75/25) and business sectors (Services Infrastructure) where females are less present in the workforce. Nevertheless, in several geographic regions the percentage of females is increasing at constant scope. In 60% of countries the percentage of females has either improved or stabilized, with India US, Argentina, Switzerland and Guatemala being particularly noteworthy all progressing by 0.9 pt. The countries with strong BPO development, and therefore a high proportion of women joining the Group, include Poland, China, Brazil (excluding CPM), Romania and Chile where the percentage of women in the workforce exceeds 50%. Conversely, the percentage of women is less than 25% in eleven countries covering 25% of the workforce analyzed, including France, Belux and Argentina mostly. India, United Kingdom and USA have all improved their ratio and passed the 25% bar this year. The overall gender breakdown is a reflection of the information technology sector as a whole, which tends to attract engineering graduates who are predominantly male. Consulting Services, however, is a more diversified market, with a more balanced 62/38 ratio.



Workforce - breakdown of workforce by category: 2010-2012 changes

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

- Client Serving Staff (CSS). These employees ensure that our services with clients are managed correctly and make up the majority of the Group's workforce. Their percentage within the workforce has steadily increased to 91.8% at end-2012.
- Dedicated Sales People (DSP). These employees make up the sales team and are responsible for sales and customer relations management across the full portfolio of products. The size of this team is stable.
- Dedicated Support Staff (DSS). These employees carry out administrative support functions.



Against a still uncertain economic backdrop for 2012, the Group hired more than 31,000 people, one of the highest number in Group's history and a significant increase over both recent years and the average number of hires over the past decade.

	Hires	Acquisitions transfers
2003	4,724	8,032
2004	9,285	5,363
2005	14,453	712
2006	18,592	1,495
2007	24,814	7,569
2008	22,526	3,358
2009	13,072	543
2010	30,139	7,579
2011	32,713	3,158
2012 ☑	31,100	769
AVERAGE	**20,142**	**3,858**

This dynamic was not felt in the same way across all geographic regions and countries, with offshore countries contributing strongly to recruitment numbers and being responsible for more than half of all recruitment in 2012. India, where 42% of recruitment took place, saw headcount grow organically by more than 5,000 people in 2012, representing 98% of Group net growth. The diversification of offshore recruitment resulted in the Polish workforce expanding considerably and passing the bar of 5,000 people in 2012, while Brazil continued to grow to become the fifth country of the Group in headcount size.

Due to the difficult economic situation, the employee turnover rate (the percentage of voluntary departures) decreased in 2012 at 17% but was higher in Latin America and India (where the IT Services market is more dynamic) than in Europe or North America. This rate is, however, below the peak rate over the last ten years, which reached 19.7% in 2007.

	Turnover rate
2003	10,2%
2004	14,1%
2005	15,4%
2006	16,6%
2007	19,7%
2008	17,2%
2009	10,4%
2010	16,3%
2011	18,1%
2012 ☑	17,0%

The number of voluntary departures was close to its 2011 level at nearly 20,800. These statistics are carefully monitored to ensure that the turnover rate remains in line with industry norms and that appropriate response initiatives are developed to suit the needs of each business line and geographical area.

COMPENSATION AND BENEFITS

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

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

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

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

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

The minimum salaries applied by the Group in each country always exceed or are equal to the legal minimum salaries in force in the country concerned, and are sometimes higher by a very significant proportion. In France this rate is 105%.

The Selection and Compensation Committee of the Cap Gemini S.A. Board of Directors is in charge of supervising compensation policies and actions throughout the Group as well as determining the compensation of the Chairman of the Board of Directors and CEO.

Employee access to stock holding

In 2009, Capgemini also launched its first international employee stock ownership plan, covering 19 countries. This plan was widely subscribed to, with more than 14,000 employees applying for shares. Based on the authorization approved by Shareholders, a new international plan was launched in 2012 covering all employees of 19 countries with again a significant coverage with 12000 employees subscribing. As a result of these two plans our employees, as a whole, are the Group's principal shareholders with more than 6.6% of the Group share capital.

In addition, instead of paying a bonus in cash for the "profit sharing bonus" implemented in France in 2011, the Board decided following a negotiation with French employee representatives to pay this incentive through performance shares subject to a presence condition in 2 years and with a compulsory holding period of another 2 years. 20,000 employees were potentially eligible and might become shareholders in July 2014.

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

Share-based incentive schemes

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

The Board of Directors allocated a certain number of stock options to 6,193 beneficiaries under the fifth plan, to 2,298 beneficiaries under the sixth plan and to 1,205 beneficiaries under the performance shares plans. The Management Report, presented at each Cap Gemini S.A. Shareholders' Meeting, provides a detailed yearly breakdown of these allocations for the sixth plan and for performance shares.

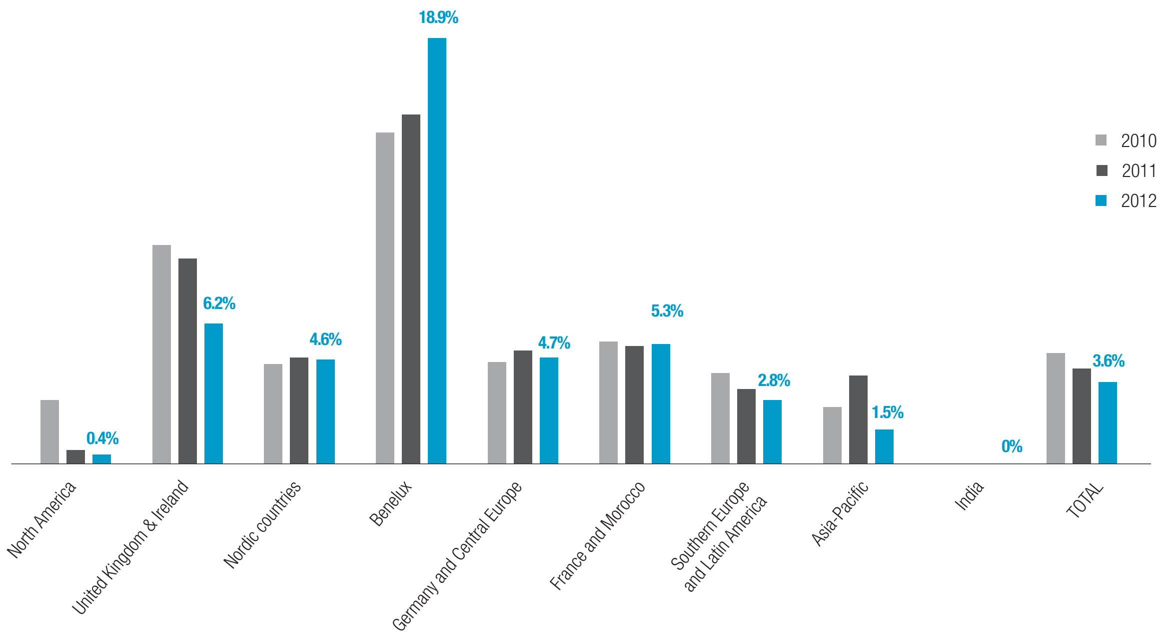
Concurrently, stock options granted to Executive Corporate Officers form a very low percentage of the aggregate options distributed. Under the fifth and sixth plans, 1.1% of the total number of options allocated was awarded to Executive Corporate Officers, and no options are exercisable on plans still active. Regarding performance shares, resolutions set a limit of 5% or 10% to be allocated to Directors and the volume effectively allocated represented 2.7% of the total grants of the 3 performance share plans Moreover, share based instruments are not allocated on an automatic and/or annual basis.

Detailed information regarding the stock options or performance shares allocated by Cap Gemini S.A. to directors and to the ten main beneficiaries (non-directors), the options exercised by the latter, and the plans in general are provided on pages 183 to 186 of this Registration Document.

The last Shareholders' Meeting approved a resolution granting the Group the authority to award performance shares up to a maximum percentage of 1,5% of the share capital. This authorization has been partly used in 2012 up to 50% with two grants.

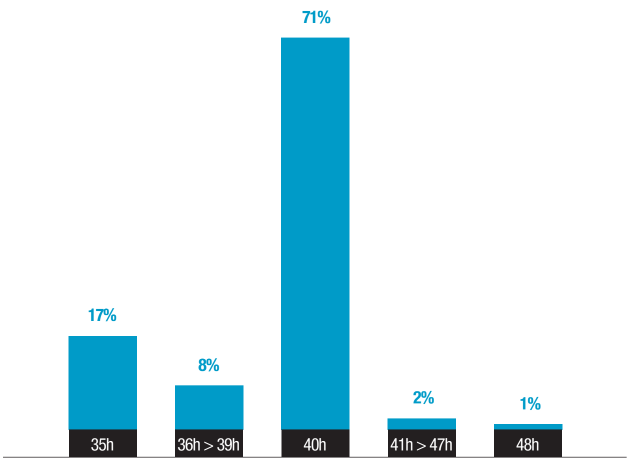
WORK ORGANIZATION, HEALTH AND SAFETY

WORKFORCE - BREAKDOWN OF PART-TIME WORKFORCE: 2010-2012 CHANGES (2012 DATA ☑)



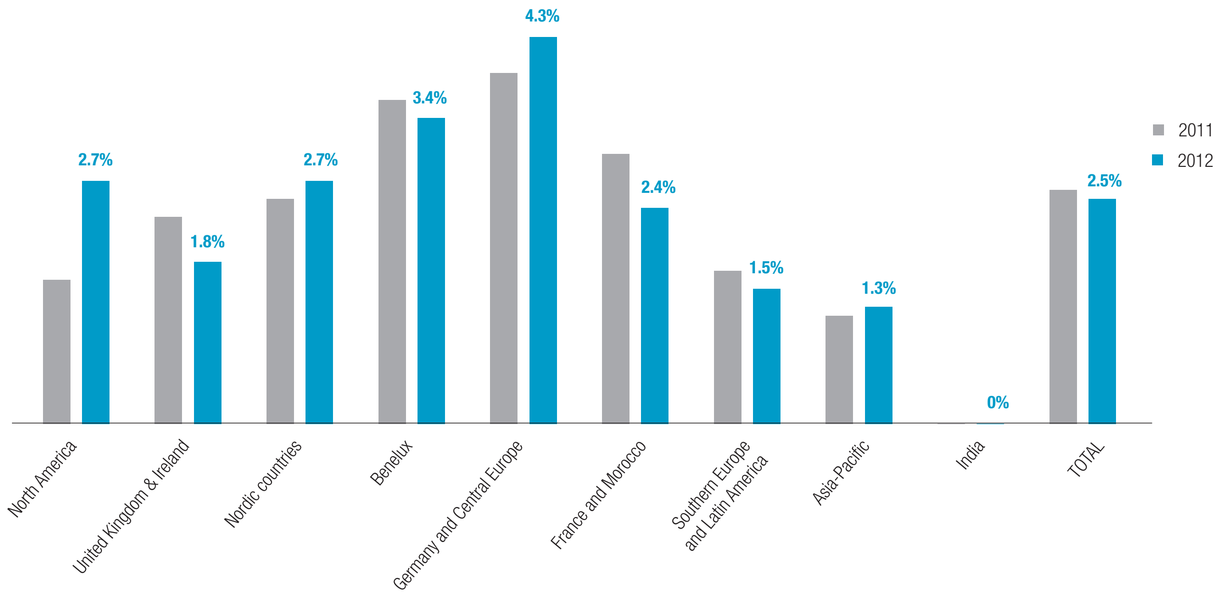
The coverage interval for the above data is 97% of year-end headcount. The number of part-time employees in the Group decreased by 0.6 points compared with 2011, to 3.6% of the headcount in 2012. The figures show significant variation between regions: part-time working is most widespread in the Benelux countries with 18.9%, an increase of 3.4 pts due to a change in the scope (without Sogeti Belux in 2012), followed by the United Kingdom & Ireland with 6.2% which decreased by 2.9% due to economic pressure Conversely, in India and Latin America part-time working is not widespread which, given the importance of these regions in terms of recruitment, explains the overall drop in this indicator as most of the headcount growth comes from these regions. In France (and Morocco), 5.3% or approximately 1,100 people work on a part-time basis. This figure has remained relatively stable over the last three years.

WORKFORCE - BREAKDOWN OF WORKFORCE BY FIXED WORKING HOURS IN 2012 ☑



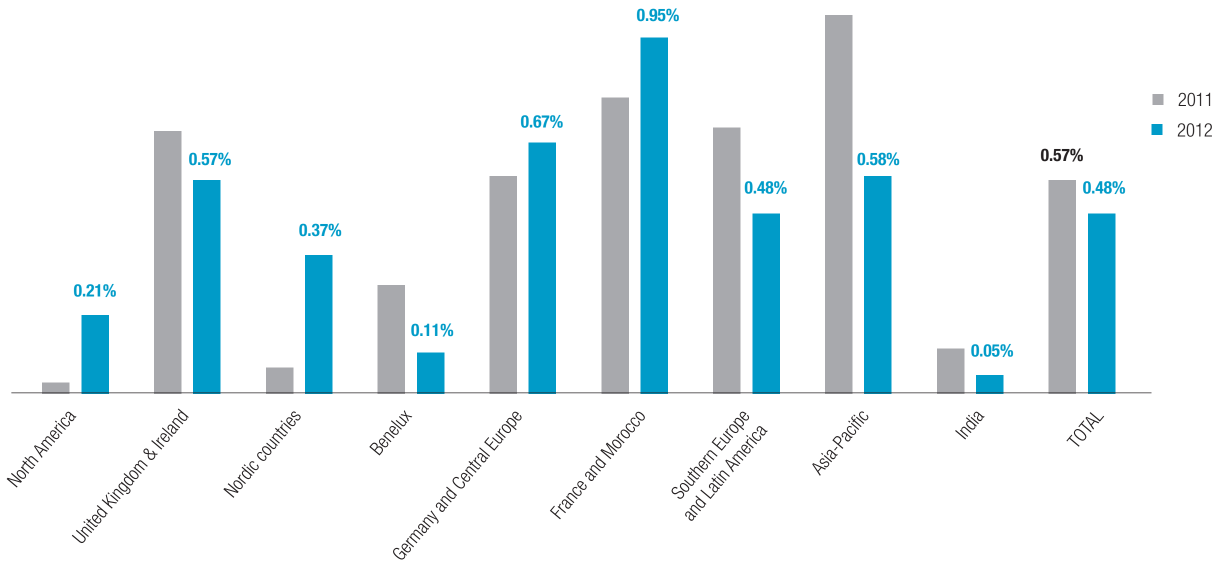
A study of fixed working hours in the Group showed a wide variation between the regions. This study covered 97% of the workforce at year end. France was singled out, with a 35-hour working week, and represented 17% of the total workforce. More than two thirds of our employees have a 40-hour working week. This is mainly the case in Europe (excluding the United Kingdom, Finland and Denmark, where it is generally around 37 hours), North America and India, where the Group offers a more attractive 40-hour week, although the legal maximum working week is 48 hours. South American countries vary from a base of 44 hours per week in Guatemala, Brazil and Chile to 48 hours in Argentina.

WORKFORCE - RATE OF ABSENTEEISM 2011-2012



The coverage interval for this study is 62.2% of year-end headcount. This percentage is relatively low due to the fact that some countries such as India (which represents nearly a third of our workforce) do not collect data on the number of days of sick leave as such. In 2012, the rate of absenteeism for sickness in the sample was 2.5% a decrease of 0.1 pt versus 2011. The highest rate was seen in Poland, at 5.2% as last year, followed by Benelux at 3.4%. France at 2.5% was just at the Group average. North America is reporting a significant increase linked to a different coverage with Sogeti US now included. Without Sogeti, the ratio (1.7%) is very similar to last year (1.6%).

WORKFORCE - NUMBER OF WORK-RELATED ACCIDENTS/NUMBER OF HEADCOUNT 2011-2012



The coverage interval for the above data increased from 58.9% in 2011 to 77.3% in 2012 linked to India where several units are now tracking this indicator. In 2012, the Group recorded 461 work-related accidents a ratio of 0,48% accidents of headcount in scope, of which 44% were in France on account of the regulations in force relating to the reporting of information. The majority of these work-related accidents were accidents during the home/workplace journey.

No work-related death occurred in the Group in 2012 (GRI LA7).

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. At a minimum across the Group we abide by all local Health and Safety legal requirements. Our Health and Safety policies are focused on information, instruction and training covering:

- accidents, First Aid and Work Related Health Issues,
- disability,
- safe Handling, Use & disposal of Hazardous Substances & PPE,
- emergency Procedures,
- guidelines on Capgemini employees working on client sites.

Numerous modules are available on line to employees on health and safety matters and as part of our catalog we have a module called Well Being Essentials addressing a variety of topics such as health challenges, work-life balance, healthy eating, fitness, grief & loss, etc.

Our offices around the world have introduced initiatives to promote employee wellbeing including:

- work-life balance programs, including home-working (as in France with two agreements signed in 2011 for home-working and for professional equality between men and women and parenthood),
- stress management,
- improvement of employee-manager relationships,
- better working conditions.

New learning & development modules provide work-life balance programs covering issues such as "stress and vitality", "conflict prevention" and health.

In France, Health and Safety Committee (HSC) are set by locations or business units. Their main objective is to analyze situations that might have an impact on the work force: moving projects, working at clients' sites, safety regarding offices or working conditions stress. Actions and decisions are reviewed and taken in quarterly meetings and whenever needed, extraordinary meetings might be called. HSC may decide to drive surveys or studies if deemed necessary, to help the management improve working conditions and security matters. To strengthen all the actions set up in Capgemini France related to Health and Safety at work, a new agreement has been signed in November 2012.

In Capgemini North America, safety and well-being of the employees is integrated to the way in which they do business. They strive to maintain low injury rates as a key measure of the duty of care with a goal of achieving fewer occupational health and safety incidents. They evaluate incidents, trends and patterns that may indicate the need for additional potential workplace safety controls. Our workforce is actively involved in the development of a positive health and safety culture through on-going training as part of our Cigna EAP Program including training in Wellness, Stress management, Prevention of harassment/violence, etc.

As in North America, other countries have an Employee Assistance Program (including India). Conducting audit on Health and safety environment is another activity periodically realized (India, UK…)

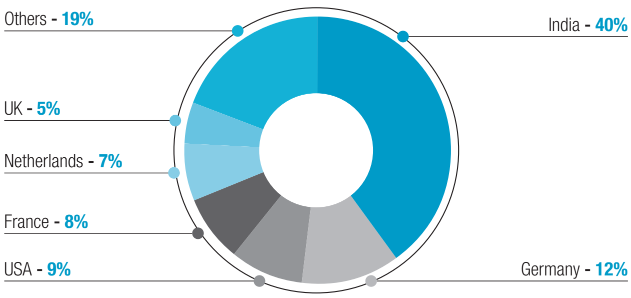
Mobility and risk management

We continue to note a significant increase in cross-border assignments and travel across the globe as a result of both globalization and our delivery model. While geographical mobility whether at country or international level is encouraged by the Group, and most often follows a request by the employee, we need to ensure the physical safety of our employees traveling to potentially high-risk countries. Through our Risk Management procedures, Capgemini Group is selective on which countries/locations our employees can work. In countries where there are greater risks for our employees, Capgemini has steps in place to protect them and such travels are subject to strict rules and must be approved in advance. If trouble breaks out in a country where the Group's employees are present, Capgemini's repatriation procedure and specific insurance covers limit, as far as possible, the risks faced by its employees. Specific training courses and advice are provided by its international mobility-support service provider. In 2010, e-learning training was launched and in 2012 some 9,200 employees completed at least one training module on business travel safety. A geo-localization tool has also been set up to identify where our employees are when they are traveling. Additionally, there is an information system which provides travel alerts when necessary, as well as practical advice on local culture and customs in the countries our employees visit.

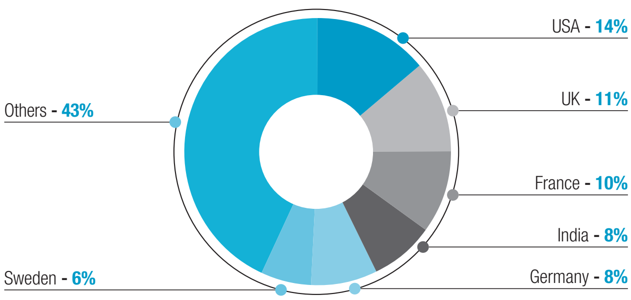
For professionals involved in overseas assignments or considering an international career, useful information is provided on the Group intranet sites together with relevant rules and procedures. The coverage interval for the data below is 87% of year-end headcount. In 2012 30,450 business trips were made outside the normal country of work, of which 40% originated in India. The main destinations for these foreign trips were North America (14%), France (10%) and the United Kingdom (11%).

Mobility

COUNTRY OF ORIGIN



DESTINATION



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

INVESTING IN LEARNING AND DEVELOPMENT

Training policy

General learning policy

The value of a consulting and IT services company lies in the quality of its intellectual capital. In an industry characterized by rapid technological change and changing patterns of work, it is essential for employees to keep their knowledge and skills up-to-date and in line with client and market needs. Likewise, new staff joining the Group is keen to leverage and build on their knowledge and to gain rewarding professional experience. Personalized development plans are therefore designed during annual performance interviews and reviewed at least once a year.

Furthermore, operating units undertake a systematic and iterative review of the capabilities required for their businesses and their portfolios of training offerings in order to keep pace with current and future market needs.

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

The fundamental strategy of competency development draws on various approaches:

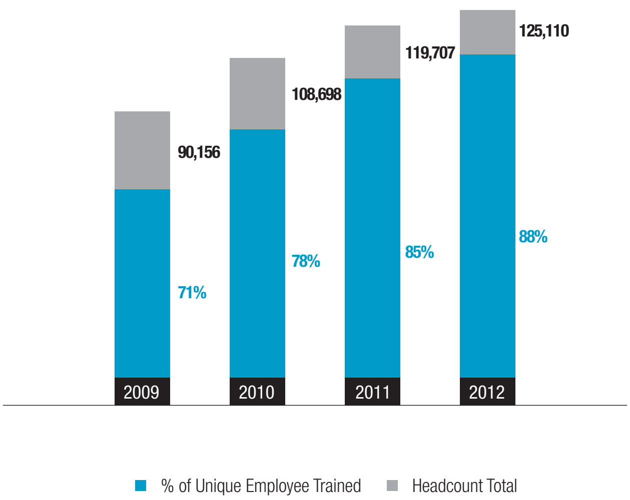
- standard training programs,
- virtual classrooms,
- mentoring systems,
- e-learning,
- on-line books,
- knowledge Centers, video and on-line TV,
- on-the job training,
- easily accessible databases for knowledge sharing,
- management of professional interest communities,
- forums and team rooms,
- 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

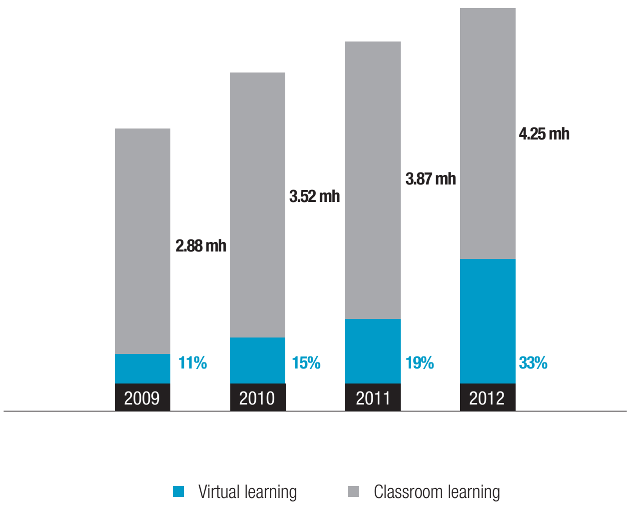
Overall, close to 110,000 ☑ employees were trained in 2012, up 8% compared with the previous year taking the total volume of training hours to 4.25 million ☑.

% OF UNIQUE EMPLOYEE TRAINED OUT OF TOTAL HEADCOUNT



The Group continued to develop its on-line training courses, increasing by more than 93% over the year, or 1.41 million hours. This channel now represents 33% of total training hours.

% OF VIRTUAL OUT OF TOTAL LEARNING HOURS (IN MILLION)



The Group's on-line learning management system MyLearning, open to all employees, is used for informal and just-in-time learning but also register for more formal, structured learning events. 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 e-learning, books, on-line mentoring, test-preps, on-line 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.

The Group University ☑

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

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

- develop the competency and capabilities of our people that are essential to Group priorities and strategies,
- partner the business to deploy content on Capgemini's specific know-how and to industry standards,

- create next generation learning that challenges and supports the participants while creating a network within and across our communities,
- rely on our rich history and benchmark with best-in-class learning organizations to guarantee proven excellence.

The Global Learning Business Partner Team, founded in 2010 composed of the Learning & Development (L&D) Executives of the SBU and Key Countries - led by the Business-to-Learning Department of the University - worked together to transform the L&D function even further by achieving five shared priorities defined for 2012:

- increase the use of more cost competitive “productive time” learning programs; the percentage of virtual learning hours went up from 19% in 2011 to 33% in 2012. More appetite for virtual learning was created (up from 45% to 52% according to the 2012 Global Employee Survey). A Framework was also constructed for “Facilitated Virtual Learning Journeys” and applied to 4 programs (ITIL, PMI, LAP, SAP). The roll out started in H2 and these programs were already delivered to over 4,000 employees in the Group,
- contribute to growth and productivity with shorter and more powerful integration programs for freshers with high impact from the very first day. A common on boarding fresher program was started in collaboration with India, France, UK and North America and rolled out in H2. Already 300 freshers participated in the program, which is delivered in India. Apart from being fast client ready, the fresher understands the importance of Rightshore© from day one, the power of our multi cultural company and how to offer global solutions to our clients,
- support the Group 2015 ambition to win in the Champions League by globalizing the learning offerings to create one way of working. Set up a categorization framework based on L&D Industry Standards (ASTD) to earmark which local learning programs should be transformed into global offerings. As a result, the volume of University learning hours went up from 32% to 48% in 2012,
- improve control and reporting on L&D metrics via MyLearning and Group reporting tools resulting in an increase in usage of MyLearning which went up from 70% in 2011 to 78% in 2012 driving the cost per participant and per learning hour down by 37% and 6% respectively,
- work more closely with the Business, HR and Finance resulting in a real Collaborative Planning and Budgeting Exercise to steer our investments on Business priorities with the right delivery mix.

Key Group University figures

In 2012, more than 101,200 Capgemini employees (81% of our workforce) took part in training schemes as part of the training path defined by the Group, using various channels. The volume of training provided by the University was over 2 million hours, representing 48% of total learning taken in the Group.

More than 20,400 employees (+36% vs. 2011) were trained at one of our specialist centers (Les Fontaines in France, Hyderabad in India and Chicago in the United States) or locally in the different countries in which the Group is present, representing 1.1 million hours of training (a growth of 50% vs. 2011).

In terms of training delivered by the Group University: 43% was followed by employees to develop capabilities specific to their role, 33% on the Group strategic Alliance partners, 12% on Sectors and Service Lines, 9% on Leadership and Integration and the remaining 3% on industry standards and others.

The Certification process

Internal certification

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

The process has three objectives, namely:

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

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

Nearly 2,200 engagement managers (a 25% increase year on year), 500 architects, 4,544 software engineers and 322 network engineers had either obtained or reconfirmed an internal certification by end-2012. We also have an SAP product certification program focusing on new joiners in our Sap practices, on mass certification programs and on specific initiatives, with on line access to learning material to support the program. Training programs are developed jointly with the Group University to support the a consistent deployment of methods and content around these different topics.

External certification

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

Center certification

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

EQUALITY OF CHANCES

Diversity and Social inclusion – Our strategic advantage

With more than 125,000 employees in more than 40 countries representing 120 nationalities, Capgemini is proud of its wide cultural diversity. Diversity has many facets including gender, disability, ethnicity, age and lifestyle. We view diversity as both a strategic advantage and an ongoing challenge.

By creating an international platform, it helps us better understand the global market and to adapt to the communities in which we operate. In 2011 we produced our Global charter for Diversity and Inclusion to formalise our active promotion of 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.

Global Diversity & Inclusion Charter

Ever since the formation of the Capgemini Group in 1967, Diversity and Inclusion has been an important part of our employee culture; shaping how we operate and work with our stakeholders, suppliers and clients around the world.

For Capgemini, Diversity and Inclusion means attracting, developing and retaining the best people in the market, who share our values and our passion for service to clients, people and technology. The Group's commitment to Diversity and Inclusion is embodied in our Code of Business Ethics. We have come a long way in developing our global presence through the efforts of our employees from many different communities across the world.

Capgemini has created a Global Charter to highlight and focus our proactive employee engagement initiatives in Diversity and Inclusion. We are committed to:

1. fostering the diverse make-up of our workforce in all locations where we offer services, and at all levels;
2. increasing awareness of and training in Diversity and Inclusion for our employees through multiple communication channels to ensure we involve, and inform them of our actions and results;
3. continuing to build an inclusive work environment based on meritocracy; hiring the best people for the roles we offer, and mentoring, training, and supporting whenever possible to help individuals realise their full potential;
4. wherever possible, considering any aspects of Diversity and Inclusion in our employment and procurement decisions, and involving our elected employee representatives with the design and implementation of employment policies where appropriate;
5. engaging with our clients, partners and suppliers to ensure there is an understanding of our values and clear expectations from those that work with us;
6. including in our business reviews criteria designed to measure progress made by Capgemini entities or Business Units, as regards Diversity and Inclusion;
7. including questions on Diversity and Inclusion in our annual employee survey, and reviewing any changes as required as a result of employee feedback;
8. including in our Annual Report information on our progress with Diversity and Inclusion: actions taken, best practices across our Group, and results.

These statements of intent reflect in detail Capgemini's vision for Diversity and Inclusion for the Group. We are determined to take action on this on-going journey, harnessing the power and benefit of what makes each and every employee unique, and celebrating our multicultural and diverse workforce. We know this will enhance the employee experience around the Group, create greater opportunities for our business and affirm Capgemini's status as a preferred global employer.

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

Measures taken on gender diversity

Today, for a global organization like ours, gender diversity is much more than a question of fairness. It is a competitive advantage. Being an employer of choice for talented men and women is vital if we are to unleash the full power of our Group and deliver the best results for our clients. In 2012, our focus on the value of gender diversity promises to once again be truly global. Capgemini entities from around the world are celebrating their women's achievements throughout the week of 9th of March with special events and portraits showcasing their local women role models.

In recent years, Capgemini has implemented a number of initiatives intended to promote the advancement of women within the organization, including:

- the creation of women's networks in North America, the UK, India, Belgium, Australia, Spain, Italy, France and the Netherlands,
- the development of the India Women's Council to address the challenges women face in the workplace, tap into the female talent pool, and serve as a knowledge-sharing and networking forum,
- the initiation of the Women's Leadership Development pilot program to provide skill-based training, mentoring, and on-the-job coaching to develop the future leaders of Capgemini,
- direct recruitment of women and internal talent development,
- the scheduling of networking events and master classes to coincide with lunch time, rather than after work.

The signing of the "Charte de la Diversité dans l'Entreprise" (French corporate diversity charter) by Capgemini and Sogeti, and their active participation in "IMS Entreprendre pour la Cité", an organization responsible for promoting the charter to increase diversity in France.

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

This showed that females represented 31% of total recruitments (rate of coverage of 92.4% in 2012), a 1.3 points improvement versus 2011 which contributed to the rise in the percentage of women in the workforce at end-2012 driven by Asia Pacific, Central Europe and Southern Europe/Latin America regions, while Benelux further declined to a low 17%.

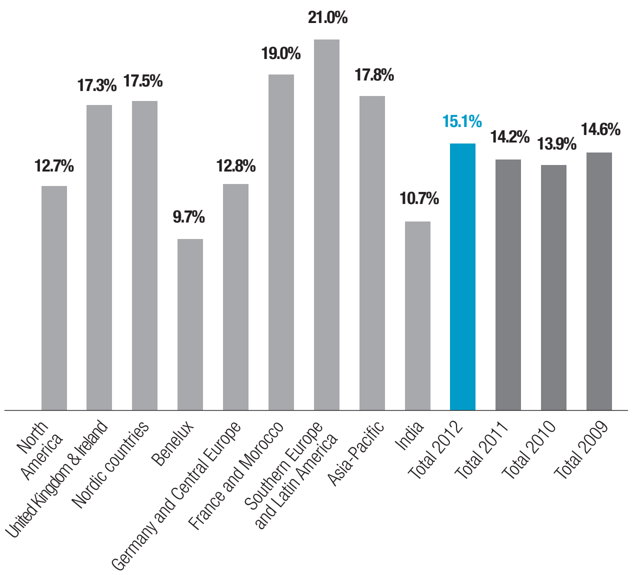
Recruits	2012 % of female	2011 % of female	2010 % of female
North America	28.0%	28.4%	23.3%
UK & Ireland	24.9%	24.0%	28.0%
Nordic countries	30.1%	32.9%	26.9%
Benelux	17.0%	20.5%	20.9%
Germany and Central Europe	47.5%	45.8%	45.2%
France and Morocco	23.6%	22.3%	20.9%
Southern Europe and Latin America	43.7%	41.1%	40.6%
Asia-Pacific	29.5%	27.7%	26.6%
TOTAL	**31.0% ☑**	**29.7%**	**28.1%**

Nevertheless, the turnover rate for females was marginally higher (at equivalent scope to hires) than for the total population and increased slightly faster, moving from 15.9% in 2010 to 17.6% in 2012 (+1.7 points) while the overall turnover rate rose by just 0,7 points during the same period.

Female attrition	2012	2011	2010
North America	12.0%	12.6%	15.2%
UK & Ireland	12.4%	9.6%	11.0%
Nordic countries	17.5%	18.2%	15.6%
Benelux	11.6%	13.9%	8.7%
Germany and Central Europe	20.0%	23.6%	17.4%
France and Morocco	11.4%	13.0%	8.2%
Southern Europe and Latin America	16.8%	17.3%	14.2%
Asia-Pacific	23.0%	23.6%	24.8%
TOTAL	**17.6% ☑**	**18.3%**	**15.9%**

PROPORTION OF WOMEN IN TOP EXECUTIVE POSITIONS PER OPERATING UNIT

The proportion of women in top executive positions had increased at December 31, 2012:



Following a decline in the proportion of females in the highest executive grades in 2010, this indicator has returned to growth of 0.3 points in 2011 and 0.9 pt in 2012, but nevertheless remains lower than the total percentage of females, all grades combined, within the Company. The continuing growth of Group headcount in countries with a low percentage of female engineers weighs on the overall percentage (although the proportion of women engineers in these countries is higher than the market average).

At the end of 2012, 17% of employees who had been promoted to the role of “Vice-President” were female, a percentage slightly lower than last year. We have a clear picture of our female talent pool thanks to talent reviews which are undertaken throughout the Group and which range from interviews with the Group CEO of the most talented employees to reviews which take place at the Business Unit level. All Business Units are asked to ensure that they build a female management talent pool. We are also leveraging local leadership through continuing education, mentoring by senior executives, and increased visibility in order to acquire a better gender-balanced Vice-President community.

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

Measures taken to favor social inclusion of disabled people

In France, since 1995, an active employment policy of people with disabilities has been launched. In 2005, a specific program in charge of managing actions in favor of inclusion on disabled people has been created and called “mission handicap”. On October 31st, 2012 a new agreement has been signed with employee representatives, which aims at increasing employability rate of disabled people through apprenticeships. This three years agreement is applicable until end of 2015. These actions are financed by an annual budget of 4.8 million Euros. The agreement has five key axes:

- an engagement on improving the employability rate of disabled people through a specific recruiting and onboarding policy. The objective is to increase the disabled employability rate from 1.64% to 2.4% in 2015. The recruiting staff expands its sourcing by participating in forums, through consultation of specialized sites and tight collaboration with associations,
- the development of apprenticeships for disabled people which will represent 23% of the total budget: Besides welcoming trainees and apprenticeships, the Group developed partnerships with Centers of Professional Rehabilitation and schools specialized in educating disabled people. Inside the company, these apprentices are supported by voluntary and certified guardians. Furthermore, within the framework of the project CapSH, Capgemini assists Bac+2/3 level students by financing their studies to enable them to acquire a master degree,
- sustainable employment for disabled people: As 80% of disabilities arise in the course of life, Capgemini commits to support employees in such a situation. Permanently disabled employees can benefit from ad-hoc working conditions or from a financing aid for the acquisition or the customization of a vehicle or for specific equipments (prostheses),

- facilitate indirect employment through sub-contractors who employ disabled people with in particular a partnership with the GESAT network which handles the electronic management of all our staff files,
- raising awareness through broader communication to reduce stereotypes and improve understanding.

Capgemini France supports also several initiatives/partners facilitating the occupational integration of disabled workers, or helping to break handicap linked stereotypes such as:

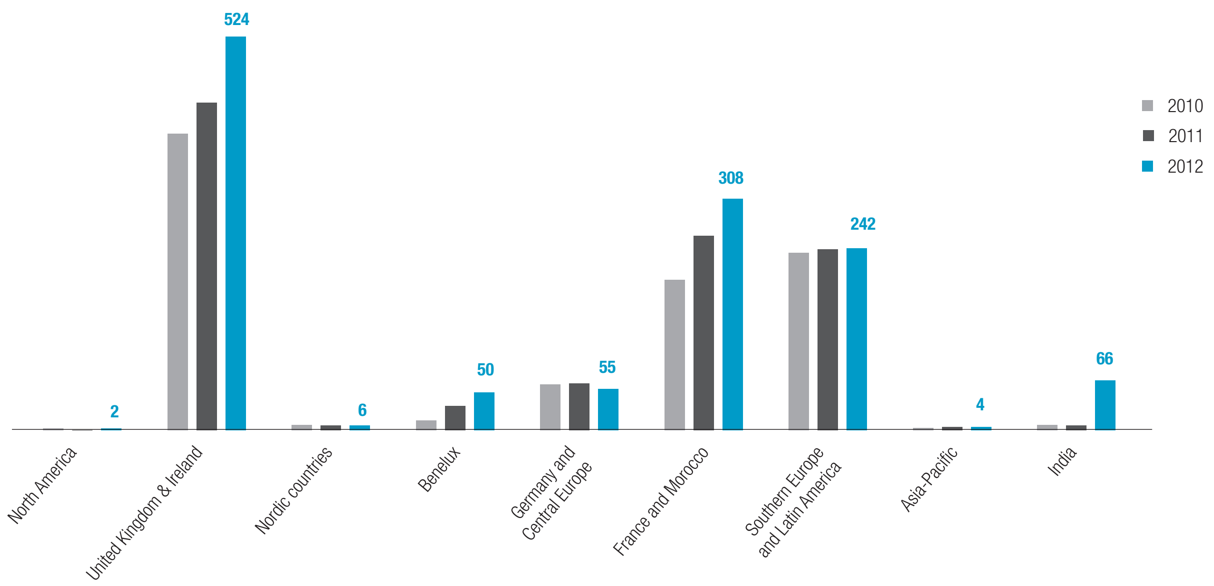
- Tadeo and Signes for deaf or hearing impaired people,
- Accede to support access to the web for visually handicapped people,
- Capgemini is a founding member of Hanploi which in particular developed a web site Hanploi.com dedicated to handicapped people,
- Arpejeh which aim is to improve and promote the training, the qualification and the employment of young disabled persons.

In India, Capgemini has started an inclusivity initiative for disabled candidates to tap this talent pool. They are taking necessary steps to provide appropriate infrastructure to these people at our premises and have tied up with social institutions that are helping us create the right kind of environment to hire these candidates. This will hopefully provide a large employment platform to people who are facing a challenge of limited opportunities in the marketplace. They worked primarily with the association "Diversity and Equal Opportunity Centre" (DEOC) who has provided consulting services to review the HR and recruitment policies to ensure they are non discriminatory. They have also helped auditing the infrastructure to ensure accessibility for various disabilities.

For recruitment, Capgemini India has participated in two job fairs organized by Cheshire Disability Trust and Ability Foundation. We have shortlisted 35 candidates with disabilities for further evaluation. "Enable India" helped us in checking the accessibility of IRW (Integrated recruitment work-list, our internal recruitment portal) using JAWS (screen reader software) and found it accessible. Now they are helping us identify candidates with visual impairment who can be trained on IRW and Naukri & Monster (India's leading job portals) and then can be employed for resume sourcing and interview scheduling roles.

Additionally Capgemini India has plan to work with NGO's namely National Association for the Blind (NAB), Samarthanam, Mitrya Jyoti, The Association of People with Disability on the recruitment and training side.

WORKFORCE - NUMBER OF PEOPLE IN THE GROUP WITH A DISABILITY 2010-2012



The coverage interval for the data above is 91% of year-end headcount. The coverage has improved due to launching new programs in 2012 for disabled persons in India and as a result 66 people are now identified. In 2012, data indicated that the Group employed 1,257 disabled, of which 42% in the United Kingdom and 25% in France. This is 333 people more than in 2010 as a result of India programs but also programs described above.

Measures against discrimination

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 environment is free from bullying or harassment,
- employees are encouraged to keep a good balance between work and private life,
- the health and well-being of our people is supported,
- a sound and fair working environment where staff can grow and develop is provided.

Capgemini will not tolerate any form of discrimination in the workplace on any grounds. Discrimination can take two forms direct and indirect. Direct discrimination occurs when someone is treated less favorably, for example on grounds of their gender, race, age, disability, religion or sexual orientation. Indirect discrimination occurs when a condition or rule is applied which disqualifies a large proportion of one group from an activity and there is no genuine reason for imposing that condition, In all countries of the Group, there is a "grievance escalation process" which enable employees who are feeling that they are being discriminated against can escalate their complain using this process. The claim will be investigated fully and disciplinary action could be taken if discrimination is proven.

Personal development and appraisals

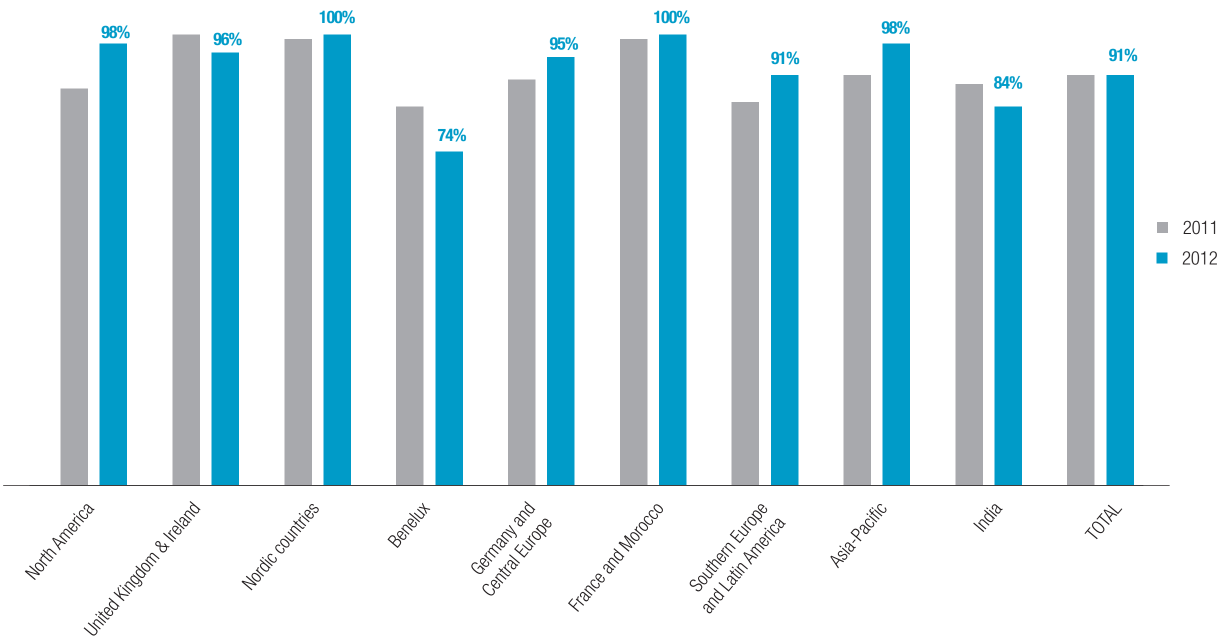
A key challenge for a services company such as Capgemini is to guarantee a consistent and transparent process of individual performance assessment based on a set of clearly-defined and explained criteria. By establishing a clear framework to guide the appraisal process, the company can ensure the professional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

The Performance and Development process is driven by regular meetings between the employee and the evaluator, conducted in relation to assignments. The mentoring system has been set up in a number of entities to allow employees to benefit from an outside view and career management advice from more experienced colleagues throughout their careers. The GCM sets out expectations and skills descriptions for each grade, which are used for setting objectives, evaluation and preparing for promotion. The development priority areas of the skills dimensions differ for each grade, giving guidance on areas where employees should focus.

Workforce - percentage of employees having had a performance and career review in 2011-2012

The coverage interval for the data below is 97% of year-end headcount.

In 2011 and 2012, 91% of the workforce concerned had undergone an annual performance review. Some regions are further ahead than others in this area, such as Europe and North America (due in particular to change in the scope with the addition of Sogeti US), where the figure is close to 100% (with the exception of the Benelux countries where coverage is weakest at 74%). Latin America is close to the Group level while India is only at 84%



SOCIAL DIALOG AND INFORMATION PROCESS

Dialog 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, sharing success and creating a sense of belonging within teams, at both the Group and local level.

2012 saw the launch of a single global intranet, Talent, with all local sites housed on the same platform to offer a consistent user experience and increase connectivity within the Company. The new Talent site brings more relevant information, contains numerous social elements (our internal social media tool Yammer is fully embedded), and enables personalization-the MyDesk area enjoys 75,000 profiles. Every day, through news published at global and local levels, Talent showcases the commercial dynamism of the teams, the excellence of delivery, and the best Group practices, tools, and innovations. It is the channel by which the Group's strategic directions and priorities are communicated, as well as those of the operating entities. Short video messages are regularly posted on the platform to bring top executives closer to employees.

In 2012, Talent registered 33 million connections. In addition to the website, a daily summary of local and international news, the Talent News Alert, is sent to 6,000 subscribers and a weekly digest of global news to all Capgemini employees every Friday.

Our internal social media tool Yammer continued to grow and now boasts over 42,000 profiles, with some 20% active users. Communications teams leverage Yammer to communicate, exchange, and guide employees towards other content sources. The business units' social networking sites are also proving popular, with the Consulting Services site registering 3,000 members and Sogeti 10,000 members. The most popular discussion themes focus on technology, innovation and mobility opportunities within the Company.

Physical and virtual events were also accompanied by internal communications to ensure that messages and tools were aligned.

A multichannel internal campaign, "Have la niaque", was held to nurture a common fighting spirit ("la niaque" in French) across the Group in order to boost performance and drive results. Through a highly interactive website and eye-catching visuals featuring Capgemini Group team members, the campaign invited employees to share best business practices and, at the same time, create a personalized poster to illustrate them. Embraced by all businesses across all continents, the campaign enjoyed 40,000 visits to its website, with 2,000 posters being created. Numerous local initiatives and events highlighted the business benefits of "la niaque", while recruitment and onboarding programs relayed the importance of the "niaque culture" within the Group. Following an initial video blog and poster entry by Group Chairman and CEO Paul Hermelin, many senior managers and executive committee members joined their teams in sharing best practices, recording short video testimonials, and mobilizing their networks to adopt the right behavior.

The success of three global campaigns around diversity, the environment, and corporate citizenship demonstrated the importance employees attach to these themes, and to the Company's reputation in these areas.

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

To ensure consistency, and protect the Group's image across the different means of communication (newsletters, opinion polls, messages, etc.), production tools and templates provide the various elements of the Group's graphics chart, allowing editors to concentrate on the content. To constantly improve the quality of internal communications, virtual and on-site classrooms sessions on editorial techniques and best practices in journalism were carried out by internal communications professionals.

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

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 transition process. All efforts are made to facilitate access to Group tools and channels, and ensure that newcomers quickly feel part of the Group.

Two-way communication and employee involvement

At the heart of Capgemini's communications philosophy is a commitment to two-way communication. While informal dialog is always encouraged, understanding the engagement and satisfaction levels of employees is also formally sought through the annual Group Employee Survey process. The survey stands like one of the best management tool to understand the complexity of our organization as well its specificities in term of Business models, management & leadership, cultural differences, and sensitivity to the local or global landscape.

Since the very first global edition in 2006, our Global Employee Survey is run across all Capgemini entities worldwide on a yearly basis.

In 2012, a total of 104,338 employees from Capgemini and Sogeti were eligible to participate at the Group Employee Survey. 76,919 employees then agreed to participate. The survey was fully web based and was available in 12 languages. 10 survey versions (CORE Capgemini, CORE Sogeti, Capgemini Canada, Capgemini Consulting, Capgemini Germany, Capgemini Italy, Capgemini Spain, Capgemini Swed./Norw./Fin, Sogeti Netherlands and Sogeti Nordic) were proposed to our employees and were built around 83 close ended questions, 1 open comments question. Each close ended question has a market standard 5-point scale: 1 (Strongly Disagree) to 5 (Strongly Agree)

In 2012, the Employee Survey has reached a good level of process maturity. The Survey process is now well accepted by the employees and generally recognized by all managers as a managerial steering tool. Main difference to previous surveys was the fact that almost all Businesses had deployed visible action plans based from 2011 survey feed-back.

At the end, the 2012 Group Employee Survey reported a 73% of participation rate with an outstanding increase of +11 percentage points to 2011. Moreover the Survey follow-up has been the 2012 largest increase item, overall +13 percentage points measured on the question: “I have been adequately informed about the results of the Employee Survey 2012 and actions have been taken in response to the survey findings”.

More than 230 Engagement Champions got trained by the Group and are now coordinated by their SBU Champions Leaders. Their role is to further analyze the local results to support their local managers and leaders to better leverage the findings. A new calendar and a new dynamic has been put in place based on the 2012 results in order to accelerate and keep the momentum everywhere: for the very first year, the major part of the business units published their local action plan in December.

Employee representation and social dialog

Capgemini also demonstrates its commitment to formal two-way dialog through its approach to employee representation. The company upholds the laws of representation and recognizes the importance of constructive dialog 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 of 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 IWC meetings to members from non-European countries, including North America and India, creating a truly globally representative body. In 2011, through its policy of including the major non-European countries in the work of the Committee, the IWC welcomed a representative from Brazil. In 2012, a total of 22 countries are represented on the IWC, namely Austria, Belgium, the Czech Republic, Denmark, Finland, France, Germany, Hungary, Ireland, Italy, Luxembourg, Norway, the Netherlands, Poland, Portugal, Romania, Spain, Sweden and the UK, in addition to North America, India and Brazil.

The company also supports dialog with unions or other employee representatives 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 2012, the 22 member countries were invited to four ☑ plenary meetings including two which were organized by Group Management in “Les Fontaines”, in the presence of Paul Hermelin, Group CEO, and two organized by delegates in Antwerp and Utrecht. Constructive and positive discussion took place on various topics such as Group strategy, IP management, career and employability and pyramid management. In addition to these four meetings, the Board met monthly to progress the actions points from these meetings or to discuss topics related to monthly activity.

In addition to the IWC, the labor dialog is organized locally through ad-hoc employee representative bodies managed in several European countries through an information/consultation process and leading to signing agreements following a negotiation process. For example in France 3 agreements have been signed to specify the roles and the mission of the representative bodies within the French UES in regard to the social, professional and/or business impact of the various subjects. This negotiation culture led to sign 3 new agreements in 2012: one on inclusion and disabled employees, one on profit sharing and one related to night shift and on-call period ☑. The tracking mechanism for such agreements will be put in place across the Group where relevant in 2013. In countries where the social dialog is not governed by local regulations, the management of labor relations is done in a proactive manner by engaging with employees to understand and alleviate their issues (the Global Employee Survey being a key tool in this matter)

The emphasis on transparent dialogue with employee representatives is particularly important in difficult economical times. In 2012, Capgemini conducted two restructuring plans, one in Spain and one in the Netherlands. Both plans were discussed in-depth and negotiated with our employees representatives.

The Spanish operation launched the Social Plan at the end of the first Quarter in 2012 in which 243 people, equal to 6% of the total staff, got made redundant. This number is the combination of 227 redundancies and 56 voluntary leavers. The Social Plan was agreed with the Employee’s representatives, and all redundant people were included in an Outplacement Program.

The Dutch operation launched the Social Plan in the middle of 2012. It was the start of a major turnaround program going significantly beyond headcount reduction. A variety of actions were agreed with the Central Dutch Work Council. Firstly, a headcount reduction of 350 employees of which a significant proportion came out of management functions. Secondly, a calibration program of the salaries of all employees against their market value with salary re-alignment completed where necessary. Finally, a major reskilling and training program was commenced.

3.3 STAKEHOLDERS AND THE ENVIRONMENT

3.3.1 Perimeter and themes

PERIMETER

Following the introduction of the Grenelle II legislation (article R.225-105-1 of the French Commercial Code), a process of analysis was undertaken in order to determine which indicators should be included in this report. All Grenelle indicators are listed in the table in section 3.5 including both those reported and an explanation of those not reported.

3.3.2 Our stakeholders

OUR CLIENTS

The OTACE client satisfaction policy

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

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

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

OTACE provides an indication of strengths and areas for improvement, as well as a deeper understanding of client satisfaction on individual projects. In 2012, nearly 4000 client engagements were monitored using OTACE. The results showed that 95% of projects were delivered on time (4% up on 2011 results) and 92% met or exceeded customer expectations, with an average client satisfaction of 4.3 out of 5.

Our client focus and our Collaborative Business Experience is the essence of the way we work with our clients. Client satisfaction and their appreciation of the value we bring in contributing to making their businesses successful and sustainable is essential to our business. This is reflected in how our people feel: in our 2012 Global Employee Survey, 91% of people strongly agreed that they “feel personally responsible for their client’s satisfaction.”

Sustainability at the center of client offerings

Clients are increasingly expecting their suppliers to help address sustainability challenges, for example, to minimize their environmental impacts. As a provider of business transformation services we believe that we are well positioned to help clients with these challenges.

As an IT service provider we have an opportunity to help clients with their own carbon challenges in terms of the advice that we offer and solutions that we design and deliver. We also recognize that operational efficiency is a key factor in ensuring longevity for our clients and that this often goes hand in hand with reduced carbon emissions. Therefore, considering sustainability principles through our service offerings ensures clients can meet the rising demands of regulation, competition, rising operational costs and mounting scrutiny upon the consumption of resources.

Details of our service offerings can be accessed on our website at:

http://www.capgemini.com/services-and-solutions/challenges/corporate-responsibility-sustainability/overview/

Merlin Data Center

As an outsourcing provider, we ensure that when clients outsource all their operations to us, we can proactively mitigate the risk of increasing emissions through our sustainable data centres and implementing Green IT as well as by reducing our own internal impacts by employing energy efficient technologies in our offices and focusing on reducing business travel.

Based on state-of-the-art technology, Merlin was considered the most sustainable data center in the world when it opened in 2010 to ensure client’s systems are run as efficiently as technologically possible with reduced emissions (based on their own in-house systems). In 2011, it won the Data Centre Dynamics Leaders’ Green Data Centre Award, and the Uptime Institute’s Green IT Award for data centre design. It was also a runner up in The Guardian’s 2011 Sustainable Business Awards, and a finalist in the 2011 Business Green Leader’s awards. In 2012 it was approved by the EU Institute for Energy and Transport for meeting the requirement of the EU Code of Conduct for Data Centers in recognition of our reduction of energy consumption in a cost-effective manner without hampering the mission critical function of the data center

Further information is available from:

http://www.capgemini.com/merlin

BPO Sustainability Services

Managing sustainability performance is increasingly critical for our clients, which also raises the requirement for systems and processes to capture complex and comprehensive data sets. Our Business Process Outsourcing (BPO) Services provide such systems covering both data management and energy, carbon and sustainability reporting. Such systems are essential for well-informed management decisions on carbon management and energy reduction. Our outsourced service for Energy, Carbon & Sustainability Data Management and Reporting can accommodate all global protocols and emission factors.

The BPO service is powered by CA ecoSoftware from CA Technologies, one of the world's leading software as a service (SaaS) sustainability management tools. The service provides an efficient, cost effective, high quality management, analysis and reporting service, leaving the client free to focus on its sustainability strategy and improvement projects.

Further information is available from: http://www.capgemini.com/carbonaccounting

Smart Energy Services—Experience Reduces Risk

Capgemini's Smart Energy Services (SES) provides the full spectrum of smart metering, smart grid and smart analytics solutions through leveraging best practices developed over the last 10 years working alongside the world's leading utilities. We are helping over 43 million utility customers by delivering sustainable energy efficiency and environmental solutions—transforming utility operations and the customer experience. Our commitment is strong with more than 8,400 professionals dedicated to the utility sector.

More information is available at http://www.capgemini.com/smartenergy.

OUR SUPPLIERS AND BUSINESS PARTNERS

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

Purchasing activities

In our purchasing activities, we are conscious of environmental issues and impacts, social impacts, human rights, and 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 only work 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 without compensation.

Our procurement procedures involve:

- treating suppliers fairly,
- selecting vendors based on value, performance, price and sustainability,
- providing justifiable and transparent selection decisions,
- preserving the confidentiality of supplier information,
- managing supplier risk,
- ensuring supplier contracts have effective clauses corresponding to our Sustainable Procurement Principles,
- maintaining the appropriate commercial relationships with 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 "eco-system" approach with major clients aims to foster this and level the entry barrier where practical.

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

During 2012, the Capgemini Group competition laws policy was rolled out. The Capgemini Procurement team is committed to comply with all applicable competition and anti-trust laws and regulations. All team members have been trained and have acknowledged the correct procedures in relation to the way we should professionally and correctly manage our supplier base.

Our sustainable procurement principles

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

Our core principles are:

1. Human rights – Respect for human rights when dealing with suppliers' stakeholders in a broad sense, e.g., team members, clients, suppliers, shareholders and communities. Suppliers should support the principles of the Universal Declaration of Human Rights. They must avoid the use of equipment in violation of these rights or the manufacture or transfer of arms to oppressive regimes.
2. Respect for national, international, regional and local applicable laws - We recognize that customs, traditions and local practices may differ. Nevertheless, as a minimum, we require our suppliers to respect local, national and international laws including, in particular, all environmental, health and safety and labor laws. We expect suppliers to support International Labor Organization core conventions on labor standards.
3. No forced or compulsory labor – Our suppliers must not use forced, 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. No child labor – We refuse to accept the use of child labor in the supply chain:
   - no one should be employed who is below the legal minimum age for employment in the country,
   - children (below the age of 18) must not be employed for any work that is hazardous or inconsistent with their personal development.
5. Equality and diversity – We refuse to accept unlawful discrimination of any kind in working relations and we expect diversity to be promoted. Suppliers should not discriminate in hiring, compensation, access to training, promotion, and termination of employment or retirement.
6. Employee well-being and development – Where applicable, suppliers should give consideration to flexible working conditions to foster a work/life balance and the personal development and training of team members.
7. Disciplinary practices – Employees must be treated with respect and dignity. Any physical or verbal abuse, harassment, threats and/or other forms of intimidation are prohibited.
8. Freedom of association – Insofar as permissible by the relevant laws, respect should be given for freedom of association.
9. Health and safety – A safe and healthy working environment for all employees must be provided in accordance with the international standards, laws and regulations. This includes making sure that adequate facilities, training and access to safety information are provided. Any policies, procedures and guidelines must be adhered to. Where suppliers work on Capgemini premises, or on behalf of Capgemini – such as for the use, handling, transport or disposal of hazardous materials or the disposal of electronic equipment – they must confirm that they understand their obligations. They must also confirm that they have management processes and controls in place, and agree, whenever applicable, to be fully responsible for any liability arising from their actions.
10. Confidentiality and intellectual property – We require our suppliers, contractors and their team members to preserve the confidentiality of any information to which they have access in accordance with applicable laws. We also expect them to protect any intellectual property belonging to Capgemini, its clients, suppliers and/or individuals.
11. Refusal of bribery and corruption in business practices.
12. Environmental impacts – We continue to focus on reducing our environmental risks and impacts, and on improving our overall environmental performance. In particular, we are working to reduce our negative impacts in a quantifiable way. The areas concerned are:
   - carbon emissions,
   - waste and its elimination,
   - efficient use of natural resources (such as energy, water and raw materials in general),
   - protection of biodiversity,
   - minimizing the release of harmful emissions into the environment, measured by appropriate checks (operational and technical).

Sustainable procurement in practice

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

The project encompasses:

- a review of our supplier base in terms of risk and extent of expenditure,
- a more detailed survey of prioritized suppliers to assess supplier performance compared with sustainability principles; if required, agreeing appropriate improvement activities with prioritized suppliers, and
- assessing all new suppliers, who are required to complete a sustainability questionnaire.

A detailed survey is carried out and our suppliers are expected to comply with our Core Principles of Sustainability. In 2008, the Group’s Procurement Officers agreed to complete a risk and expenses assessment of all key suppliers. The program was implemented in our largest countries in 2009 and supplier assessments have now covered 88% of worldwide purchasing expenses. Some 4,293 suppliers were or are currently being analyzed. Following this analysis, 215 suppliers ☑ have been delisted or reclassified. There are additionally 222 suppliers who are participating in a resolution program to bring them to the required standards.

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

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

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

During recent years, the Group has signed strategic alliances with diverse leading suppliers in order to maintain its dependence and guarantee its services in the long-term. In 2012, Group purchases from its top ten suppliers totaled €845 million. The number one, top five and top ten suppliers represented 3.06%, 6.49% and 8.23% of Group revenues respectively.

ACTIONS IN THE COMMUNITY

Social and economical impact of our business regarding employment

With again more than 30,000 recruits in 2012, Capgemini has an important social and economical impact in most of the countries of the Group and is acting as a key employer locally.

More than 40% of the total recruits are young graduates from highly-reputed technology schools and business schools, thus creating employment or replacing positions for more than 12,000 new graduates annually. In most countries, partnerships with Universities or Schools are signed and many actions and job fairs are organized in Management and Engineering Schools like in France (ESEO, Telecom Paris, INSA Rennes), India, North America, and UK. In Latam countries such as Chili, Brazil, Guatemala and Argentina, Capgemini generates a major impact in the labor market, recruiting employees with little or no work experience, offering students the opportunity to obtain their first job and acquire experience in a global company, one of the biggest problems in these countries being accessibility to education. In France, many communications and job fairs are set up with major universities to explain the Group career and professional paths (in 2012, 3 partnerships have been signed to strengthen the relations between universities and the Group Capgemini in Aix-Marseille, Cergy Pontoise and Paris Est Val de Marne). In UK, Capgemini has been recruiting in high numbers of young people during 2012 (over 50% of external hires) through apprenticeships and graduate programs which is positive in assisting youth unemployment, in particular in Midlands where youth unemployment is high.

In regions such as North America, India or Asia Pacific, Capgemini creates employment in certain specific development focused areas. In North America, Capgemini recruiting standard practice is to hire as much as possible to our hub office locations, as well as to locations where we have large projects (as opposed to more remote locations where we have no pipeline of work).

In India, two of our potentially biggest campuses are situated in semi-urban special economic zones identified by the Government of India. These campuses located near Chennai and Pune respectively contribute to the development of the local economy by providing commercial and employment opportunities to the local populace. Additionally, India has commenced operations with three tier cities such as Trichy and Trivandrum thereby widening the spread of Capgemini within the country.

In Asia-Pacific, Capgemini has an impressive regional footprint with presence in Singapore, Hong-Kong, Malaysia, Taiwan, Philippines, China, Vietnam and Japan. In line with our localization strategy, in most of these countries, the majorities are locals and are managed by a local management team. With this focus on localization, Capgemini has been able to contribute to build employability in these local markets and in some of them we have been able to demonstrate our commitment through a long term presence (more than 15 years in Taiwan).

Another channel of employment generation is to focus on identifying specific technologies like "the Oyster Program" in India which provides training at our cost to identified students before hiring them on our rolls, post successful completion of the training. This not only creates fresh employment but also creates a talent pool of candidates with niche skills in the market.

For all these employment programs, Capgemini has received several awards in 2012 such as in Poland ("TOP 200, 2012 edition Company with the greatest employment growth", "TOP 200, 2012 edition, the best IT place to work in Poland"…), in Italy (Top Employer for three years in a row), or in Belgium (Top employer in 2012).

Relation and dialogue with Communities

Capgemini remains as firmly committed to the social aspects of sustainability as we are to the environmental, and recognize our responsibility to the communities in which we operate. Our longevity depends in part on our support of these communities and the interest of our employees at local, national and international levels

Capgemini actively encourages its employees at all levels to get involved in the communities where they live and work. We channel our time, energy and creativity into having a positive impact through partnerships with various foundations, volunteering, *pro bono* work, fundraising and also by awarding funding, where appropriate. Joining forces to help others strengthens team spirit, improves communication skills and procures a better understanding of the communities around us.

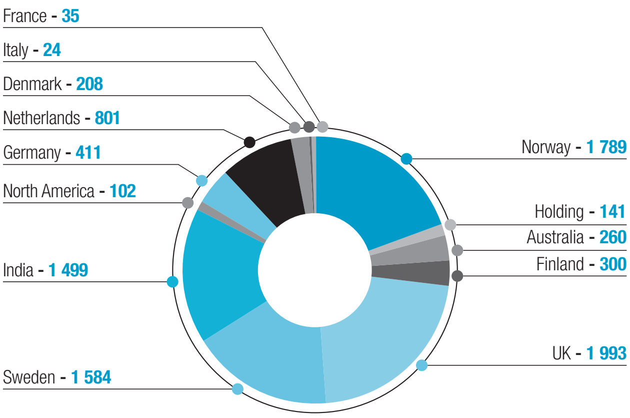
Our focus on community projects is very much aligned to our corporate purpose and values. We recognize our responsibility to contribute to the talent and skills of the wider population. Our fundamental community philosophy is to support skills for the future, education and inclusion. We acknowledge that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

Our intention is to provide as many opportunities as we can for our employees and to engage in activities for which they have passion and commitment. Additionally, we align and embed our community program with our business activities and client work to ensure sustainability. We measure and share this with our people, our community partners and our clients through communication vehicles such as our externally published Corporate Responsibility and Sustainability Report, our internet site and our internal Talent intranet or Global Employee Survey.

To maintain our focus and promote a standardized approach we began work on a global community policy in 2012 which will be rolled out to all our group operations starting in 2013.

Our global Naandi initiative

Our partnership with the Naandi Foundation and its Nanhi Kali Initiative (focused on supporting young girls through their school education) has a direct positive community impact in India; it is also aligned with and supports our CSR & sustainability strategy. In 2012, we sponsored just under 10,000 girls in India by means of schemes and initiatives across the Group. We are still the largest corporate sponsor of Nanhi Kali internationally and the second largest for the foundation overall. Nanhi Kali has been officially adopted in the framework of CSR and sustainability by 13 Group countries with Capgemini Italy the latest to launch an initiative in 2012.

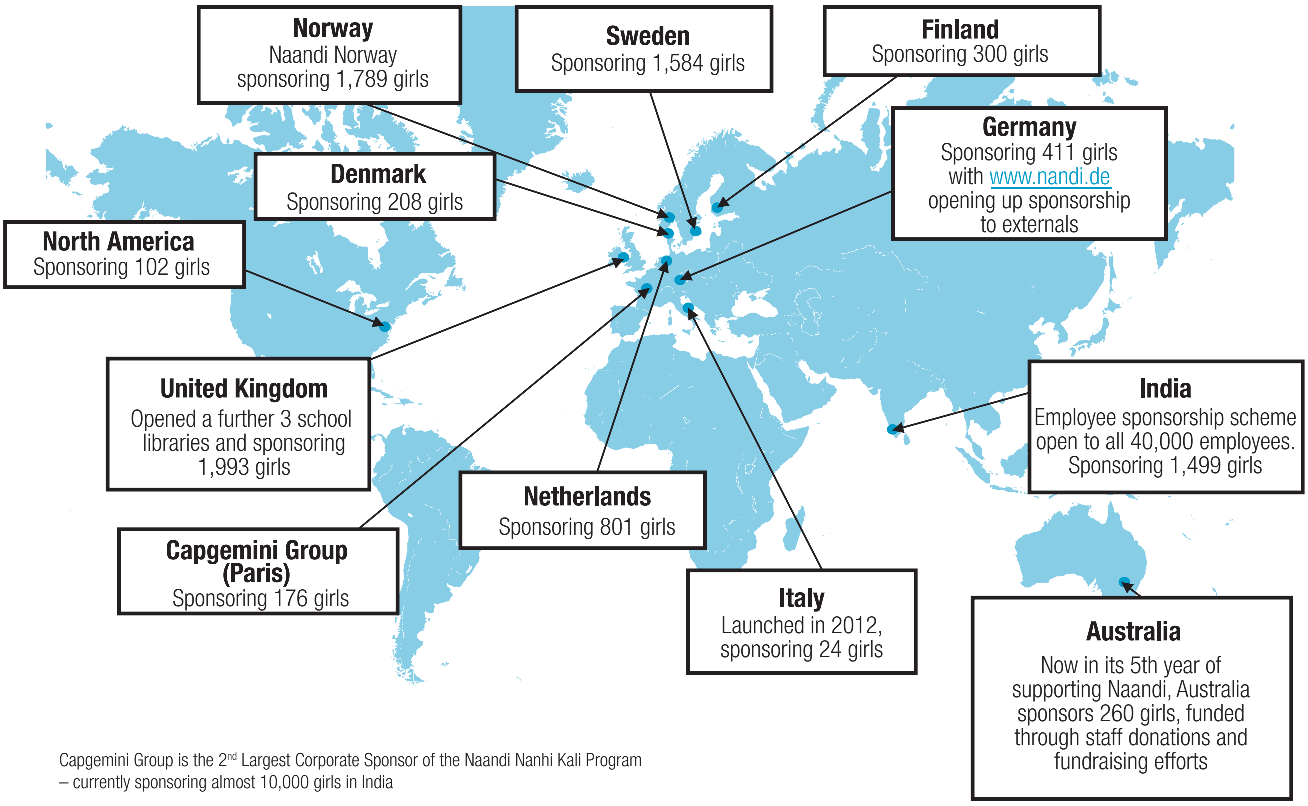


	Number of girls sponsoring	
Country	**2011**	**2012**
Norway	5,038	1,789
Holding / France	115	176
Australia	261	260
Finland	333	300
UK	2,899	1,993
Sweden	1,808	1,584
India	1,844	1,499
USA	46	102
Germany	170	411
Netherlands	723	801
Denmark	155	208
Italy		24
TOTAL	**13,392**	**9,147**

Some Naandi initiatives within the Group

- **Capgemini UK** has now opened 10 Hamari school libraries in schools attended by Nanhi Kali girls, providing them with access to a wide choice of books, newspapers and educational documents managed by a full-time librarian. In the summer of 2012, we reduced our corporate sponshorship of individual Nanhi Kali girls introducing instead the Last Lap program supporting smaller groups of girls in their penultimate year of school and with aspirations to go onto further education. Support is given to see them through their final school leaving exams by providing extra exam coaching, skills building sessions, and an opportunity to get some work experience with our Capgemini India business.
- **Capgemini UK Aspire** continued the adoption of a school in Mumbai thanks to fund-raising efforts which to date have generated £20,000 from the sale of samosas at the ASPIRE offices. This funding enables Naandi to provide basic academic knowledge to underprivileged children from the slum in which the school is located and to encourage them to continue their education.
- **Capgemini Norway** supported a client in opening a further 10 Hamari school libraries in Mumbai and continues to back project Nanhi Kali as its global CSR initiative.
- **Capgemini India** opened up the Nanhi Kali sponsorship scheme to all 40,000 employees across India, and is supporting Capgemini UK in delivering the Last Lap program and providing volunteers for the UK's Business in the Community (BITC) Give and Gain day.
- **The Group holding company** is continuing to sponsor one Nanhi Kali student for a year for every 1,000 e-cards sent from a platform set up by the Group's Internal Communications department. In 2012 the opening date of the platform was brought forward in line with the UN's International Girl Child day, celebrated across Capgemini countries supporting Naandi.
- **Capgemini Germany** registered Naandi as a charity, launching www.naandi.de to encourage people outside Capgemini to become involved with this program and to make Project Nanhi Kali more widely known through social networking sites.
- **Capgemini Belgium** fundraises for Naandi through employee driven activities.
- **Capgemini Italy** began supporting Project Nanhi Kali, bringing the total number of Capgemini countries supporting Naandi to 13.

CAPGEMINI GROUP AND THE NAANDI FOUNDATION



PlaNet Finance Initiative

Our local professional services company, Sogeti, has enjoyed a partnership with PlaNet Finance - an international non-profit organization, set up to reduce poverty in the world through the development of micro-finance – since PlaNet Finance's creation in 1998. This partnership has made a significant contribution to reducing poverty for a number of people.

Sogeti's support for PlaNet Finance goes beyond financial aid. It includes technological expertise and critical IT systems support, enabling PlaNet Finance to invest more time and money in micro-finance initiatives. Sogeti manages PlaNet Finance's computer system by hosting computer applications including intranet, electronic messaging, and on-line training, and provides services related to human resources.

In addition, in late 2011, Capgemini launched a dedicated website, in association with PlaNet Finance's microcredit platform MicroWorld, to promote the growth of micro-credit in less advanced countries. This site provides a secure platform that enables individuals to finance micro-entrepreneurs' projects around the world through on-line loans to projects that have been validated from a socially responsible perspective.

So far Capgemini's involvement has led to over 1,000 Capgemini and Sogeti team members lending €40,000 to 700 projects. This initiative has also helped build awareness on how to help others in ways other than donating money, i.e. giving a "hand up", rather than simply a "hand out".

Summary of donations made

Country	Donations	Programs
India	42,472 €	WeKare society
France	292,480 €	125k€ RSE (50 k€ Cercle Passeport, 20k€ IMS Entreprendre pour la cité/ Etude stereotypes, 15k€ Ims Entreprendre/Défis Mecenova, 15 k€ Partenariat Fondation Yann Arthus Bertrand) 167k€ mission handicap
NL	194,300 €	64 k€ CERVO/promotional Articles, 12k€ EMC forum, 12k€ Several Sports, 10k€ Kessler foundation, 10k€ Leerstoel, 10k€ NVZD
UK	127,217 €	
North America	76,866 €	United Way, Naandi Foundation, Ninos de lagos Charles Tillman Foundation, Feed my Starving Children, Regina Dominican High School, Foundation for the Carolinas, CWFW, American India Foundation, N Power Charlotte
Largest operations sub total	**733,335 €**	
		Landsindsamlingen 2012, Naandi, Red Barnet
		Capgemini Italy - 95k€ Planet Finance, 15 k€ SANT'ANDREA TERRE VICINE E LONTANE
		Naandi
		Capgemini Spain - Fundación Adecco (145k€), FCSD (Fundación Catalana Síndrome de Down) (50k€), Fundación Roig Alfonso-Mercadona (20k€), FUNDAL (Fundación para el Deporte de Alcobendas) (20k€)
Other Europe sub total	**548,035 €**	CADIN (Centro de Apoio ao Desenvolvimento Infantil)
Asia and Australia sub total	**9,999 €**	
Latin America sub total	**5,010 €**	
Sogeti	**85,234 €**	25k€ Foundation Make A Wish, 30 k€ Foundation St. Opkikker, 11k€ Foundation Kinderen Kankervrij, NY Marathon
GRAND TOTAL	**1,381,613 €**	

France includes the donations for Sogeti France.

Other Europe includes Denmark, Italy, Norway, Spain, Sweden, Portugal, Germany, Finland, Poland, Czech Republic.

Asia and Australia includes Asia Pacific and Australia.

Latin America includes Chile and Guatemala.

Sogeti includes Sogeti Netherlands and Sogeti Germany.

Highlights of national and local initiatives within the Group

In France, Capgemini and Sogeti partner with an organization called "Nos Quartiers ont des Talents", which helps young graduates from disadvantaged areas find gainful employment. Approximately 40 Sogeti employees, some of whom are members of the executive committee, mentor graduates each year.

Capgemini UK continues to make a difference to young people through our national partnership with The Prince's Trust. Our employees have multiple opportunities to get involved where they live and work, through volunteering, mentoring, client hospitality, pro-bono work and taking part in challenges. In 2012 UK employees helped raise over £25,000.

WeKare, a Community initiative for Capgemini India employees, is currently operational at our sites across India. Under the WeKare banner we partner with 50+ organizations across 3 major cities working in the areas of education, environment and employment.

Capgemini Netherlands partnered with SIFE (Students in Free Enterprise), an organization providing students with the opportunity to work on development projects, to stimulate business and entrepreneurship and to work towards a sustainable future together.

Capgemini North America partnered with Habitat for Humanity. The partnership has given our employees an opportunity to make a difference in their local communities and get involved.

Capgemini Poland has been working together with Siemacha Association for over 3-years running successful knowledge sharing sessions, workshops for youth leaders, company visits, recruitment shows and training and our annual charitable theatre performance.

In Guatemala we continue to support Niños del Lago (NDL: Children of the Lake). We launched a special committee of Good-Will Ambassadors, a group of employees that will help progress specific activities and provide local leadership to engage with other employees and spread the word about getting involved in the communities in which they operate. Each initiative will support a different organisation that supports children in need.

We apply Capgemini's core values of freedom and respect in our communities by encouraging and enabling our local teams to support the causes that inspire them. In recent years, our community activities have included:

- building classrooms for children with Down's syndrome in Guatemala,
- supporting urgent relief efforts for earthquake victims in Chile, as well as flood victims in Queensland Australia and Northern Brazil,

- organizing charity, sporting and cultural events across North America with the help of the United Way,
- providing financial support to restore Santa Maria ad Cryptas, a historic church in Abruzzo that was damaged by earthquake

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

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

Sponsoring and partnership approach

Group company sponsorship of sports, cultural, social, educational or business events, either occasional or recurring, forms part of Capgemini's communication and marketing with customers and other stakeholders. Sponsorship is different from charitable donations, as its purpose is to promote and strengthen the Group brands and impact. To ensure that a sponsorship serves its intended business purpose, it must be pre-approved and it should comply with applicable laws and be aligned with Group's "Seven Values", policies and Code of Business Ethics.

Regarding sponsorship, the Group has established a longstanding partnership with the rugby community especially in France due to:

- An alignment of values and team spirit,
- The quality of the relationship which can be developed with clients around this theme,
- The strong local implementation which reinforces the link with the regional communities,
- A positive image.

It is the Group's policy not to make, directly or indirectly through a third party, any cash or in-kind contribution to any political organization.

In certain circumstances, the Group wishes to have a positive impact on the communities in which it operates and where Group company employees live. As a major global player, it works with national and international organizations on community projects ensuring that:

- the charitable organization's goals are compatible with the Group's "Seven Values" and our Code of Business Ethics and our Corporate Social Responsibility policy,
- the organization is a legitimate charitable organization.

RATING AGENCIES

Capgemini respond to and engage with a number of independent corporate responsibility and sustainability analysts and financial rating agencies. We take seriously external analysis of our CSR and sustainability performance and welcome measurement by reputable third parties. This gives us a clearer vision of our position in relation to considered best practice and our priorities in each area. The Global Analyst Relations Team builds relationships with key market analysts and provides them with information on Capgemini. In addition, it informs employees about the analysts' opinions of the Company.

Analysts, financial indexes and the Carbon Disclosure Project (CDP)

A report by independent analysis firm Verdantix identified Capgemini as a "Specialist" supplier of sustainable technology services. This Green Quadrant® report provides a detailed fact-based comparison of 17 of the leading sustainable technology service providers globally. The analysis is based on interviews with 15 buyers representing firms with revenues of $331 billion, supplier responses to a 52 point questionnaire and detailed supplier interviews. Companies in the Specialist quadrant are characterized by in-depth capabilities in focused technology areas, broad portfolios of emerging sustainable technology services and internal sustainability programs. Capgemini scored "Best in class" for data center efficiency, with the following commentary: "through its Merlin data center in the UK, Capgemini has developed one of the world's most sustainable and energy efficient data centers".

In the same report, Verdantix also acknowledged our expertise in smart metering and noted "Capgemini scores Best in Class for its smart meter expertise with over 15.7 million meters deployed and 1.7 million meters under management in both Europe and North America".

This year we were once again included in the FTSE4Good index and were among the Top 250 companies on the 2012 Newsweek Green Ranking. The top global companies on this list were selected from thousands of companies for their positive environmental impact and for their environmental management. Capgemini were awarded a ranking of 95 out of a 100 putting us just outside the sector leaders.

The 2012 Carbon Disclosure Project results showed that Capgemini was given a disclosure score of 78 out of 100 (compared to the average of 48 across 2400 participating organisations), which for the first time allowed CDP to award a performance banding (a C compared to the average of D) for our environmental performance. This included a greenhouse gas emissions inventory where data was available, for our offices, data centers, travel and hotel usage in addition to climate change management strategy statements, governance and stakeholder engagement.

Capgemini UK currently hold Platinum status in the annual Business in the Community (BitC) Corporate Responsibility Index which is a leading voluntary corporate responsibility benchmark, in the UK. BitC measures the way sustainability has been integrated across our business and our degree of positive impact. The index is then used to drive best practices for sustainability across the UK business for year-on-year improvement.

3.3.3 The Group and the environment

Capgemini recognizes that even though we do not manufacture products, the services we provide and business activities in which we are engaged, can still adversely impact the environment. We appreciate that our growth as a business will depend in part on our ability to recognize the limits of the environment in which we operate and our ability to alter our business model accordingly.

We also understand that we can make a significant contribution to minimizing environmental impacts, not only through the way we manage our own business, but also in the way we assist our stakeholders to reduce their environmental impacts.

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

ISO 14001 certified Environmental Management Systems are in place in our operations in the UK, Netherlands, Belgium, Portugal and Brazil. This currently accounts for around 20% of our global population. The implementation of the Group Environment Policy will facilitate activities within the remaining countries to address ISO14001 requirements. A Group wide EMS Guidance Document commenced its roll out in 2012 to ensure each country has the tools and correct best practice guidance to increase our global coverage.

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

GROUP ENVIRONMENTAL POLICY

The Group environment policy signed in 2011 by the CEO, Paul Hermelin, sets out the expectations for all countries. This policy statement reinforces our commitment to environmental compliance and the continual improvement of environmental performance across our global operations, specifically in the areas of energy, business travel and waste. The policy roll out commenced in 2012 ☑.

CAPGEMINI GROUP ENVIRONMENTAL POLICY STATEMENT

Capgemini is one of the world’s foremost providers of consulting, technology and outsourcing services. Our business activities are delivered from both our own network of offices and data centers as well as at our clients’ sites.

This policy statement applies to all offices and data centers managed by Capgemini, all employees, and suppliers retained by Capgemini.

Although we do not manufacture products, we recognize that our business activities do have impacts on the environment and we are committed to continually improving our environmental performance.

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

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

1. have a full understanding how to quantify and track our environmental impacts (at a minimum, our Greenhouse Gas (GHG) Emissions) in line with our statutory reporting requirements,
2. identify energy saving initiatives within our portfolio of offices to reduce the Group’s energy consumption and associated carbon footprint,
3. drive energy efficiency initiatives in our Data Centers,
4. implement initiatives to minimize travel (and in particular Air Travel), without disrupting our ability to meet the demands of our clients,
5. implement initiatives to reduce the amount of waste we generate, and to maximize the percentage of our waste which is recycled,
6. have procurement processes which ensure that our suppliers provide products and services which help us to achieve our Group environmental policy, particularly in relation to carbon emissions, reducing energy consumption, and minimizing waste.

Performance against our objectives and targets, and this Environmental Policy, will be reviewed at least annually.

Signed: Paul Hermelin

Position: Chief Executive Officer

IDENTIFICATION OF KEY ENVIRONMENTAL IMPACTS

While local variations may exist across our group operations, our key material environmental impacts are show in the table below.

Key Environmental aspects	Aspects and impacts applicable to the Capgemini business
Energy	Our main environmental impact comes from the consumption of electricity, gas and oil to light, heat and power our offices and data centers. Data centers are particularly energy intensive due to the high level of IT equipment to be housed, powered and cooled. As an example around 56% of the electricity we use in our UK operations is consumed by the data centers alone.
Travel	The business travel we undertake, including journeys by road, rail, air, and from staying in hotels all consume fossil fuels, contributing greenhouse gas (GHG) emissions and impacting climate change. Tackling this is a major challenge for our industry, which is reliant on the mobility of its people in order to utilize their skills and experience in serving our customers worldwide. We continue to take advantage of opportunities created by technology such as video conferencing supported by a virtual "meet and greet" concierge service. We have also improved or introduced some collaborative tools to facilitate remote working and allow a greater flexibility. These combined capabilities give our employees access to a wider range of alternative options to travel and will enable us to set and achieve global travel emission reduction targets in the future. In many countries we also address the issue of emissions from company car fleets through approaches such as set emission caps or by promoting hybrid vehicles.
Waste	Much of the waste that the Group produces is generated from office consumables and packaging. Capgemini aims to minimize the amount of waste that is sent to landfill by providing recycling facilities in key offices. We also try to engage our people and work with key suppliers to reduce the overall amount of waste in the business, generated by its daily operations. We ensure that all electronic equipment is recycled in accordance with local laws.

HIGHLIGHTS

- Capgemini has been a signatory of the United Nation's Global Compact – Caring for Climate since its inception in 2007.
- In 2012 Capgemini UK retained Eco- management and Assurance Scheme (EMAS) re-registration of its UK Environmental statement, the highest European level of assurance for its environment program. Capgemini UK is currently the only company in its sector to currently hold EMAS registration. The statement is available online at: http://www.uk.capgemini.com/resources/capgemini-uk-plc-environmental-statement-for-2011.
- Capgemini signed the 5th in a series of Communiqués on Climate Change in 2012, organized by the Prince of Wales's Corporate Leaders Group on Climate Change. Capgemini is also signed up to the preceding four. This Communiqué calls for "clear, transparent and unambiguous price on carbon emissions" to enable businesses to respond. This follows our support of the previous Cancun (2010), Copenhagen (2009), Poznań (2008), and Bali (2007) Communiqués.
- Capgemini are signatories to the Guadalajara ICT declaration for Transformative Low-carbon Solutions. This urged governments at the Cancun summit in 2010 to use the power of ICT as part of the mechanism for transitioning to low a carbon economy, and proposed the creation of a workstream on developing low-carbon ICT solutions.
- In partnership with the Goodplanet foundation, Capgemini has founded the French translation of the 2011 report of the Worldwatch Institute (a North American independent interdisciplinary research organization created in 1975 and Goodplanet is an environmental non-profit organization).
- Capgemini became a member of the "Comité 21" in June 2011. "Comité 21" is a network of sustainable development practitioners and was created after the Rio Summit in 1994. The mission of "Comité 21" is to create conditions for exchange and partnerships between its members who come from all sectors.
- In July 2010 Capgemini's UK Chairman was one of several European business leaders to sign a joint declaration to EU institutions and ministers, calling for a 30% target for cutting carbon emissions as part of increasing Europe's climate ambition. This was covered by the FT, the BBC and Le Monde, among others.

ENVIRONMENTAL PERFORMANCE

A critical part of driving environmental performance improvements is the ability to accurately and robustly measure environmental data. To provide the necessary high quality data, a global Carbon Accounting and Sustainability Reporting system is currently being deployed to provide standardized data collection, monitoring and management.

This robust approach to environmental data collection and reporting is also essential for meeting corporate reporting obligations such as the French Grenelle II legislation at Group level, and the British Carbon Reduction Commitment legislation for Capgemini UK.

As well as facilitating mandatory reporting, the deployed carbon accounting approach, which is based upon monthly data gathering, provides timely information enabling the identification of potential savings (in terms of both emissions and cost). This approach has already realised significant cost and emissions savings in terms of energy and business travel in Capgemini UK, the first country where the system has been fully rolled out. Capgemini UK has also achieved Eco-Management and Audit Scheme (EMAS) Registration for its Environmental Statement - the only company in its sector to date.

The full Carbon Accounting and Sustainability Reporting system is currently being rolled out globally - starting in 2012 with our largest countries by headcount (France, Netherlands, North America and India). Combined with the UK, these countries account for [70] percent of global headcount. During 2013 the system is being deployed in a further 10 countries to improve our global coverage.

The Carbon Accounting and Sustainability Reporting system is now also being provided to clients as a managed service.

METHODOLOGY

Given that the full global Carbon Accounting and Sustainability Reporting system is currently being rolled out, the maturity of environmental reporting varies across the Group. At the time of data collation for the 2012 Annual Report only the data for Capgemini UK was available directly from the Carbon Accounting system. All other countries performed specific data gathering exercises to collate the data presented. Furthermore, in presenting the following tables of environmental data it has been necessary to make a number of assumptions. Where only partial data is available, extrapolation has been employed to estimate the total annual impacts. This extrapolation has in many cases included November and December of 2012 where full annual data-sets were unavailable at the time of data preparation. In rare cases, up to 6 months data had to be extrapolated (travel by plane in Netherlands)

The extrapolations have included in particular:

- estimating 2012 data based upon available 2011 data (according to documented methodologies related to differing circumstances and covering all aspects of energy, travel and waste data),
- estimating emissions data based on available cost data (employing assumptions such as the cost per kwh for electricity and gas; and cost per liter of diesel or per km of travel).

Where data is unavailable, as was sometimes the case for water and some modes of transport, the data has been deliberately excluded. Further disclosure about the scope of data available and extrapolations employed is presented in footnotes under the data tables.

KEY PERFORMANCE INDICATORS

Capgemini's largest countries in France, India, the United Kingdom, the Netherlands and North America (comprising of operations in both Canada and the United States of America) represent around 70 percent of Capgemini's global headcount. The combined carbon emissions of these operations amount to 280,337 tons of CO_2e (calculated in most cases by using the conversion factors and methodology recommended by UK Government's Department of Environment, Farming and Rural Affairs (DEFRA)). Where country specific conversion factors have been identified as more accurate, these factors have been used (e.g. ADEME factors for certain French data including emissions from urban heating).

The carbon footprint tables below include the emissions associated with our use of gas, diesel, electricity (in both data centers and offices), urban heating, steam, cooling and business travel. As water usage is not currently regarded as a significant environmental aspect for Capgemini, it has been excluded. However, water consumption data is included as part of the carbon accounting system roll out, which will allow us to identify consumption areas where there may be a more significant impact from our use of water, for example in cooling systems.

Capgemini's consumption of paper and the generation of waste along with the amount recycled is not detailed within this report as the current data gathering practices differ significantly between countries. A smaller number of countries (for example: the UK and the Netherlands) have more robust data sets enabling the success of waste reduction and recycling initiatives to be measured. For example, the UK generated a total of 270 tons of general waste (excluding hazardous waste) across its facilities in 2012 with a recycling rate of 69%. Although waste productions are reported locally in certain countries (for example: the UK), as the waste volume available for most other countries is based on estimated values, it was decided that the resulting emissions calculations were unlikely to be representative and have therefore not been reported. Table 1 shows the energy consumption and carbon emissions associated with Capgemini's and Sogeti's operations in France, India, Netherlands, United Kingdom and North America (United States of America and Canada) together. Where available the data for Capgemini and Sogeti it is shown separately. For India and France the data for Capgemini and Sogeti is showed combined.

TABLE 1: OVERALL CARBON EMISSIONS – INDIA, FRANCE, UNITED KINGDOM, NETHERLANDS AND NORTH AMERICA

	Energy						Travel			Waste in tonnes
	MwH	Emissions in Tons CO_2e								
Countries	**Energy (All sources)**	**Gas**	**Diesel**	**Data Centre Electricity**	**Office Electricity**	**Electricity Urban Heating**	**Business Travel**	**Business Travel (Hotels nights only)**	**Total Emissions inc. Hotels (Tons CO_2e)**	*Waste (Non-Hazardous)*
India - Capgemini & Sogeti	88,845	NA	7,174	NA	74,010	NA	30,677	6,782	111,860	507
France - Capgemini & Sogeti	67,438	31	48	3,102	2,539	187	21,454	4,697	27,361	0
UK - Capgemini	66,752	448	63	26,616	6,731	NA	14,722	3,376	48,580	271
UK - Sogeti	115	0	0	NA	60	NA	298	46	358	0
Netherlands - Capgemini	27,592	563	16	6,518	3,436	0	21,157	581	31,690	245
Netherlands - Sogeti	1,167	0	0	44	444	NA	115	0	604	0
North America - Capgemini & Sogeti	85,224	387	44	28,477	3,309	0	27,665	5,758	59,882	452
TOTAL LARGEST OPERATIONS	**337,132**	**1,429**	**7,345**	**64,757**	**90,529**	**187**	**116,089**	**21,240**	**280,337**	**1,474**
	☑							*excluding hotel nights*	259,097 ☑	

NOTES

1. North America: The majority of data for North America (including USA and Canada) have been extrapolated based upon available 2011 data.
2. Energy: Given the nature of our business, many of Capgemini's offices have large server rooms. These are not considered to be data centers but their presence should be taken into consideration when comparing the energy usage of our offices against those in other sectors.
3. Travel: Emission factors as produced by the Carbon Neutral Company have been used to calculate the emissions associated with hotel nights in all countries. It was identified during the external Grenelle II audit, that these factors, when applied outside the UK, may be too high with the result that the figures presented above are likely to be higher than reality. As more appropriate emission factors could not be obtained, the figures have been reported as calculated but with total emissions from hotel stays also shown separately. It is acknowledged that the figures represent a likely worse case and the methodology employed will be reviewed for future reports.
4. Travel: In some countries, for example France and North America, the number of nights is estimated.
5. Travel: In Capgemini Netherlands emissions data associated with travel includes personal car use as well as business mileage as it could not be separated.
6. Travel: In Capgemini India and UK, emissions associated with taxi journeys have been included.
7. Sogeti: The data for India and France contain the Sogeti operations within those countries. For UK and NL the values were available separately and reported as such. No Sogeti data were available in North America.
8. Table key: NA (not applicable) denotes areas where data is not available because the source is not used. For example: there is no urban heating in the UK.
9. Table key: 0 denotes areas where data was not available.

The emissions reported for Capgemini India have risen significantly compared to those reported in the 2011 Annual Report. This is due primarily to greater data coverage for the Indian operations. In 2011, the Indian energy data were limited to Capgemini's operations in Mumbai, Bangalore and Kolkata. The 2012 figures include information from 33 separate facilities in nine Indian cities. The 2012 figures for India also include travel data where limited travel data was previously available. Overall emissions reported for Capgemini France have also risen since those reported in 2011. This is due to the a more comprehensive data gathering exercise having been undertaken in 2012 leading to more complete view of overall emissions.

Despite the addition of four new sites in this year's data set, the emissions for Capgemini UK fell in 2012 by 4 percent reflecting the on-going impact its established Sustainability Program has had working towards a series of publically stated environmental improvement targets. These 2014 targets, set in 2008, include:

- reducing overall emissions (excluding data-center emissions) by 20%,
- improving data-center efficiency by 20%,
- reducing travel related emissions by 30%, and
- eliminating waste to landfill.

Further details can be found at:

http://www.uk.capgemini.com/about-us/csr_sustainability/environment/our_performance/

Environment data have also been collected from Capgemini's operations in Australia, Austria, Belgium, Brazil, Chile, China (including Hong Kong), Czech Republic, Denmark, Finland, Germany, Guatemala, Hungary, Italy, Mexico, Norway, Philippines, Poland, Portugal, Romania, Slovakia, Spain, Sweden, and Vietnam as well as Sogeti operations in Belgium, Finland, Luxemburg, Spain, and Sweden.

Initial data gathering suggests that the combined emissions of these operations amounted to an estimated 57,993 tons of CO_2e in 2012. The headcount of these operations equates to 27 percent of the Group by headcount.

Combining, this indicative figure with the largest operations gives an overall estimated emissions figure for Capgemini Group of 338,330 tons of CO_2e (hotel nights included). This figure gives an indicative coverage of 97 percent of the Group by headcount (corresponding to 317,090 tons of CO_2e hotel nights excluded).

3.4 INDEPENDENT EXTERNAL ANALYSIS

Statutory Auditors' attestation of disclosure and limited assurance report on a selection of human resources, environmental and societal information

(Year ended December 31st, 2012)

This is a free translation into English of the Statutory Auditor's review report issued in the French language and is provided solely for the convenience of English speaking readers. The review report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Board of Cap Gemini S.A.

Pursuant to your request and in our capacity as Statutory Auditors of Cap Gemini S.A., we hereby report an attestation of disclosure of the consolidated human resources, environmental and societal information presented in the management report issued for the year ended December 31st, 2012 in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code (*Code de commerce*). We have also performed the review described below for the purpose of enabling us to express limited assurance on a selection of indicators, identified by the ☑ symbol.

MANAGEMENT'S RESPONSIBILITY

The Board is responsible for the preparation of the management report including the consolidated human resources, environmental and societal information (the "Information") in accordance with the requirements of Article R. 225-105-1 of the French Commercial Code (*Code de commerce*), presented as required by the entity's internal reporting standards (the "Guidelines") and available at the entity's premises. A summary of the Guidelines is presented in the report in the chapter "Corporate Social Responsibility & Sustainability".

OUR INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by regulatory requirements, the Code of Ethics of our profession (*Code de déontologie*) and Article L. 822-11 of the French Commercial Code (*Code de commerce*). In addition, we maintain a comprehensive system of quality control including documented policies and procedures to ensure compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

STATUTORY AUDITORS' RESPONSIBILITY

It is our role, on the basis of our work:

- to attest whether the required Information is presented in the management report or, if not presented, whether an appropriate explanation is given in accordance with the third paragraph of Article R. 225-105 of the French Commercial Code (Code de commerce) and Decree no. 2012-557 dated 24 April 2012 (Attestation of disclosure),
- to provide limited assurance on whether the qualitative and quantitative information selected by Cap Gemini S.A. (1) and identified by the ☑ symbol (the "Data") is fairly presented, in all material respects, in accordance with the Guidelines (Limited assurance report).

We called upon our Corporate Social Responsibility experts to assist us in the performance of our work.

1. Attestation of disclosure

Our engagement was performed in accordance with professional standards applicable in France:

- we compared the Information presented in the management report with the list as provided for in Article R. 225-105-1 of the French Commercial Code (*Code de commerce*),
- we verified that the Information covered the consolidated perimeter, namely the entity and its subsidiaries within the meaning of Article L. 233-1 and the controlled entities within the meaning of Article L. 233-3 of the French Commercial Code (*Code de commerce*),
- in the event of the omission of certain consolidated Information, we verified that an appropriate explanation was given in accordance with Decree no. 2012-557 dated 24 April 2012.

On the basis of our work, we attest that the required Information is disclosed in the management report.

2. Limited assurance report on a selection of Data

Nature and scope of the work

We conducted our engagement in accordance with ISAE 3000 (International Standard on Assurance Engagements) and French professional guidance.

We performed the following procedures to obtain a limited assurance that nothing has come to our attention that causes us to believe that the selected qualitative and quantitative Data and identified by the ☑ symbol in the management report are not fairly presented, in all material respects, in accordance with the Guidelines. A higher level of assurance would have required us to carry out more extensive work.

(1) *Quantitative information: Direct energy consumption by primary energy source, Greenhouse gas emissions, Average workforce broken down by geographical area, age, gender, Number of hires and attrition, Breakdown of part time workforce and fixed working hours, Number of IWC meetings, Number of training hours and employees trained, Percentage of women in hires and attrition, Number of suppliers delisted or reclassified after an analysis of their CSR performance, Number of employees trained in the anti-corruption policies and procedures.*

Qualitative information: statements related to the environmental policy, the summary of collective agreements and the Group University.

Regarding the selected quantitative Data, our work consisted in the following:

- we assessed the suitability of the Guidelines as regards their relevance, completeness, neutrality, understandability and reliability, taking into consideration, where applicable, the good practices in the sector,
- we verified that the Group had set up a process for the collection, compilation, processing and control of the Data to ensure its completeness and consistency. We examined the internal control and risk management procedures related to the preparation of the Data,
- we conducted interviews with those responsible for human resources, environmental and societal reporting.

At the level of the consolidating entity and the controlled entities, we implemented analytical procedures and, based on sampling, verified the calculations and the consolidation of this information.

At the level of the entities [1] (the "Entities") that we selected based on their business, their contribution to the consolidated indicators, their location and a risk analysis:

- we conducted interviews to verify that the procedures were correctly applied,
- we performed tests of detail based on sampling, consisting in verifying the calculations made and reconciling the data with the supporting documents.

The sample thus selected represents 52% of the workforce, 100% of societal Data, and between 34% to 100% of the selected environmental Data.

Concerning the qualitative Data, we conducted interviews and reviewed the related documentary sources in order to corroborate this information and assess its fairness.

CONCLUSION

Based on our work described in this report, nothing has come to our attention that causes us to believe that the Data identified by the ☑ symbol are not fairly presented, in all material respects, in accordance with the Guidelines.

3

The Statutory Auditors

Paris La Défense and Neuilly-sur-Seine, 22 February 2013

French original signed by:

KPMG Audit Department of KPMG S.A.		PricewaterhouseCoopers Audit	
Philippe Arnaud	Jacques Pierre	Thierry Raes	Serge Villepelet
Partner in charge of the Climate Change & Sustainability Services	Partner	Partner responsible of the Corporate Social Responsibility Department	Partner

(1) Cap Gemini France S.A.S., Capgemini UK Plc., Capgemini India Private Ltd and Capgemini Business Services (for the environmental Data), Capgemini India Private Ltd (for the human resources Data).

3.5 GRENELLE CORRELATION TABLE

The following Grenelle II table details the indicators included in the legislation and the extent to which Capgemini has reported. Explanations for not reporting against any indicator are also included.

HR data indicators	Y /N	Explanation
a) Employment		
- Total headcount; Distribution of employees by gender, age and geographical area		See pages 70 to 72
- Recruitments and redundancies		See pages 73 and 86
- Remunerations and their evolution		See pages 73 to 74
b) Work organization		
- Working time organization		See pages 74 to 75
- Absenteeism		See pages 75 to 76
c) Labor relations		
- Organization of social dialogue including information procedures, consultation and negotiation with the employees		See pages 85 to 86
- Summary of collective agreements		See pages 85 to 86
d) Health and safety		
- Occupational health and safety conditions		See pages 76 to 77
- Summary of collective agreements signed with trade unions or the representatives of the company health and safety committee		See pages 76 to 77
- Occupational accidents, including accident frequency and severity rates, and occupational diseases		See page 76
e) Training		
- Policies implemented regarding training		See pages 77 to 79
- Total number of training hours		See pages 78 and 79
f) Equal opportunity		
- Measures implemented to promote gender equality		See pages 80 to 82
- Measures implemented to promote employment and integration of disabled people		See pages 82 to 83
- Policy against discrimination		See pages 83 to 84
g) Promotion and compliance with ILO fundamental conventions relative to:		
- The freedom of association and recognition of the right to collective bargaining		See page 68
- The elimination of discrimination in respect of employment and occupation		See page 68
- The elimination of all forms of forced labor		See page 68
- The abolition of child labor		See page 68

Environmental indicators	Y/N	Explanation
a) General environmental policy		
- The organization of the company to integrate environmental issues and, if appropriate, the assessments and certification process regarding environmental issues	Y	See pages 95 to 96
- Information and training measures for employees regarding the protection of the environment	Y	See pages 95 to 96
- Resources allocated to prevention of environmental risks and pollution	N	Due to the nature of our activities, our impact is mostly linked to associated carbon emisisons. Hence the most relevant indicator has been identified as Greenhouse Gas Emissions and to the set of actions implemneted to reduce and optimize energy resources and sustainable resources in general
- Amount of the environmental risks provisions and guarantees, unless such information is likely to cause serious prejudice to the company in an ongoing litigation	N	As above
b) Pollution and waste management		
- Measures of prevention, reduction or repair of discharges into the atmosphere, water and soil, impacting severely the environment	N	As above
- Measures regarding waste prevention, recycling and disposal	Y	See page 96
- Consideration of noise and of any other activity specific pollution	N	As themes 3,4 and 5
c) Sustainable use of resources		
- Water consumption	N	As water usage is not a significant environmental aspect for Capgemini, it has been excluded from the data tables. The Group roll out of our carbon accounting system requires the inclusion of water consumption at which time it can be identified if the water used in cooling systems (especially in our data centers) is significant
- Water supply adapted to the local constraints	N	
- Consumption of raw materials and measures implemented to improve efficiency in their use	N	Due to the nature of our business we do not consume raw materials
- Energy consumption and measures implemented to improve energy efficiency and renewable energy use	Y	Energy consumption is broken down by geographical area (p. 98)
- Land usage	N	As there is very little land or 'green' space at our office loactions for which we have responsibility, data relating to the use of land is not available and not considered applicable
d) Climate Change		
- Greenhouse gas emissions	Y	GHG emissions for a limited scope
- Adaptation to consequences of climate change	N	we evaluate the risks in terms of energy costs. The aim going foward is to set reduction targets globally
e) Biodiversity protection		
- Measures implemented to protect and conserve the biodiversity	N	As there is very little land or 'green' space at our office loactions for which we have responsibility, data relating to the use of land is not available and not considered widely applicable

Social and communities indicators	Y/N	Explanation
a) Territorial, economic and social impact of the company activity:		
- Regarding regional employment and development		See page 90
- On the local populations		See page 90
b) Relations with stakeholders, including associations of integration, educational institutes, associations for the protection of the Environment, consumers organization and local populations		
- Conditions of the dialogue with stakeholders		See pages 90 to 94
- Actions of partnership and sponsorship		See pages 90 to 94
c) Subcontractors and suppliers		
- Integration of social and environmental issues into the company procurement policy		See pages 88 to 90
- Importance of subcontracting and consideration, in the relationship with subcontractors and suppliers of their social and environmental responsibility		See pages 88 to 90
d) Fair business practices		
- Action implemented against corruption		See pages 67 to 68
- Measures implemented to promote consumers health and safety		Due to the nature of our activities, we are not faced with consumers and are not building products which may impact health or security of consumers
e) Other actions implemented to promote Human Rights		
- Other actions implemented to promote Human Rights		See pages 67 to 68

Financial information

4

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4.1 COMMENTS ON THE CAPGEMINI GROUP CONSOLIDATED RESULTS

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

The business slowdown observed at the end of 2011 continued through the year, although contrasting trends between geographic areas were noticeable: North American and Asian markets remained buoyant, while the European market slowed considerably.

The Group foresaw this slowdown and successfully demonstrated its ability to improve margins in a sluggish market. Capgemini Group reported revenues of €10,264 million, up 5.9% on published figures for last year and even 1.2% like-for-like (that is at constant Group structure and exchange rates) – the difference between these two growth rates being attributable to the appreciation of the US dollar and pound sterling against the euro and the full-year consolidation of Prosodie, acquired mid-2011.

The operating margin rate for 2012 is 7.7%, up 0.3 points on 2011 (7.4%) and in line with the objective announced at the beginning of 2012. Despite a significant increase in restructuring costs (€168 million in 2012 compared with €81 million in 2011), the operating profit for the year is €601 million, bringing the operating margin to 5.9% compared with 6.1% in 2011.

The net financial expense is €100 million (compared with €105 million in 2011). The income tax expense is €140 million, compared with €101 million in 2011, which benefitted from the positive impact of a net remeasurement of the US deferred tax balance in the amount of €76 million. Profit for the year attributable to owners of the Company is €370 million, down 8% on the profit of €404 million realized in 2011.

The Group generated "organic free cash flow [1]" of €496 million during the year, up significantly on the €164 million measured in 2011. This figure includes cash inflows of €100 million recognized in advance on 2013, relating in particular to certain accounts receivable. However, even restated for this cash relating to 2013, the Group's performance in terms of free cash flow generation remains highly satisfactory.

OPERATIONS BY MAJOR REGION

France just retained its number one spot among the Group's regions in terms of revenues (€2,181 million, or 21.3% of the Group total), reporting an increase of 2.0% (and a fall of 2.1% like-for-like). The difference between these two rates is primarily due to the full-year consolidation of Prosodie. Excluding this change in Group structure, the decline in revenues is mainly attributable to Consulting Services (-15.2%) and Sogeti (-2.4%). The Technology Services and Outsourcing businesses reported nearly stable revenues. The operating margin in France in 2012 is €171 million (7.8% of revenues), compared with €187 million in 2011.

North America reported revenues of €2,101 million in 2012 (20.5% of the Group total), up 16.4% (7.0% like-for-like, with the difference due to the appreciation of the US dollar against the euro). As in 2010 and 2011, growth in this region was driven by the dynamism, on a like-for-like basis, of the Consulting Services (+8.5%), Technology Services (+10.6%) and Sogeti (+9.4%) businesses, while the Outsourcing Services business remained almost stable reporting growth of 0.9%. The North America operating margin in 2012 is €186 million (8.8% of revenues), compared with €159 million in 2011. North America became the leading contributor to Group operating margin in 2012.

The United Kingdom and Ireland reported revenues of €2,104 million in 2012 (20.5% of the Group total), up 8.1% (0.9% like-for-like). The difference between these two rates is primarily due to the appreciation of the pound sterling against the euro. This near stability in terms of organic growth is due to strong growth in Technology Services (organic growth of 14.7%) offset by a 2.1% fall (but for a greater business volume) in Outsourcing Services. This downturn in Outsourcing Services is due to reduced business activity in the public sector, as foreseen from the end of 2011. The operating margin is €163 million (7.7% of revenues, representing an increase in the operating margin rate of 0.6 points on 2011).

Benelux suffered a slump in activity of 11.7%, reporting revenues of €1,118 million. Revenues were not stabilized until the end of 2012, due to weakness across all sectors and for the businesses, of Technology Services in particular. A reorganization and major restructuring program was implemented during the year to adapt the cost structure and reposition the service offer. The operating margin is €80 million. This is down on the €94 million generated in 2011, although a significant upturn was observed in the second half of the year thanks to the vigorous decisions taken during the summer.

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

The Southern Europe and Latin America region reported total revenues of €1,029 million (10% of the Group total), up 2.9% on last year (1.3% like-for-like). The operating margin is €35 million (3.4% of revenues), compared with €30 million in 2011.

The Nordic countries (Sweden, Denmark, Norway and Finland) reported total revenues of €714 million (7.0% of the Group total), up 12.4% on 2011 (9.0% like-for-like). These figures confirm the continued strong business performance in this region and particularly that of Technology Services which reported growth of over 10% and Outsourcing Services (which accounts for 15% of activity in this region), up close to 30%. The operating margin of this region is €52 million (representing an operating margin rate of 7.2%) up 13% on 2011.

The Germany/Central Europe region (Switzerland, Austria and Eastern European countries) also enjoyed above Group average growth: revenues totaled €658 million, up 5.2% on 2011 (4.8% like-for-like), and represented 6.4% of total Group revenues. Once again, the rapid development of Outsourcing Services (up 15.6%), drove overall growth in this region. The operating margin is €58 million (8.8% of revenues, up 1.9 points on 2011), confirming this region's return to profitability.

Finally, **the Asia-Pacific region** (€359 million, 3.5% of Group revenues) continued its strong growth (+29.3% and +20.1% like-for-like, with the increase in the various regional currencies accounting for most of the difference between these two rates). The operating margin (€111 million, compared with €83 million in 2011) cannot be compared directly to revenues, as only sales to local clients are recognized in this region, with internal sub-contracting revenues for clients belonging to other Group regions generally recorded in the accounts of the region which invoices the client; however, part of the margin realized with certain clients of other regions is recorded in the accounts of the Asia-Pacific region, which obviously reduces the profitability of the source regions.

OPERATIONS BY BUSINESS

Technology Services (40% of Group revenues) remains the Group's powerhouse, reporting revenue growth of 3.5% like-for-like. The utilization rate improved further to an average of 80.7% over the four quarters, compared with 79% last year. The upward trend in prices observed at the end of 2011 was confirmed in 2012, with a slight rise over the period in "onshore" prices. At 7.9%, the operating margin rate is up 1.1 points on 2011.

Outsourcing Services (also 40% of Group revenues) reported revenue growth of 0.5% like-for-like. The operating margin rate remained virtually stable at 7.6%, despite the drop in profitability of a major public sector contact in the United Kingdom, in line with forecasts.

Local Professional Services (Sogeti) is the third largest Group business, generating 15% of total Group revenues. It reported a 1.3% fall in revenues, like-for-like. This decrease was due to a downturn in business in France and Benelux, the two main countries where Sogeti operates. The utilization rate was held at a satisfactory level (82.5%) and prices improved slightly over the period. The operating margin rate is 10.4%, down 0.5 points on 2011.

Consulting Services (5% of Group revenues) reported a 3.6% fall in revenues, like-for-like. This decrease was mainly due to a slump in business in France (-15%) and Benelux (-11%), despite substantial growth reported by other countries (+14% in Germany/Central Europe, +9% in North America and +5% in United Kingdom/Ireland). The utilization rate fell 3 points on average over the year to 65.5%. The operating margin rate is 11.2%, compared with 12.0% in 2011.

Utilization rates (like-for-like), which measure the share of working hours (excluding legal holidays or leave) worked by productive salaried personnel (see the table below) benefited over the year from the following trends: an increase in the Technology Services utilization rate to a record high; a Local Professional Services rate that remains highly favorable, despite a slight down; a fall in Consulting Services due to lower utilization rates, particularly in the French and Dutch markets.

The utilization rate is not monitored for Outsourcing Services as it is not representative of performance trends.

	2011				2012			
Quarterly utilization rates	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**
Consulting Services	68	71	67	68	65	67	63	67
Technology Services	79	78	79	80	80	80	82	81
Local Professional Services	82	84	84	83	82	83	83	82

HEADCOUNT

At December 31, 2012, the total Group headcount was 125,110 compared with 119,707 one year earlier. This 5,403 increase in employee numbers (+4.5%) reflects:

- 31,870 additions, comprising 31,101 new hires (including over 13,000 in India) and 769 transfers during the year in connection with acquisitions or employee transfer clauses contained in certain Outsourcing Services contracts,

- 26,467 departures comprising:
  - 20,764 resignations (17% of the average headcount for the fiscal year),
  - 164 transfers outside the Group following business divestments or at the end of certain Outsourcing Services contracts,
  - 5,539 layoffs and unsuccessful trial periods.

ORDER BOOK

New orders recorded totaled €10,084 million, a level very close to that recorded last year (€10,122 million). After a relatively weak third quarter, the book-to-bill ratio for Consulting Services, Technology Services and Sogeti recovered significantly to 1.16 in the fourth quarter of 2012.

SIGNIFICANT EVENTS OF 2012

2012 was primarily marked by two events that profoundly changed the governance of the Group:

- the first was Serge Kampf's decision (announced to the Board of Directors' Meeting of April 4, 2012) not to go to the end of his term of office as he expressly reserved the right when his term of office was renewed,
- the second was the acceptance by this same Board of Directors Meeting of April 4, of Serge Kampf's proposal to reunify the functions of Chairman and Chief Executive Officer (separate since 2002) and appoint Paul Hermelin as Chairman and Chief Executive Officer from the day he ceased to occupy these functions.

Thus, after chairing all the Company's shareholders' meetings – ordinary, extraordinary and combined – since 1967, Serge Kampf passed the torch of chairman to Paul Hermelin, who had been Chief Executive Officer for exactly ten years.

Operationally, the other significant events of 2012 in chronological order were:

On **March 7, 2012**, Capgemini and its subsidiary Sogeti, launched a new global service line, "Mobile Solutions" to assist clients design and implement an effective mobile strategy. Capitalizing on its consulting and technology experience and its global reach, the Capgemini Group seeks to assume the role of "enterprise mobility orchestrator". Using in-house methodologies and industrialized services, Capgemini offers with "Mobile solutions" a comprehensive range encompassing all aspects of mobility, providing a response to the growing needs of companies. With "Mobile Solutions" Capgemini aims to generate own revenues in excess of €400 million by 2015.

On **March 13, 2012**, Capgemini North America signed an IT infrastructure services agreement with the Department of Information Resources (DIR) of the State of Texas. This six-year, €96 million agreement is one of the largest IT infrastructure services contracts to-date for Capgemini in North America.

On **March 19, 2012**, Capgemini signed an outsourcing contract with Rolls-Royce, a world-leading provider of power systems and services for use on land, at sea and in the air. Signed by the Group's UK subsidiary (Capgemini UK plc), this contract has an initial term of three years and an option to extend to five years. Acting as service integrator, Capgemini will ensure the smooth running of IT services provided to Rolls-Royce by a large number of vendors in 50 countries. Rolls-Royce will thereby benefit from the centralized control of its IT combined with greater flexibility.

On **April 4, 2012**, Zurich selected Guidewire Software® as the provider of a new claims handling platform for its UK general insurance division. This multi-annual project aims to transform Zurich claims processing, reduce costs, and improve the customer experience.

On **June 5, 2012**, Capgemini Australia was selected by ANZ Group to carry out software testing and provide environment management services (Managed Services). This five-year contract highlights the dynamism of investment aimed at achieving a leading position in the most promising markets, investments known as "growth initiatives" and including the Testing offering.

On **July 2, 2012**, CPM Braxis announced the signature of an agreement with Caixa Participações (CaixaPar), the public investment arm of Caixa Economica Federal, for the acquisition by CaixaPar of a 22% stake in the share capital of CPM Braxis through the purchase of shares and subscription to a capital increase. CPM Braxis was thus confirmed as the preferred IT supplier to Caixa Economica Federal (Caixa) for the next ten years.

On **July 4, 2012**, Capgemini signed a major contract with Bayer Business Services, the global competence center for IT and business services for Bayer, a chemicals and pharmaceuticals group headquartered in Germany. Under this five-year contract, Capgemini will provide application development and infrastructure services. Capgemini will take over the operations of Bayer Business Services' IT service center in Mumbai, India, which employees close to 550 people.

On **July 4, 2012**, Capgemini signed a contract with the Norwegian Department for Employment and Social Affairs (NAV) to manage and develop its content management system, known as "Arena". This six-year service contract for the management of the applications life cycle (Applications Services) is estimated to be worth €26 million.

On **September 4, 2012**. Capgemini signed an IT infrastructure services contract with the German electronics group, Media-Saturn, Europe's leading consumer electronics retailer. Capgemini will host the data centers and deliver infrastructure services for more than 900 sites located in 16 countries in Europe and Asia where the company is present.

On **September 6, 2012**, Capgemini announced the extension of its global alliance with Salesforce.com, the cloud computing leader, via a joint rapid growth program. While Capgemini has been implementing Salesforce solutions since 2007, this agreement signals a global approach with dedicated leadership and mutual investment in a joint go-to-market strategy to drive successful customer experiences in the cloud. The initiative has a duel aim: to grow the respective business volume of both companies over the next two years and aid the rising number of organizations seeking to transform their businesses into social enterprises. The partnership is global in scope with a focus on initial core markets including France, the Netherlands, the Nordic countries, North America and the United Kingdom.

On September 18, 2012. Capgemini signed a five-year contract to transform the IT services of E.ON, one of the world's largest private energy companies. Estimated at close to €50 million, this project covers three areas: application lifecycle services for Business Information Management, the SAP® Enterprise Resource Planning (ERP) application and industrialized software development.

On October 4, 2012. Capgemini announced that the 6 million shares offered for subscription to employees under the second international employee share ownership plan were fully subscribed.

On December 13, 2012. Paul Hermelin, Chairman and Chief Executive Officer of Capgemini, appointed Aiman Ezzat as Group Chief Financial Officer. He succeeded Nicolas Dufourcq. Having assessed internal and external candidates with several Board members, Paul Hermelin informed the Board of Directors of his decision and received its unanimous support during its meeting on Wednesday, December 12 in Paris. With nearly 20 years' experience within Capgemini, Aiman Ezzat has a deep knowledge of the Group's operations. He enjoys a strong working experience of the Group's main businesses and has worked in many countries and particularly the UK and the US where he lived for more than 15 years.

On December 14, 2012, Capgemini became the global strategic partner for all IT services for Varroc Lighting Systems. Varroc Lighting Systems is a global manufacturer of automotive exterior lighting products of Indian origin, headquartered in the United States and formed from the sale of a division of the US equipment manufacturer, Visteon, to the Varroc group in March 2012. Under this contract worth over €20 million, Capgemini will implement and host a new SAP environment until the end of the second quarter of 2013. Capgemini will also provide all group entities with ongoing Application Management Services (AMS), hosting, help desk support and the resale of SAP licenses and maintenance services.

On December 19, 2012. Unilever appointed Capgemini as one of its global strategic suppliers under its "Partner to Win" program. Unilever also awarded Capgemini a five-year outsourcing contract worth over €100 million, continuing its seven-year relationship. Capgemini will continue to assist Unilever in the southern hemisphere with its "Record to Report operations" and global intercompany processes, and will provide services on a global scale in the Access Control reporting and monitoring sectors.

4.1.2 Comments on the Capgemini group consolidated financial statements and outlook for 2013

CONSOLIDATED INCOME STATEMENT

Consolidated revenues total €10,264 million for the year ended December 31, 2012, up 5.9% on published figures for 2011 (1.2% like-for-like). Operating expenses total €9,477 million, up 5.5% on 2011.

An analysis of costs by nature reveals:

- an increase of €372 million (+6.4%) in personnel costs, in line with the increase in the average headcount (121,829 employees in 2012 compared with 114,354 in 2011, +6.5%). "Offshore" recruitment continued in 2012, particularly in India: at December 31, 2012, the Asia-Pacific region comprised 44,794 employees (36% of the total headcount) compared with 39,097 employees (33%) one year previously, an increase of 15%,
- a decrease of 1.3 points in the "purchases/sub-contracting" account (21.7% of revenues compared with 23.0% last year),
- an 8.2% increase in travel expenses: at €423 million, travel expense represent 4.1% of revenue, a percentage somewhere between that recorded in 2011 (4.0%) and 2010 (4.2%), and
- an increase of 4.3% in rent and local taxes (3.3% of revenues, stable on last year).

An analysis of costs by function reveals that:

- the cost of services rendered increased €459 million to €7,884 million, giving a gross margin of 23.2% (compared with 23.4% in 2011),
- selling costs increased 6.4% to €794 million, remaining stable in proportion to revenues at 7.77%,
- general and administrative expenses (€799 million) fell 1.2% and now represent 7.8% of revenues compared with 8.3% in 2011 and 9.2% in 2010.

The operating margin reached €787 million and represents 7.7% of revenues (compared with €713 million and 7.4% of revenues last year).

Other operating income and expenses represent an overall net expense of €186 million in 2012 compared with €118 million last year. This €68 million increase was mainly due to the increase in restructuring costs which rose from €81 million to €168 million.

Operating profit is €601 million and represents 5.9% of revenues, compared with €595 million and 6.1% of revenues last year.

The net financial expense is €100 million in 2012 (including purely notional expenses of €18 million), down €5 million on last year.

The income tax expense is €140 million (compared with €101 million last year), including a current income tax expense of €158 million (€129 million in 2011) and deferred tax income of €18 million (compared with €28 million in 2011). The effective tax rate is 28.2% in 2012 (20.6% in 2011). The low effective tax rate in 2011 was due to the recognition of US deferred tax assets in the amount of €76 million (USD 105 million).

Profit for the year attributable to owners of the Company is €370 million in 2012, down 8.4% on the profit of €404 million realized in 2011. Earnings per share is €2.29 (-11.6%) based on 161,770,362 shares outstanding at December 31, 2012, compared with €2.59 in fiscal year 2011.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Equity attributable to owners of the Company totaled €4,493 million at December 31, 2012, up €237 million on December 31, 2011. This increase was mainly due to:

- profit for the year of €370 million,
- the share capital increase of €153 million (net of issue costs) following the implementation of the international employee share ownership plan, ESOP 2012,

partially offset by:

- the payment to shareholders of the 2011 dividend (€1 per share) of €154 million in total,
- the recognition in equity of actuarial losses on provisions for pensions and other post-employment benefits, net of deferred tax, of €59 million,
- the decrease in reserves (attributable to the owners of the Company) of €37 million primarily due to the recognition of an additional put option granted to Caixa Participações following its acquisition of a 22% stake in CPM Braxis in June 2012, net of the impact of the change in the Group's percentage holding (from 61.1% to 55.8%) as a result of the CPM Braxis share capital increase subscribed by Caixa Participações,
- the decrease in translation reserves of €39 million.

Non-current assets increased €15 million on December 31, 2011, mainly due to:

- a decrease of €66 million in goodwill following the definitive allocation to customer relationships and other intangible assets of €44 million of the acquisition price of companies purchased in 2011 and translation losses on goodwill balances denominated in US dollar and pound sterling (€33 million), net of goodwill recognized in the period on the acquisition of DTWO Solutions (renamed Capgemini Japan KK) of €11 million,
- a net increase in other intangible assets (€38 million) including in particular the aforementioned allocation and a net decrease in property, plant and equipment (€5 million),
- an increase in deferred tax assets of €39 million,
- a decrease in other non-current assets of €21 million.

Operating receivables (accounts and notes receivable) totaled €2,538 million at December 31, 2012, compared with €2,685 million at December 31, 2011, down slightly by 5.5%.

Accounts receivable net of advances from clients, amounts billed in advance and excluding capitalized costs on projects, totaled €1,807 million at December 31, 2012, compared with €1,909 million at December 31, 2011 and represented 63 days annual revenue (compared with 70 days at December 31, 2011).

Non-current liabilities decreased €40 million at December 31, 2012 (to €2,714 million from €2,754 million last year), chiefly due to:

- a decrease of €103 million in other non-current liabilities, following the transfer to other current liabilities of the initial put option granted to CPM Braxis minority shareholders in the amount of €104 million,
- a decrease in deferred tax liabilities of €20 million,
- partially offset by an increase of €86 million in provisions for pensions and other post-employment benefits, following a net actuarial loss of €111 million in 2012 recognized mainly in the United Kingdom and Canada and due to the decrease in discount rates applied to obligations at December 31, 2012, net of the increase in the value of plan assets.

Current liabilities decreased €570 million at December 31, 2012 (to €3,407 million from €3,977 million last year), chiefly due to:

- a decrease of €603 million in short-term borrowings mainly due to the redemption of the remaining OCEANE 2005 bonds on January 2, 2012 for €400 million and the repayment of CPM Braxis loans in the amount of €105 million and commercial paper issued by Cap Gemini S.A. in the amount of €90 million,
- a decrease of €37 million in advances from clients and deferred income,
- an increase of €69 million in other current liabilities, mainly following the transfer to short-term liabilities of the initial put option granted to CPM Braxis minority shareholders in the amount of €104 million, offset by the fair value remeasurement of derivatives in the amount of €26 million.

Operating liabilities, consisting mainly of accounts payables and related accounts, amounts due to members of personnel and accrued taxes (other than on income), are mainly stable at €2,335 million at December 31, 2012.

Consolidated net cash and cash equivalents totaled €872 million at December 31, 2012, compared with €454 million at December 31, 2011. This increase of €418 million was mainly due to:

- organic free cash flow generated in 2012 of €496 million (compared with €164 million in 2011) comprising:
  - cash generated by operating activities of €709 million; the cash flow from operations (€777 million) was increased by a reduction in working capital requirements (€52 million) and decreased by the payment of current income tax (€120 million),
  - interest paid of €41 million,
  - and acquisitions net of disposals of intangible assets and property, plant and equipment of €172 million,
- a share capital increase of €153 million following the issue of new shares under the ESOP employee share ownership plan,
- the receipt of a payment from Caixa Participacões S.A on the acquisition of a stake in CPM Braxis S.A., by subscribing to a share capital increase in the amount of BRL121 million (€49 million),
- payment of the 2011 dividend of €154 million,
- net cash outflows/inflows on acquisitions/disposals of companies during the period in the amount of €32 million,
- a net outflow of €24 million in respect of treasury share transactions.

OUTLOOK FOR 2013

After taking into account the decreased revenue of our Aspire contract (with HMRC) and the Group focus on reducing dilutive business, the Group forecasts organic revenue growth for 2013 in line with 2012.

In addition, the Group expects an operating margin rate in excess of 8.3% before amortization of intangible assets acquired through business combinations (i.e. over 8.0%, as reported until now).

Cumulated organic free cash flow for the period 2012-2013 should be between €750 million and €800 million.

4.2 CONSOLIDATED FINANCIAL STATEMENTS

4.2.1 Consolidated income statement

in millions of euros	Notes	2010 Amount	2010 %	2011 Amount	2011 %	2012 Amount	2012 %
Revenues	*3*	**8,697**	**100**	**9,693**	**100**	**10,264**	**100**
Cost of services rendered		(6,631)	(76.2)	(7,425)	(76.6)	(7,884)	(76.8)
Selling expenses		(680)	(7.8)	(746)	(7.7)	(794)	(7.7)
General and administrative expenses		(799)	(9.2)	(809)	(8.3)	(799)	(7.8)
Operating expenses	*4*	**(8,110)**	**(93.2)**	**(8,980)**	**(92.6)**	**(9,477)**	**(92.3)**
Operating margin		**587**	**6.8**	**713**	**7.4**	**787**	**7.7**
Other operating income and expense	*5*	(98)	(1.2)	(118)	(1.3)	(186)	(1.8)
Operating profit		**489**	**5.6**	**595**	**6.1**	**601**	**5.9**
Net finance costs	*6*	(54)	(0.6)	(65)	(0.7)	(55)	(0.5)
Other financial income and expense	*6*	33	(0.4)	(40)	(0.4)	(45)	(0.4)
Net financial expense		**(87)**	**(1.0)**	**(105)**	**(1.1)**	**(100)**	**(1.0)**
Income tax expense	*7*	**(124)**	**(1.4)**	**(101)**	**(1.0)**	**(140)**	**(1.4)**
Share of profit of associates		**-**	**-**	**-**	**-**	**(1)**	**-**
PROFIT FOR THE YEAR		**278**	**3.2**	**389**	**4.0**	**360**	**3.5**
Attributable to: Owners of the company		*280*	*3.2*	*404*	*4.2*	*370*	*3.6*
Non-controlling interests		*(2)*	*-*	*(15)*	*(0.2)*	*(10)*	*(0.1)*

EARNINGS PER SHARE *(in euros)*		2010	2011	2012
Basic earnings per share	*8*	1.83	2.63	2.37
Diluted earnings per share	*8*	1.74	2.49	2.25

4.2.2 Statement of income and expense recognized in equity

in millions of euros	Notes	2010	2011	2012
Exchange differences		158	9	(44)
Remeasurement of hedging derivatives, net of deferred tax		9	(41)	14
Actuarial gains and losses on defined benefit pension plans, net of deferred tax	*13-20*	(101)	(224)	(59)
Other income and expense		1	-	(2)
TOTAL INCOME AND EXPENSE RECOGNIZED IN EQUITY		**67**	**(256)**	**(91)**
Profit for the year (reminder)		278	389	360
If this income and expense recognized in equity had been recognized in profit or loss, profit for the year would have been as follows		345	133	269
Attributable to: Owners of the company		*347*	*149*	*284*
Non-controlling interests		*(2)*	*(16)*	*(15)*

4.2.3 Consolidated statement of financial position

in millions of euros	Notes	December 31, 2010	December 31, 2011	December 31, 2012
Goodwill	*10*	3,201	3,768	3,702
Intangible assets	*10*	169	154	192
Property, plant and equipment	*11*	499	547	542
Deferred taxes	*13*	891	1,020	1,059
Other non-current assets	*14*	115	119	98
Total non-current assets		**4,875**	**5,608**	**5,593**
Accounts and notes receivable	*15*	2,371	2,685	2,538
Current tax assets		40	55	70
Other current receivables	*16*	306	370	351
Cash management assets	*17*	71	73	75
Cash and cash equivalents	*17*	2,305	2,223	2,023
Total current assets		**5,093**	**5,406**	**5,057**
TOTAL ASSETS		**9,968**	**11,014**	**10,650**

in millions of euros	Notes	December 31, 2010	December 31, 2011	December 31, 2012
Share capital		1,246	1,246	1,294
Additional paid-in capital		2,875	2,875	2,976
Retained earnings and other reserves		(87)	(269)	(147)
Profit for the year		280	404	370
Equity (attributable to owners of the Company)		**4,314**	**4,256**	**4,493**
Non-controlling interests		(7)	27	36
Total equity		**4,307**	**4,283**	**4,529**
Long-term borrowings	*17*	1,102	1,135	1,131
Deferred taxes	*13*	178	183	163
Provisions for pensions and other post-employment benefits	*20*	804	1,099	1,185
Non-current provisions	*21*	13	15	16
Other non-current liabilities	*22*	279	322	219
Total non-current liabilities		**2,376**	**2,754**	**2,714**
Short-term borrowings and bank overdrafts	*17*	210	702	99
Accounts and notes payable	*23*	2,305	2,340	2,335
Advances from customers and billed in advance	*15*	576	661	624
Current provisions	*21*	53	48	48
Current tax liabilities		61	89	95
Other current payables	*24*	80	137	206
Total current liabilities		**3,285**	**3,977**	**3,407**
TOTAL EQUITY AND LIABILITIES		**9,968**	**11,014**	**10,650**

4.2.4 Consolidated statement of cash flows

in millions of euros	Notes	2010	2011	2012
Profit for the year attributable to owners of the Company		**280**	**404**	**370**
Non-controlling interests		(2)	(15)	(10)
Depreciation, amortization and impairment of fixed assets	*10-11*	176	188	228
Net charges to provisions		(2)	(33)	(39)
Gains and losses on disposals of assets		5	13	(14)
Expenses relating to share subscriptions, share grants and stock options		16	17	15
Net finance costs	*6*	54	65	55
Income tax expense	*7*	124	101	140
Unrealized gains and losses on changes in fair value and other		(23)	3	32
Cash flows from operations before net finance costs and income tax (A)		**628**	**743**	**777**
Income tax paid (B)		**(52)**	**(104)**	**(120)**
Change in accounts and notes receivable and advances from customers and amounts billed in advance		(85)	(140)	96
Change in capitalized costs on projects		(16)	5	9
Change in accounts and notes payable		3	(81)	(26)
Change in other receivables/payables		25	(74)	(27)
Change in operating working capital (C)		**(73)**	**(290)**	**52**
NET CASH FROM (USED IN) OPERATING ACTIVITIES (D=A+B+C)		**503**	**349**	**709**
Acquisitions of property, plant and equipment and intangible assets	*10 -11*	(144)	(158)	(183)
Proceeds from disposals of property, plant and equipment and intangible assets		11	3	11
		(133)	**(155)**	**(172)**
Cash outflows on business combinations net of cash and cash equivalents acquired		(218)	(554)	(24)
Net proceeds on disposals of companies and operations		1	-	(8)
Net proceeds/payments relating to deposits and long-term investments		(13)	11	(1)
Cash outflows on cash management assets		(71)	(2)	(2)
Dividends received from investments		1	1	1
		(300)	**(544)**	**(34)**
NET CASH FROM (USED IN) INVESTING ACTIVITIES (E)		**(433)**	**(699)**	**(206)**
Proceeds from issues of share capital		46	-	153
Proceeds from issues of share capital subscribed by non-controlling interests		-	34	49
Dividends paid		(122)	(154)	(154)
Net proceeds/payments relating to treasury share transactions		(1)	(7)	(24)
Proceeds from borrowings	*17*	10	817	22
Repayments of borrowings	*17*	(367)	(381)	(685)
Interest paid	*6*	(32)	(53)	(66)
Interest received	*6*	21	23	25
NET CASH FROM (USED IN) FINANCING ACTIVITIES (F)		**(445)**	**279**	**(680)**
NET DECREASE IN CASH AND CASH EQUIVALENTS (G=D+E+F)		**(375)**	**(71)**	**(177)**
Effect of exchange rate movements on cash and cash equivalents (H)		85	(12)	(31)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (I)	*17*	**2,597**	**2,307**	**2,224**
CASH AND CASH EQUIVALENTS AT END OF YEAR (G+H+I)	*17*	**2,307**	**2,224**	**2,016**

Cash flows for the period are discussed in Note 18 – Cash flows.

4.2.5 Consolidated statement of changes in equity

in millions of euros	Number of shares	Share capital	Additional paid-in capital	Treasury shares	Consolidated retained earnings and other reserves	Total income and expense recognized in equity: Translation adjustments	Total income and expense recognized in equity: Other	Equity (attributable to owners of the Company)	Non-controlling interests [(1)]	Total equity
At January 1, 2010	**154,177,396**	**1,233**	**2,842**	**(79)**	**729**	**(235)**	**(277)**	**4,213**	**-**	**4,213**
Dividends paid out for 2009	-	-	-	-	(122)	-	-	(122)	-	(122)
Incentive instruments and employee share ownership	1,592,966	13	33	-	15	-	-	61	-	61
Adjustments to the put option granted to CPM Braxis minority shareholders and changes in percentage interest	-	-	-	-	(185)	-	-	(185)	(5)	(190)
Treasury shares	-	-	-	(2)	2	-	-	-	-	-
Transactions with shareholders	**1,592,966**	**13**	**33**	**(2)**	**(290)**	**-**	**-**	**(246)**	**(5)**	**(251)**
Income and expense recognized in equity	**-**	**-**	**-**	**-**	**-**	**158**	**(91)**	**67**	**-**	**67**
Profit for the year	**-**	**-**	**-**	**-**	**280**	**-**	**-**	**280**	**(2)**	**278**
At December 31, 2010	**155,770,362**	**1,246**	**2,875**	**(81)**	**719**	**(77)**	**(368)**	**4,314**	**(7)**	**4,307**
Dividends paid out for 2010	-	-	-	-	(154)	-	-	(154)	-	(154)
Incentive instruments and employee share ownership	-	-	-	7	10	-	-	17	-	17
Adjustments to the put option granted to CPM Braxis minority shareholders and changes in percentage interest	-	-	-	-	(64)	-	-	(64)	50	(14)
Treasury shares	-	-	-	(3)	(3)	-	-	(6)	-	(6)
Transactions with shareholders	**-**	**-**	**-**	**4**	**(211)**	**-**	**-**	**(207)**	**50**	**(157)**
Income and expense recognized in equity	**-**	**-**	**-**	**-**	**-**	**10**	**(265)**	**(255)**	**(1)**	**(256)**
Profit for the year	**-**	**-**	**-**	**-**	**404**	**-**	**-**	**404**	**(15)**	**389**
At December 31, 2011	**155,770,362**	**1,246**	**2,875**	**(77)**	**912**	**(67)**	**(633)**	**4,256**	**27**	**4,283**
Dividends paid out for 2011	-	-	-	-	(154)	-	-	(154)	-	(154)
Incentive instruments and employee share ownership	6,000,000	48	101	12	7	-	-	168	-	168
Adjustments to the put option granted to CPM Braxis minority shareholders and changes in percentage interest	-	-	-	-	(37)	-	-	(37)	24	(13)
Treasury shares	-	-	-	(27)	3	-	-	(24)	-	(24)
Transactions with shareholders	**6,000,000**	**48**	**101**	**(15)**	**(181)**	**-**	**-**	**(47)**	**24**	**(23)**
Income and expense recognized in equity	**-**	**-**	**-**	**-**	**-**	**(39)**	**(47)**	**(86)**	**(5)**	**(91)**
Profit for the year	**-**	**-**	**-**	**-**	**370**	**-**	**-**	**370**	**(10)**	**360**
At December 31, 2012	**161,770,362**	**1,294**	**2,976**	**(92)**	**1,101**	**(106)**	**(680)**	**4,493**	**36**	**4,529**

(1) Non-controlling interests in CPM Braxis acquired on October 6, 2010.

4.2.6 Notes to the consolidated financial statements for the year ended December 31, 2012

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NOTE 1 Accounting policies

The consolidated financial statements for the year ended December 31, 2012 and the notes thereto were approved by the Board of Directors on February 20, 2013. The consolidated financial statements become definitive after their approval by the Combined Shareholders' Meeting, scheduled for May 23, 2013.

ACCOUNTING BASIS

A) IFRS standards-base

Pursuant to European Commission Regulation no. 1606/2002 of July 19, 2002, the 2012 consolidated financial statements have been prepared in accordance with international accounting standards (IFRS, International Financial Reporting Standards) issued by the International Accounting Standards Board (IASB), endorsed by the European Union at December 31, 2012 and published in the Official Journal of the European Union.

The Group also takes account of the positions adopted by Syntec Informatique, an organization representing major consulting and computer services companies in France, regarding the application of certain IFRSs.

B) New standards and interpretations applicable in 2012

a) New standards, amendments and interpretations of mandatory application (published by the IASB, endorsed by the EU, entered into effect on January 1, 2012)

The accounting policies applied by the Group are unchanged on those applied for the preparation of the 2011 consolidated financial statements, with the exception of new standards, amendments and interpretations which entered into effect on January 1, 2012.

These standards, amendments and interpretations of mandatory effect did not impact the Group financial statements.

b) New standards, amendments and interpretations not adopted early (published by the IASB, endorsed by the EU, not yet in effect at January 1, 2012)

In June 2011, the IASB published amendments to IAS 19, *Employee Benefits*, which include, in particular, the requirement to measure the expected return on plan assets on a standardized base (using the discount rate used to measure the obligation), impacting the net financial expense. In addition, the impact of past services costs will be recognized in profit or loss in the year of the plan amendment and/or the arrival of new participants.

The suppression of the "corridor" method by the amendment will not impact the Group financial statements, as net actuarial gains and losses of the period are already recorded in the amount of the provision for pensions through income and expense recognized in equity.

If IAS 19 revised had been adopted early at January 1, 2012, the impact of using the same discount rate to measure the return on plan assets as used to measure the obligation would have been an expense of €25 million for the Group as a whole.

The potential impact of the adoption of IFRS 10, *Consolidated Financial Statements,* IFRS 11, *Joint Arrangements* and IFRS 12, *Disclosure of Interests in Other Entities*, applicable from January 1, 2014, is currently being assessed. The adoption of IFRS 13, *Fair Value Measurement*, applicable from January 1, 2013, will have no impact on the consolidated financial statements.

c) New standards, amendments and interpretations not yet endorsed (published by the IASB, not yet endorsed by the EU, not yet in effect at January 1, 2012)

The Group did not elect to adopt early the standards, amendments, and interpretations published by the IASB but not yet endorsed by the European Union at December 31, 2012 or in effect at January 1, 2012.

C) Use of estimates

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

OVERVIEW OF THE MAIN ACCOUNTING POLICIES ADOPTED BY CAPGEMINI GROUP

A) Consolidation methods

The accounts of companies directly or indirectly controlled by the parent company are fully consolidated. The parent company 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 the parent company directly or indirectly controls jointly with a limited number of other shareholders are accounted for by the method of proportionate consolidation. This method consists of consolidating the income and expenses, assets and liabilities of jointly-controlled companies on a line-by-line basis, based on the Group's percentage interest in their capital.

Investments in associates over whose management the parent company 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, 2012 in accordance with the accounting policies adopted by the Group.

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

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

B) Foreign currency translation

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

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

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

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

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

	Average exchange rates			Year-end exchange rates		
	2010	2011	2012	2010	2011	2012
Australian dollar	0.69368	0.74193	0.80599	0.76458	0.78598	0.78666
Brazilian real	0.42919	0.43031	0.39963	0.45082	0.41392	0.36988
Canadian dollar	0.73312	0.72716	0.77867	0.75330	0.75672	0.76121
Chinese renminbi yuan	0.11155	0.11130	0.12336	0.11408	0.12257	0.12164
Indian rupee	0.01652	0.01544	0.01458	0.01676	0.01455	0.01378
Norwegian krona	0.12492	0.12832	0.13380	0.12789	0.12897	0.13609
Polish zloty	0.25039	0.24340	0.23909	0.25221	0.22432	0.24546
Pound sterling	1.16610	1.15272	1.23338	1.16252	1.19717	1.22534
Swedish krona	0.10485	0.11079	0.11491	0.11095	0.11221	0.11652
Swiss franc	0.72483	0.81181	0.82968	0.80160	0.82264	0.82836
US dollar	0.75513	0.71920	0.77827	0.75301	0.77286	0.75792

C) Consolidated income statement

Income and expenses are presented in the Consolidated Income Statement by function to reflect the specific nature of the Group's business more accurately. Operating expenses are broken down into the cost of services rendered (corresponding to costs incurred for the execution of client projects), selling expenses, and general and administrative expenses.

These three captions represent ordinary operating expenses which are deducted from revenues to obtain operating margin, one of the main Group business performance indicators.

Operating profit is obtained by deducting other operating income and expenses from operating margin. Other operating income and expenses include the charge resulting from the deferred recognition of the fair value of shares and stock options granted to employees, and non-recurring revenues and expenses, notably impairment of goodwill, capital gains or losses on disposals of consolidated companies or businesses, restructuring costs incurred under a detailed formal plan approved by the Group's management, the cost of acquiring and integrating companies acquired by the Group, and the effects of curtailments and settlements relating to defined benefit pension plans.

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

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

D) Earnings per share

Earnings per share are measured as follows:

- basic earnings per share are calculated by dividing profit or loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period, excluding treasury shares. The weighted average number of ordinary shares outstanding is adjusted by the number of ordinary shares bought back or issued during the period and is calculated by reference to the date of redemption or issue of shares during the year,
- diluted earnings per share are calculated by dividing profit or loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding as used to calculate basic earnings per share, both items being adjusted, where appropriate, for the effects of all potential dilutive financial instruments corresponding to (i) stock subscription options, (ii) bonds convertible/exchangeable into new or existing Cap Gemini shares, (iii) redeemable share subscription or purchase warrants, (iv) performance shares and (v) free share grants.

E) Recognition of revenues and the cost of services rendered

The method for recognizing revenues and costs depends on the nature of the services rendered:

a) Time and materials contracts

Revenues and cost of services are recognized as services are rendered.

b) Long-term fixed-price contracts

Revenues, including systems development and integration contracts, are recognized using the "percentage-of-completion" method. Costs are recognized as they are incurred.

c) Outsourcing contracts

Revenues from outsourcing agreements are recognized over the term of the contract as the services are rendered. When the services are made up of different components which are not separately identifiable, the related revenues are recognized on a straight-line basis over the term of the contract.

The related costs are recognized as they are incurred. However, a portion of costs incurred in the initial phase of outsourcing contracts (transition and/or transformation costs) may be deferred when they are specific to a given contract, relate to future activity on the contract and/or will generate future economic benefits, and are recoverable. These costs are allocated to work-in-progress and any reimbursement by the client is recorded as a deduction from the costs incurred.

When the projected cost of the contract exceeds contract revenues, a loss to completion is recognized in the amount of the difference.

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

F) Goodwill and intangible assets

a) Goodwill and business combinations

Business combinations are accounted for using the acquisition method. Under this method, the identifiable assets acquired and liabilities assumed are recognized at fair value at the acquisition date and may be adjusted during the 12 months following this date.

Goodwill represents the excess of the acquisition price over the net fair value of the identifiable assets and liabilities assumed of the acquiree (revalued net assets). Where an acquisition confers control with remaining non-controlling interests (acquisition of less than 100%), the Group elects either to recognize goodwill on the full amount of revalued net assets, including the share attributable to non-controlling interests (full goodwill method) or on the share in revalued net assets effectively acquired only (partial goodwill method).

When a business combination with non-controlling interests provides for the grant of a put option to these non-controlling interests, an operating liability is recognized in the Consolidated Statement of Financial Position in the amount of the estimated exercise price of the put option granted to non-controlling interests, through a reduction in reserves. Changes in this put option resulting from any changes in estimates or the unwinding of the discount will also be recognized through reserves. Any additional acquisitions of non-controlling interests are considered a transaction with shareholders and, as such, identifiable assets are not remeasured and no additional goodwill is recognized.

When the cost of a business combination is less than the fair value of the assets acquired and liabilities assumed, the difference is recognized immediately in the Income Statement.

Acquisition-related costs are expensed in the Income Statement in the year incurred in “Other operating expenses”.

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

b) Intangible assets

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

The capitalized costs of software and solutions developed internally are costs that relate directly to their production, i.e. the salary costs of the staff that developed the relevant software.

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

G) Property, plant and equipment

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

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

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

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

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

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

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

H) Asset impairment tests

Intangible assets and property, plant and equipment with a definite useful life 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 recoverable amount of each asset or group of assets generating cash flows that are separate from the cash flows generated by other assets or groups of assets (cash-generating units or CGU). The cash-generating units identified by the Group are the geographic areas.

The recoverable amount is defined as the higher of the fair value less costs to sell of the cash-generating unit and its value in use:

- fair value is the amount obtainable in an arm's length transaction and is determined with reference to the price in a binding agreement or the market price in recent and comparable transactions,
- value in use is based on the discounted future cash flows to be derived from these cash-generating units.

The value in use of each cash-generating unit is measured using the discounted future cash flow method, based on the various assumptions used in the budget procedure and the three-year plan extrapolated over a period of five years, including growth and profitability rates considered reasonable. Discount rates (based on the weighted average cost of capital) and long-term growth rates for the period beyond five years are based on the average of a representative sample of projections by financial analysts who use these indicators to value the Group. When the recoverable amount of a cash-generating unit is less than its carrying amount, the impairment loss is deducted from goodwill to the extent possible and charged to operating profit under "Other operating expenses."

I) Leases

Leases that do not transfer to the Group substantially all the risks and rewards incidental to ownership are classified as operating leases, and give rise to lease payments expensed as incurred over the lease term.

However, when the Group assumes substantially all of the risks and rewards incidental to ownership, the lease is classified as a finance lease and is recognized as an asset at the lower of the fair value of the leased asset and the present value of future minimum lease payments, with the related obligation recorded in liabilities within borrowings. The asset is depreciated over the period during which it is expected to be used by the Group and the obligation is amortized over the lease term. Deferred tax is recognized as appropriate.

J) Treasury shares

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

K) Deferred taxes

Deferred taxes are:

- recorded to take account of temporary differences between the carrying amounts of certain assets and liabilities and their tax basis,
- recognized in income or expenses in the Income Statement, in income and expense recognized in equity, or directly in reserves in the period, depending on the underlying to which they relate,
- measured taking account of known changes in tax rates (and tax regulations) adopted or practically adopted at the year-end. Adjustments for changes in tax rates to deferred taxes previously recognized in the Income Statement, in income and expense recognized in equity or directly in reserves are recognized in the Income Statement, in income and expense recognized in equity or directly in reserves, respectively, in the period in which these changes become effective.

Deferred tax assets are recognized when it is probable that taxable profits will be available against which the recognized tax asset can be utilized. The amount recognized is based on 10-year plans, taking account of the probability of realization of future taxable profits. 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 additional taxable profit will be available against which to offset all or part of the deferred tax asset to be utilized. Conversely, the carrying amount of deferred tax assets will be increased when it becomes probable that additional taxable profit will be available.

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

L) Financial instruments

Financial instruments consist of:

- financial assets, including certain other non-current assets, accounts receivable, certain other current receivables, cash management assets and cash and cash equivalents,
- financial liabilities, including long- and short-term borrowings and bank overdrafts, certain accounts payable, and certain other current payables and non-current liabilities.

a) Recognition of financial instruments

Financial instruments are recognized at inception and on subsequent dates in accordance with the methods described below. These methods draw on the following interest rate definitions:

- the coupon interest rate or coupon, which is the nominal interest rate on borrowings,

- the effective interest rate, which is the rate that exactly discounts the estimated cash flows through the expected term of the instrument, or, where appropriate, a shorter period to the net carrying amount of the financial asset or liability at initial recognition. The effective interest rate takes into account all fees paid or received, transaction costs, and, where applicable, premiums to be paid and received,
- the market interest rate, which reflects the effective interest rate recalculated at the measurement date based on current market parameters.

Financial instruments (assets and liabilities) are initially recognized in the Consolidated Statement of Financial Position at their initial fair value.

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

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

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

Financial instruments (assets and liabilities) are derecognized when the related risks and rewards of ownership have been transferred, and when the Group no longer exercises control over the instruments.

b) Derivative instruments

Derivative instruments mainly comprise forward foreign exchange contracts and interest rate swaps.

Derivative instruments are initially recognized at fair value. Except as described below in the case of instruments designated as cash flow hedges, changes in the fair value of derivative instruments, estimated based on market rates or data provided by bank counterparties, are recognized in the Income Statement at the period end.

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

c) Financial instrument classification and fair value hierarchy

Financial instruments valued at fair value after initial recognition, that is financial instruments at fair value through the Income Statement, available-for-sale assets and derivative instruments, can be classified according to the following three fair value levels:

- Level 1: quoted prices (unadjusted) in active markets for identical financial assets or liabilities,
- Level 2: inputs other than quoted prices in active markets, that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices),
- Level 3: inputs that are not based on observable market data.

Financial assets	Notes	Classification	Subsequent measurement	Fair value hierarchy	
Shares in non-consolidated companies	*14*	Available-for-sale assets (fair value through equity)	Fair value	1/3	Stock market price / internal valuation
Deposits and long-term receivables	*14*	Loans and receivables	Amortized cost	n/a	
Long-term investments	*14*	Fair value through the Income Statement	Fair value	1	Market value (net asset value)
Asset derivative instruments	*19*	Fair value through the Income Statement	Fair value	2	Present value of future cash flows (ECB fixing)
Accounts receivable (net of provisions)	*15*	Loans and receivables	Amortized cost	n/a	
Other short-term receivables	*16*	Loans and receivables	Amortized cost	n/a	
Cash management assets	*17*	Fair value through the Income Statement	Fair value	1	Market value (net asset value)
Cash and cash equivalents	*17*	Fair value through the Income Statement	Fair value	1	Market value (net asset value)

Financial liabilities	Notes	Classification	Subsequent measurement	Fair value hierarchy	
Bonds	*17*	Liabilities carried at amortized cost	Amortized cost	n/a	
Finance lease obligations	*17*	Liabilities carried at amortized cost	Amortized cost	n/a	
Other borrowings	*17*	Liabilities carried at amortized cost	Amortized cost	n/a	
Liability derivative instruments	*19*	Fair value through the Income Statement	Fair value	2	Present value of future cash flows (ECB fixing)
Accounts payable	*23*	Liabilities carried at amortized cost	Amortized cost	n/a	
Other liabilities	*22-24*	Liabilities carried at amortized cost	Amortized cost	n/a	
Bank overdrafts	*17*	Fair value through the Income Statement	Fair value	1	Market value (net asset value)

M) Net cash and cash equivalents

Cash and cash equivalents presented in the Consolidated Statement of Cash Flows consist of short-term investments and cash at bank less bank overdrafts, and also include the fair value of hedging instruments relating to these items.

Net cash and cash equivalents comprise cash and cash equivalents as defined above, and cash management assets, less short- and long-term borrowings. Account is also taken of the impact of hedging instruments when these relate to borrowings. Cash management assets, the characteristics of which do not strictly satisfy the criteria for cash equivalents, are presented separately in the Statement of Financial Position.

N) Pensions and other post-employment benefits

a) 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.

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

The resulting obligation is discounted by reference to market yields on high quality corporate bonds, of a currency and term consistent with the currency and term of the post-employment benefit obligation.

For funded plans, only the estimated funding short-fall is covered by a provision.

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

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

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

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

O) Incentive instruments and employee share ownership

a) Instruments granted to employees

Stock options

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

Stock options were measured at fair value, corresponding to the value of the benefit granted to the employee at the grant date. The fair value of stock options is calculated using the "Black & Scholes" model, which incorporates assumptions concerning the option strike price and term, the share price at the grant date, implicit share price volatility and the risk-free interest rate. The expense recognized took into account staff attrition rates for eligible employee categories which are reviewed each year.

This amount was recognized in "Other operating expenses" in the Income Statement on a straight-line basis over the vesting period, with a corresponding adjustment to equity.

Performance and continued employment conditions

Performance shares are granted to a certain number of Group employees, subject to performance and continued employment conditions. 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.

The fair value of shares subject to external performance condition 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 market performance conditions applied. The fair value of shares subject to internal performance and/or continued employment conditions is calculated using a model in compliance with IFRS 2, which incorporates assumptions concerning the share price at the grant date, share transfer restrictions, the risk-free interest rate and the expected dividend yield.

The expense recognized also takes into account staff attrition rates for eligible employee categories, which are reviewed each year, and internal performance conditions (non-market conditions).

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.

b) Instruments proposed to employees

Redeemable share subscription or purchase warrants (BSAAR)

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

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

Employee savings plan

Leveraged employee share ownership plans offering the possibility to subscribe for shares at a discounted preferential rate have been set up by the Group. When determining the IFRS 2 expense measuring the benefit granted to employees, the Group adjusts the amount of the discount granted by the Group to employees on the subscription price based on the following two items:

- the cost of the non-transferability of shares granted to employees during a period of five years. This cost is measured taking account of the five-year lock-in period. It corresponds to the cost of a two-stage strategy under which the market participant enters into a forward sale effective at the end of the five-year lock-in period and simultaneously borrows the amount necessary to buy a share available for immediate transfer. This borrowing is financed with the proceeds from the forward sale of the share and the dividends received during the lock-in period. This cost is calculated based on the following assumptions:
  - the subscription price is set by the Chairman and Chief Executive Officer pursuant to the powers delegated by the Board of Directors. This subscription price is equal to the average Cap Gemini share price, adjusted for volume, during the twenty trading days preceding the decision of the Chairman and 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 gain reflecting the possibility granted to employees to benefit from market terms and conditions identical to those of the Group.

In certain countries where the introduction of leveraging through an Employee Savings Mutual Fund (*Fonds Commun de Placement Entreprise*) or directly in the name of the employee is not possible, the employee share ownership plan (ESOP) includes a Stock Appreciation Rights (SAR) mechanism. The benefit offered by the Group corresponds to the amount of the discount on the share subscription price.

P) Provisions

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

Q) Consolidated statement of cash flows

The Consolidated Statement of Cash Flows analyzes the year-on-year change in cash flows from operating, investing and financing activities.

Foreign currency cash flows are translated into euros at the average exchange rate for the year. Exchange gains or losses resulting from the translation of cash flows relating to foreign currency assets and liabilities at the year-end exchange rate are shown in “Effect of exchange rate movements on cash and cash equivalents” in the Statement of Cash Flows.

R) Operating segments

Group Management analyzes and measures activity performance:

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

The business analysis enables the transversal management and monitoring of resources and service production in 2012 in the seven strategic business units, unchanged on 2011, and therefore the roll-out of uniform expertise and know-how in all countries and regions.

The geographic analysis enables management to monitor the performance:

- of commercial development: it focuses on trends in major contracts and clients in Group markets across all its businesses. This monitoring seeks to coordinate the service offering of the different businesses in the territories, given their considerable interaction and to measure the services rendered. These analyses are performed by Group Management within the Coordination Committee of the geographic area, which brings together the business managers operating in a given area,

- at operational and financial level: management of treasury and support services, the operating investment and financing policies and the acquisition policy are decided and implemented by geographic area.

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

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

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

In addition to the operating margin, the performance of operating segments is measured based on an operating margin which excludes the amortization and impairment of intangible assets recognized in business combinations. This indicator enables the measurement and comparison of the operating performance of operating segments, irrespective of whether their business results from internal growth of the operating segment or external acquisitions.

S) Exchange gains and losses on inter-company transactions

The results and financial position of a foreign subsidiary are included in the Group's consolidated financial statements after the elimination of inter-company balances and transactions. However, a foreign exchange gain or loss arising on an inter-company monetary asset or liability (e.g. an inter-company receivable denominated in a currency different to the functional currency of the subsidiary) cannot be eliminated. Such foreign exchange gains and losses are recognized in the Income statement or in Income and expense recognized directly in equity, if the underlying forms an integral part of the net investment in the foreign operation (e.g. a loan with no fixed maturity).

The fair values of hedging instruments relating to inter-company operating transactions performed as part of the centralized management of currency risk in the parent company are eliminated.

NOTE 2 Changes in group structure

ACQUISITIONS / DISPOSALS IN FISCAL YEAR 2012

The Group acquired DTWO Solutions (renamed Capgemini Japan KK), a Japan-based IT consulting and software company for a consideration of €11 million (35 employees) and sold its shares in its captive reinsurance subsidiary Capgemini Reinsurance Company S.A. for €100 million.

ENTRY OF A PARTNER INTO CPM BRAXIS AND CHANGE IN PERCENTAGE OF INTEREST

On May 25, 2012, Caixa Econômica Federal, the fourth largest Brazilian bank, entered into the share capital of CPM Braxis S.A. through its subsidiary Caixa Participacões S.A.

Following completion of this transaction, Caixa Participacões S.A. held a 22% stake in CPM Braxis S.A. as a result of two simultaneous transactions:

- a share capital increase of BRL 121 million (€49 million) through the subscription of ordinary shares,
- the buyback of non-controlling interests in the amount of BRL 200 million (€80 million).

The shares held by Caixa Participacões S.A. are covered by a put option exercisable between July and December 2022, recognized in liabilities through a reduction in reserves (attributable to owners of the Company).

Certain circumstances relating to regulatory changes or specific commercial failings by one or other of the parties, may lead to the early exercise of the put or call options at certain dates.

In return, Caixa Participacões S.A. granted Capgemini Group reciprocal call options.

At December 31, 2012, Capgemini Group held 55.8% of the share capital.

OVERVIEW OF MAJOR ACQUISITIONS IN PREVIOUS FISCAL YEARS

CS Consulting

On February 4, 2011, the Group finalized the acquisition of 100% of the share capital of CS Consulting for a cost of €49 million. Based in Germany, the company specializes in the migration of core banking systems as well as the implementation of business intelligence solutions. At December 31, 2012, recognized goodwill totaled €41 million.

Artésys

On March 30, 2011, the Group acquired 100% of the share capital of Artésys for a cost of €31 million. A Paris-based IT service provider, Artésys is a French leader in the design of infrastructure solutions. At December 31, 2012, recognized goodwill totaled €31 million.

Prosodie

On July 29, 2011, the Group acquired 100% of the share capital of the Prosodie group for a cost of €376 million. A Cloud Computing player, the Prosodie group specializes in the management of telecommunication, internet and payment transaction flows for major clients. It operates in France and Europe. At December 31, 2012, recognized goodwill totaled €331 million, after the allocation of €35 million, net of deferred tax, to customer relationships and the prepayment platform.

AIVE Group

On August 31, 2011, the Group acquired 100% of the share capital of AIVE (in Italy) for a total consideration of €40 million. AIVE is an Italian leader in the IT service sector in Italy and this acquisition enables Capgemini to complete its systems integration and applicative maintenance offering. At December 31, 2012, recognized goodwill totaled €32 million, after the allocation of €5 million, net of deferred tax, to customer relationships and licenses.

NOTE 3 Revenues

	2010		2011		2012	
in millions of euros	Amount	%	Amount	%	Amount	%
North America	1,665	19	1,805	19	2,101	20
France	1,931	22	2,138	22	2,181	21
United Kingdom and Ireland	1,912	22	1,945	20	2,104	21
Benelux	1,314	16	1,266	13	1,118	11
Southern Europe and Latin America	599	7	1,000	10	1,029	10
Nordic countries	543	6	635	7	714	7
Germany and Central Europe	534	6	626	6	658	6
Asia-Pacific	199	2	278	3	359	4
REVENUES	**8,697**	**100**	**9,693**	**100**	**10,264**	**100**

The year-on-year increase in revenues in 2012 was 5.9%, based on the year-end Group structure and exchange rates, compared with 1.2% on a like-for-like basis (constant Group structure and exchange rates).

NOTE 4 Operating expenses by nature

	2010		2011		2012	
in millions of euros	Amount	% of revenues	Amount	% of revenues	Amount	% of revenues
Personnel costs	5,193	59.7	5,816	60.0	6,188	60.3
Travel expenses	370	4.2	391	4.0	423	4.1
	5,563	**63.9**	**6,207**	**64.0**	**6,611**	**64.4**
Purchases and sub-contracting expenses	2,042	23.5	2,231	23.0	2,227	21.7
Rent and local taxes	282	3.2	324	3.3	338	3.3
Amortization of intangible assets acquired through business combinations	21	0.2	25	0.3	37	0.3
Other charges to depreciation, amortization and provisions and proceeds from asset disposals	202	2.4	193	2.0	264	2.6
OPERATING EXPENSES	**8,110**	**93.2**	**8,980**	**92.6**	**9,477**	**92.3**

In France, the Group receives Research Tax Credit income that is deducted from operating expenses (purchases and sub-contracting expenses) in the amount of €23 million (€42 million in 2011), including €6 million in respect of projects costs expensed in prior years (€27 million in 2011).

BREAKDOWN OF PERSONNEL COSTS

in millions of euros	Note	2010	2011	2012
Wages and salaries		4,138	4,583	4,890
Payroll taxes		1,008	1,183	1,236
Pension costs related to defined benefit pension plants and other post-employment benefit expenses	*20*	47	50	62
PERSONNEL EXPENSES		**5,193**	**5,816**	**6,188**

NOTE 5 Other operating income and expense

in millions of euros	Note	2010	2011	2012
Restructuring costs		(71)	(81)	(168)
o/w Workforce reduction		*(44)*	*(74)*	*(151)*
o/w Real estate assets streamlining		*(19)*	*(4)*	*(14)*
o/w Rightshoring		*(8)*	*(3)*	*(3)*
Integration cost relating to acquired companies		(11)	(9)	(9)
Acquisition-related costs		(4)	(7)	(2)
Expenses relating to share subscriptions, share grants and stock options	*9*	(16)	(17)	(18)
Other operating expenses		(2)	(4)	(11)
Total operating expenses		**(104)**	**(118)**	**(208)**
Other operating income		6	-	22
Total operating income		**6**	**-**	**22**
OTHER OPERATING INCOME AND EXPENSE		**(98)**	**(118)**	**(186)**

RESTRUCTURING COSTS

Fiscal year 2012 restructuring costs primarily concern workforce reduction measures and the streamlining of real estate assets, particularly in the Netherlands and France.

NOTE 6 Net financial expense

in millions of euros	Note	2010	2011	2012
Income from cash, cash equivalents and cash management assets		20	23	25
Interest on borrowings		(42)	(54)	(62)
Net finance costs at the nominal interest rate		**(22)**	**(31)**	**(37)**
Impact of amortized cost on borrowings		(32)	(34)	(18)
Net finance costs at the effective interest rate		**(54)**	**(65)**	**(55)**
Net interest cost on defined benefit pension plans	*20*	(28)	(25)	(26)
Exchange losses (gains) on financial transactions		2	2	(8)
Currency derivative instruments on financial transactions		(2)	(4)	6
Other		(5)	(13)	(17)
Other financial income and expense		**(33)**	**(40)**	**(45)**
o/w financial income		*22*	*64*	*42*
o/w financial expenses		*(55)*	*(104)*	*(87)*
NET FINANCIAL EXPENSE		**(87)**	**(105)**	**(100)**

Net finance costs mainly comprise:

- income from cash, cash equivalents and cash management assets of €25 million,
- the coupons on OCEANE bonds convertible/exchangeable into new or existing Cap Gemini (OCEANE 2009) of €20 million (€24 million in 2011, including €4 million in respect of OCEANE 2005 bonds), plus an amortized cost accounting impact of €17 million (€34 million in 2011, including €18 million in respect of OCEANE 2005 bonds),
- the coupons on the 2011 bond issue of €26 million (€2 million in 2011), plus an amortized cost accounting impact of €1 million,
- interest on finance leases of €8 million, primarily in the United Kingdom, Brazil, the United States and France (€8 million in 2011),
- interest on bank loans in Brazil, the Asia-Pacific region and France of €7 million (€18 million in 2011).

In other financial income and expense, currency derivative instruments on financial transactions mainly concern fair value gains and losses on currency swaps hedging inter-company loans granted by Capgemini UK Plc. to the parent company and an inter-company loan granted by the parent company to Capgemini North America Inc.

The increase in the net interest cost on defined benefit pension plans is analyzed in Note 20 – Provisions for pensions and other post-employment benefits.

NOTE 7 Income tax expense

in millions of euros	Note	2010	2011	2012
Current income taxes		(71)	(129)	(158)
Deferred taxes	*13*	(53)	28	18
INCOME TAX EXPENSE		**(124)**	**(101)**	**(140)**

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

	2010		2011		2012	
in millions of euros	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Profit before tax	**402**		**490**		**501**	
Standard tax rate in France *(%)*	**34.4**		**36.1**		**36.1**	
Tax expense at the standard rate	**(138)**	**34.4**	**(177)**	**36.1**	**(181)**	**36.1**
Difference in tax rates between countries	9	(2.3)	16	(3.3)	16	(3.1)
Impact of:						
Deferred tax assets not recognized on temporary differences and tax loss carry-forwards arising in the period	(9)	2.3	2	(0.3)	1	(0.2)
Net recognition of deferred tax assets on temporary differences and tax loss carry-forwards arising prior to January 1	24	(6.1)	67	(13.6)	33	(6.4)
Utilization of previously unrecognized tax loss carry-forwards	6	(1.5)	(1)	0.1	8	(1.6)
Adjustments to prior years	9	(2.3)	(10)	2.0	8	(1.6)
Minimum income tax charge	(38)	9.3	(45)	9.2	(51)	10.2
Permanent differences and other items	13	(2.9)	47	(9.6)	26	(5.2)
ACTUAL TAX EXPENSE	**(124)**	**30.9**	**(101)**	**20.6**	**(140)**	**28.2**
Effective rate of income tax	**30.9%**		**20.6%**		**28.2%**	

The low effective rate of income tax in 2011 was due to the recognition of US deferred tax assets in the amount of €76 million (USD 105 million) (see Note 13 – Deferred tax).

Minimum income tax charges primarily consist of the Corporate Value-Added Contribution (*Cotisation sur la Valeur Ajoutée des Enterprises*, CVAE) in France, equity taxes in the United States and the regional tax on productive activities (IRAP) in Italy.

NOTE 8 Earnings per share

BASIC EARNINGS PER SHARE

	2010	2011	2012
Profit for the year *(in millions of euros)*	280	404	370
Weighted average number of ordinary shares	152,979,307	153,595,650	155,795,618
BASIC EARNINGS PER SHARE *(in euros)*	**1.83**	**2.63**	**2.37**

The year-on-year increase in the average number of shares between 2011 and 2012 is mainly due to the issue in September 2012 of 6 million shares under the employee share ownership plan (ESOP 2012), net of movements in treasury shares.

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 2012 was €30.28.

At December 31, 2012, instruments considered dilutive for the purpose of calculating diluted earnings per share include:

- shares to be delivered to foreign employees under the 2009 and 2010 performance share plans, the number of which is now definitive (289,500 shares under the 2009 plan and 623,620 shares under the 2010 plan). At December 31, 2012, these share grants are only subject to the continued employment of the beneficiaries at the delivery date,

- the 187,702 shares falling within the scope of the free share plan open to all French employees, the terms of which were approved by the Board of Directors on July 25, 2012 and available for allocation. This share grant is subject to the continued employment of beneficiaries in 2014,
- all 1,003,500 shares available for grant under the performance share plan, the terms of which were approved by the Board of Directors on December 12, 2012. Achievement of the performance condition was not validated at the fiscal year end given the plan grant date,
- the 16,911,765 "OCEANE 2009" convertible bonds issued on April 20, 2009 as the €24 million interest expense recorded (net of taxes) on the bonds is lower per bond than basic earnings per share.

  These bonds are convertible at any time until the seventh business day preceding January 1, 2014, when they will be redeemable at par.

Conversely, the following financial instruments are not considered dilutive:

- employee stock options, as the average price of ordinary shares during the period is inferior to the strike price of the options,
- the Redeemable Share Subscription or Purchase Warrants (BSAAR), as the aggregate of the €34 strike price and €3.22 issue premium is higher than the average market price of the Cap Gemini share in 2012.

in millions of euros	2010	2011	2012
Profit for the year attributable to owners of the Company	**280**	**404**	**370**
Finance cost savings linked to the conversion of debt instruments, net of tax (1)	37	23	24
Diluted profit for the year attributable to owners of the Company	**317**	**427**	**394**
Weighted average number of ordinary shares (diluted)			
Weighted average number of ordinary shares	152,979,307	153,595,650	155,795,618
Adjusted for			
"OCEANE 2005" convertible/exchangeable bonds (weighted average)	11,810,809	-	-
"OCEANE 2009" convertible/exchangeable bonds (weighted average)	16,911,765	16,911,765	16,911,765
Performance shares that can be granted	537,320	1,207,035	2,104,322
Weighted average number of ordinary shares (diluted)	**182,239,201**	**171,714,450**	**174,811,705**
Diluted earnings per share *(in euros)*	**1.74**	**2.49**	**2.25**

(1) Only OCEANE 2009 convertible bonds are taken into account as they are the only bonds considered dilutive.

NOTE 9 Equity

FEATURES OF INCENTIVE INSTRUMENTS AND EMPLOYEE SHARE OWNERSHIP

A) Stock option plans

At the May 12, 2005 Combined Shareholders' Meeting, the Board of Directors was given a 38-month authorization to grant stock options to certain Group employees on one or several occasions.

The Group has no contractual or constructive obligations to purchase or settle the options in cash.

In the event of a notice of authorization of a takeover bid for some or all of the Company's shares published by Euronext, option holders would be entitled, if they so wish, to exercise all of their remaining unexercised options immediately.

The main features of this plan and the bases of calculation are set out in the table below:

	2005 Plan
Maximum number of options to be granted	6,000,000
Date options first granted under the plan	October 1, 2005
Deadline for exercising stock options after their grant date (based on progressive tranches)	5 years
Subscription price *(as a %)* of the average share price over the 20 stock market trading days preceding the grant date	100%
Subscription price *(per share and in euros)* of the various stock option grants	40.5
Maximum number of shares to be issued on exercise of outstanding options at December 31, 2011	1,715,500
Number of new stock options granted during the year	Plan expired (1)
Number of options forfeited or cancelled in 2012	1,576,000
Number of options exercised in 2012	-
Maximum number of shares to be issued on exercise of outstanding options at December 31, 2012	139,500 (1)
Residual weighted average life *(in years)*	0.42

(1) Last stock options granted on June 1, 2008 at a price of €40.50.

Summary					2005 Plan
Grant dates	October 1, 2005	October 1, 2006	April 1, 2007	October 1, 2007	June 1, 2008
Number of shares initially granted	1,915,500	2,067,000	400,000	1,932,500	219,000
Of which granted to executive corporate officers	*50,000*	*50,000*	-	-	-
Subscription price *(per share and in euros)* of the various stock option grants	30	43	55	44	40.5
Share price at the grant date	32.59	41.84	57	42.98	43.37
Number of shares subscribed at December 31, 2012	1,295,306	1,100	-	-	-
Principal market conditions at the grant date					
Volatility	*27.4-29.4%*	*32.4-35.9%*	*31.7-32.7%*	*34.8-35.7%*	*41.2-42.3%*
Average length of the option exercise period *(in years)*	*3-4.25*	*3-4.25*	*3-4.25*	*3-4.25*	*3-4.25*
Risk-free interest rate	*2.3-2.7%*	*3.55-3.58%*	*4.14-4.15%*	*4.09-4.14%*	*4.26-4.35%*
Expected dividend rate	*1%*	*1%*	*1.50%*	*1.50%*	*2.30%*
Non-market conditions					
Employee presence within the Group at the exercise date	*Yes*	*Yes*	*Yes*	*Yes*	*Yes*
Other	*No*	*No*	*No*	*No*	*No*
Pricing model used to calculate stock option fair values			Black & Scholes		
Range of fair values *(in euros)*	7.6-9.4	10.7-11.7	14.5-17.1	10.6-12.6	13.5-15.3
Maximum number of shares to be issued on exercise of outstanding options at December 31, 2012	-	-	-	-	139,500

B) Performance share plan

The Combined Shareholders' Meetings of April 17, 2008, April 30, 2009 and then May 24, 2012, 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 for the first share plan and 18 months for the second and third share plans subject to performance and continued employment conditions. On March 5, 2009, October 1, 2010 and then on December 12, 2012, the Board of Directors approved the terms and conditions and the list of beneficiaries of the three plans.

The main features of these plans are set out in the table below:

Summary	2009 Plan	2010 Plan	2012 Plan
Maximum 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% of the share capital on the date of the Board of Directors' decision i.e. a maximum of	1.5% of the share capital on the date of the Board of Directors' decision i.e. a maximum of
	1,458,860 shares	1,557,703 shares	2,426,555 shares
Total number of shares granted	1,148,250 (1)	1,555,000 (4)	1,003,500 (7)
Date of the Board of Directors' decision	March 5, 2009	October 1, 2010	December 12, 2012
Performance assessment dates	At the end of the first and second years following the grant date	At the end of the first and second years following the grant date	At the end of the first and second calendar years following the grant date
Vesting period	Two years as from the grant date (France) or four years as from the grant date (other countries)	Two years as from the grant date (France) or four years as from the grant date (other countries)	2 years and ½ month as from the grant date (France) or 4 years and ½ month as from the grant date (other countries)
Mandatory lock-in period effective as from the vesting date (France only)	Two years, or five years in the event of departure from the Group during the two years following the vesting date	Two years, or five years in the event of departure from the Group during the two years following the vesting date	4 years
Number of shares at December 31, 2011 that may vest under this plan in respect of shares previously granted, subject to performance and presence conditions	311,625	1,458,000	-
Of which corporate officers	- (2)	- (5)	-
Number of shares subject to performance and presence conditions granted in 2012	-	-	1,003,500
Of which corporate officers	-	-	50,000 (7)
Number of shares forfeited or canceled during the year	22,125	483,871	-
Number of shares definitively granted at December 31, 2012	-	350,509	-
Number of shares at December 31, 2012 that may be definitively granted under this plan in respect of shares previously granted, subject to performance and presence conditions	289,500 (3)	623,620 (6)	1,003,500
Share price at the grant date *(in euros)*	23.3	37.16	33.15
Main market conditions at the grant date			
Volatility	42.70%	42.80%	25.80%
Risk-free interest rate	1.40%	1.67%	0.35% - 0.98%
Expected dividend rate	3.00%	3.00%	3.00%
Other conditions			
Performance conditions	Yes (see below)	Yes (see below)	Yes (see below)
Employee presence within the Group at the vesting date	Yes	Yes	Yes
Pricing model used to calculate the fair value of shares	- Monte Carlo for performance shares - Black & Scholes for free shares	- Monte Carlo for performance shares with external (market) conditions - Black & Scholes for shares granted without conditions or with internal performance conditions	- Monte Carlo for performance shares with external (market) conditions
Range of fair values *(in euros)*			
Free shares (per share and in euros)	20.7 - 21.9	32.32 - 32.96	n/a
Performance shares (per share and in euros)	16.51 - 17.53	21.54 - 21.97	14.35 - 28.67
Of which corporate officers	17.53	n/a	17.92

(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) Currently no performance shares granted,
(3) Balance on the “foreign” plan that may be granted on March 5, 2013, subject to conditions of presence,
(4) Of which 124,000 shares granted without performance conditions (8% of the total) pursuant to the relevant resolution (authorization capped at 15% of the total),
(5) No performance shares were granted in 2010,
(6) Balance on the “foreign” plan that may be granted in October 2014, subject to conditions of presence,
(7) Grant subject to performance conditions only.

a) Performance conditions of the 2009 plan

The exact number of shares vesting at the end of the vesting period is 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 with the average performance of a basket of ten securities of listed companies, measured over the same period and representative of the Group's business sector in at least five countries in which the Group is firmly established, will ultimately condition the vesting of the shares.

The definitive allocation depends on the relative performance of the Cap Gemini share in relation to the basket of comparable securities. In each period, the number of shares that ultimately vests:

- is 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,
- varies 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,
- is 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.

The definitive calculation led to the grant of 50% of performance shares initially allocated (including shares granted solely subject to continued employment conditions), representing a maximum allocation of 534,750 shares, of which 489,750 shares could finally be granted.

b) Performance conditions of the 2010 plan

In accordance with the AMF recommendation of December 8, 2009 regarding the inclusion of an internal and external performance condition when granting performance shares, the Board of Directors decided to add an internal condition to the external condition initially planned.

External performance condition

The external performance condition is calculated in the same way as under the first plan, except for the grant thresholds which have been tightened compared with the first plan. As such:

- no shares are 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 ultimately vests:
  - is equal to 40% of the number of shares initially allocated if the performance of the Cap Gemini share is at least equal to 90% of the basket,
  - is equal to 60% of the number of shares initially allocated if the performance of the Cap Gemini share is equal to 100% of the basket,
  - varies on a straight-line basis between 40% and 60% and between 60% and 100% of the initial allocation, based on a predefined schedule, where the performance of the Cap Gemini share is between 90% and 100% of the basket in the first case and 100% and 110% of the basket in the second case,
  - is equal to 100% of the number of shares initially allocated if the relative performance of the Cap Gemini share is higher than or equal to 110% of the basket.

Under these conditions, if the performance of the Cap Gemini share is in line with that of the basket of comparable shares, only 60% of the initial allocation will be granted compared with 80% under the first plan.

The external performance condition accounts for 70% of the grant calculation.

The calculation for the period concerned leads, at the share delivery date, to the grant of 55% of the maximum number of shares initially defined in respect of external performance conditions.

The fair value of shares subject to external performance conditions was adjusted for a discount calculated in accordance with the Monte Carlo model, together with a discount for non-transferability for the shares granted in France.

Internal performance condition

The internal performance condition is based on the progression in the 2011 audited and published operating margin of Capgemini Group compared with the 2010 operating margin at constant Group structure and exchange rates.

The performance calculation was therefore performed following approval of the 2011 accounts, by comparing the percentage increase in the 2011 audited and published operating margin with the 2010 audited and published operating margin at constant Group structure and exchange rates. Based on the percentage increase calculated in this way:

- no shares would have been granted in respect of the internal performance condition if the increase in the operating margin thus calculated was less than 12%,
- the number of shares that ultimately vested would have been:
  - equal to 40% of the number of shares initially allocated for an increase between 12% and 13.5%,
  - equal to 60% of the number of shares initially allocated for an increase between 13.5% and 15%,
  - equal to 100% of the number of shares initially allocated for an increase greater than or equal to 15%.

The internal performance condition accounts for 30% of the grant calculation.

The year-on-year increase in the operating margin at constant Group structure and exchange rates was 15.6%. Accordingly, shares granted at the share delivery date in respect of the internal performance condition shall equal 100% of the number of shares initially defined.

c) Performance conditions of the 2012 plan

The following internal and external performance conditions apply:

External performance condition

The external performance condition is calculated in a similar way as under the second plan (2010 plan).

It accounts for 50% of the total amount granted.

Internal performance condition

The internal performance condition is based on the generation of Organic Free Cash Flow over a three-year period encompassing fiscal years 2012 to 2014. Accordingly,

- no shares will be granted in respect of the internal performance condition if the cumulative increase in Organic Free Cash Flow over the reference period is less than €750 million,
- 100% of the initial internal grant will become definitive if Organic Free Cash Flow of €1 billion or more is generated.

The fair value of shares subject to internal performance conditions is calculated assuming 100% realization and will be adjusted where necessary in line with effective realization of this condition. A discount for non-transferability is also applied for the shares granted in France.

The internal performance condition accounts for 50% of the total amount granted.

C) Free share plan

At the May 24, 2012 Combined Shareholders' Meeting, the Board of Directors was given an 18-month authorization to grant to certain Group employees, on one or several occasions, performance shares subject only to a condition of presence. This authorization was partially used and the terms and conditions of the grant and the list of beneficiaries (employee members of the Capgemini Economic and Social Unit, *Unité Economique et Sociale*, in France) were set by the Board of Directors meeting of July 25, 2012.

The main features of this plan are set out in the table below:

Summary		**2012 Plan**
Maximum number of shares to be granted		1.5% of the share capital on the date of the Board of Directors' decision i.e. a maximum of 2,336,554shares, of which a maximum of 15% granted without performance conditions
Total number of shares granted		202,538 (1)
Date of the Board of Directors' decision		July 25, 2012
Grant condition assessment date		Continued employment condition only (employee presence within the Group at the vesting date)
Vesting period		Two years as from the grant date (France only) Democratic plan
Number of shares subject to continued employment conditions granted during the year		202,538
Number of options forfeited or canceled during the year		14,836
Number of shares at December 31, 2012 that may be definitively granted under this plan in respect of shares previously granted, subject to performance and presence conditions		187,702
Share price at the grant date *(in euros)*		26.3
Main market conditions at the grant date		
	Risk-free interest rate	0.88%
	Expected dividend rate	3.00%
Fair value in euros *(per share)*		20.22

(1) i.e. 8.6% of the total authorized maximum granted without performance conditions, pursuant to the resolution (authorization capped at 15% of the total).

This transaction, which aims to develop employee share ownership, enabled all employees of French companies with at least three months seniority at the grant date to receive shares and to become Cap Gemini shareholders at the end of the vesting period. More than 20,000 employees were concerned by this share grant, representing a total of 202,538 shares and with a differentiated share allocation based on annual salary (four categories): the lowest paid employees received 12 shares, while the highest paid employees received 4 shares.

D) International employee share ownership plan – ESOP 2012

Pursuant to the 8th and 9th resolutions adopted by the Combined Shareholders' Meeting of May 26, 2011, the Group set up an employee share ownership plan (ESOP 2012) in the second half of 2012. This plan was open to all employees in the 19 countries where the Group has had permanent activities for over two years and where the headcount exceeds 500 employees. Under the plan, a minimum length of service of three months was required at August 30, 2012, acquired consecutively or not since January 1, 2012. 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 in the price 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 period of five years (except for cases of early release covered by plan rules in accordance with applicable legislation).

This employee share ownership plan (ESOP 2012) includes a 15% discount. Under the delegation of authority granted by the Board of Directors, the subscription price was set at €25.76 by the Chairman and Chief Executive Officer on August 27, 2012. This price corresponds to the average Cap Gemini share price adjusted for volumes observed over the twenty stock market trading days preceding the Chairman and Chief Executive Officer's decision, less a 15% discount.

On September 27, 2012, the Group issued 6,000,000 new shares reserved for employees with a par value of €8, representing a share capital increase of €153 million net of issue costs (€1.6 million). Paul Hermelin subscribed for Cap Gemini shares in the amount of €44,460.49 via the Capgemini Employee Savings Mutual Fund (*Fonds Commun de Placement enterprise*, FCPE).

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. The IFRS 2 expense is attributable to the Stock Appreciation Rights (SAR) mechanism for employees in countries where the introduction of leverage through an FCPE or directly in the name of the employee is not possible or relevant.

It should also be noted that a decrease of 0.5 point 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 point in the retail/institutional rate volatility difference, 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 2012 employee share ownership plan, the amounts subscribed and the pricing assumptions (excluding SAR):

	2012 Plan
Plan characteristics	
Grant date	August 27, 2012
Plan maturity *(in years)*	5
Base price *(in euros)*	30.3
Subscription price *(in euros)*	25.76
Par value discount *(as a %)*	15.00%
Total discount at the grant date *(as a %)* **(a)**	12.88%
Amount subscribed by employees *(in millions of euros)*	15.5
Total amount subscribed *(in millions of euros)*	154.6
Total number of shares subscribed	6,000,000
Pricing assumptions	
Employee financing rate	6.66%
5-year risk-free interest rate	0.97%
Repo and reverse repo rates	1.00%
Retail rate / institutional rate volatility difference	5.60%
Cost of non-transferability to the participant *(as a %)* **(b)**	25.77%
Opportunity gain *(as a %)* **(c)**	2.37%
Total cost for the Group *(as a %)* **(a-b+c)** [1]	0%

(1) The 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.

E) Redeemable share subscription or purchase warrants *(bons de souscription et / ou d'acquisition d'actions remboursables – bsaar)* (reminder 2009)

During 2009, 2,999,000 warrants were subscribed by employees and corporate officers of the Group (at a price of €3.22 per warrant). The exercise period commences the date of listing of the BSAAR warrants on the Euronext Paris market and terminates on the seventh anniversary of the issue date. The warrants will be listed on July 23, 2013. Between July 23, 2009 and the date the warrants are admitted to trading on Euronext Paris, they may not be exercised or transferred except under the conditions specified in the issue agreement (namely in the event of a takeover bid for Cap Gemini shares). The issue was disclosed in a prospectus approved by the AMF on May 14, 2009 under reference number 09-140.

IMPACT OF INCENTIVE INSTRUMENTS AND EMPLOYEE SHARE OWNERSHIP PLANS

The expense recognized in "Other operating expenses" in respect of incentive instruments and employee share ownership plans described above (including payroll taxes and employer contributions) and the residual amount to be amortized breaks down as follows:

		2010		2011		2012	
in millions of euros	Note	Amount	Residual amount to be amortized	Amount	Residual amount to be amortized	Amount	Residual amount to be amortized
Stock option plans		7	2	1	1	1	-
Performance share plans		9	38	16	25	15	27
Free share plans		-	-	-	-	1	2
Employee share ownership plan - ESOP		-	-	-	-	1	-
Expense relating to share subscriptions, share grants and stock options	*5*	**16**	**40**	**17**	**26**	**18**	**29**

TREASURY SHARES AND MANAGEMENT OF SHARE CAPITAL AND MARKET RISKS

The Group does not hold any shares for financial investment purposes and does not have any interests in listed companies.

However, at December 31, 2012, under its share buyback programs the Group holds:

- 202,944 treasury shares following the implementation of a liquidity agreement (the associated liquidity line amounts to €7 million), pursuant to the related share buyback program described in a prospectus published on May 19, 2012,
- 1,448,741 treasury shares representing 0.9% of the share capital at December 31, 2012, purchased between January 17 and 25, 2008, at an average price of €34.48, representing a decrease of 351,009 shares on December 31, 2011 following their allocation to beneficiaries of performance shares under the 2010 performance share plan,
- 920,098 treasury shares, representing 0.6% of the share capital purchased on December 27, 2012 under the forward share purchase agreement entered into on November 21, 2012, for a total consideration of €30 million. These shares were purchased for cancellation,

  to which must be added, 151,223 treasury shares held under the contractual holding system for key employees of the Ernst & Young American consulting business who joined the Group in 2000.

At December 31, 2012, the value of these treasury shares was deducted from consolidated equity in the amount of €92 million.

In view of the small number of treasury shares held, the Group is not therefore exposed to significant equity risk. Finally, as the value of treasury shares is deducted from equity, changes in the share price do not impact the Consolidated Income Statement.

The Group's capital management strategy is designed to maintain a strong capital base in view of supporting the continued development of its business activities and delivering a return to shareholders, while adopting a prudent approach to debt as evidenced by the use of the debt-to-equity ratio as a key performance indicator. At December 31, 2010, 2011 and 2012, the Group had a positive net cash position. In order to preserve and control the structure of its capital, the Group can issue new shares, buy back its own shares or adjust the dividend paid to shareholders.

CURRENCY RISK AND TRANSLATION GAINS AND LOSSES ON THE ACCOUNTS OF SUBSIDIARIES WITH A FUNCTIONAL CURRENCY OTHER THAN THE EURO

Regarding risks arising on the translation of the foreign currency accounts of consolidated subsidiaries, as a substantial proportion of the Group's consolidated revenues are generated in the UK and the US (20% and 17% respectively at December 31, 2012), fluctuations in the pound sterling and the US dollar against the euro may have an impact on the consolidated financial statements. The negative impact on translation reserves is mainly due to the depreciation of the US dollar against the euro during 2012.

The Group does not hedge risks arising on the translation of the foreign currency accounts of consolidated subsidiaries whose functional currency is not the euro. The main exchange rates used for the preparation of the financial statements are presented in Note 1-B – Accounting policies: Foreign currency translation.

NOTE 10 Goodwill and intangible assets

in millions of euros	Goodwill	Customer relationships	Licenses and software	Other intangible assets	Total
GROSS					
At January 1, 2010	**2,800**	**131**	**125**	**162**	**3,218**
Translation adjustments	122	9	7	3	141
Acquisitions / Increase	-	-	16	4	20
Internal developments	-	-	-	7	7
Disposals / Decrease	-	(28)	(4)	(10)	(42)
Business combinations	330	52	31	16	429
Other movements	(1)	-	(2)	-	(3)
At December 31, 2010	**3,251**	**164**	**173**	**182**	**3,770**
Translation adjustments	25	(2)	(3)	-	20
Acquisitions / Increase	-	-	22	-	22
Internal developments	-	-	-	6	6
Disposals / Decrease	-	-	(15)	(4)	(19)
Business combinations	547	9	22	5	583
Other movements	(4)	2	-	3	1
At December 31, 2011	**3,819**	**173**	**199**	**192**	**4,383**
Translation adjustments	(33)	(6)	(3)	1	(41)
Acquisitions / Increase	11	-	27	7	45
Internal developments	-	-	-	21	21
Disposals / Decrease	-	-	(7)	-	(7)
Business combinations	(44)	45	3	14	18
Other movements	-	-	5	(1)	4
At December 31, 2012	**3,753**	**212**	**224**	**234**	**4,423**
ACCUMULATED AMORTIZATION AND IMPAIRMENT [(1)]					
At January 1, 2010	**50**	**65**	**101**	**136**	**352**
Translation adjustments	-	3	6	2	11
Amortization and impairment	-	20	18	10	48
Disposals	-	(28)	(4)	(8)	(40)
Business combinations	-	-	20	10	30
Other movements	-	-	(1)	-	(1)
At December 31, 2010	**50**	**60**	**140**	**150**	**400**
Translation adjustments	-	1	(2)	-	(1)
Amortization and impairment	-	25	21	9	55
Disposals	-	-	(14)	(4)	(18)
Business combinations	-	-	18	2	20
Other movements	1	-	-	4	5
At December 31, 2011	**51**	**86**	**163**	**161**	**461**
Translation adjustments	-	(3)	(3)	2	(4)
Amortization and impairment	-	33	26	14	73
Disposals	-	-	(5)	-	(5)
Business combinations	-	-	-	1	1
Other movements	-	-	3	-	3
At December 31, 2012	**51**	**116**	**184**	**178**	**529**
NET					
At December 31, 2010	**3,201**	**104**	**33**	**32**	**3,370**
At December 31, 2011	**3,768**	**87**	**36**	**31**	**3,922**
At December 31, 2012	**3,702**	**96**	**40**	**56**	**3,894**

(1) *Goodwill is subject to impairment only.*

The decrease in goodwill in 2012 primarily follows the finalization of acquisition price allocations in respect of 2011 acquisitions to customer relationships and/or other intangible assets and goodwill.

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NOTE 11 Property, plant and equipment

in millions of euros	Land, buildings, fixtures and fittings	Computer equipment	Other PP&E	Total
GROSS				
At January 1, 2010	**459**	**423**	**132**	**1,014**
Translation adjustments	14	22	10	46
Acquisitions / Increase	66	80	23	169
Disposals / Decrease	(16)	(105)	(4)	(125)
Business combinations	34	89	15	138
Other movements	(23)	(5)	12	(16)
At December 31, 2010	**534**	**504**	**188**	**1,226**
Translation adjustments	(6)	(10)	(10)	(26)
Acquisitions / Increase	53	111	26	190
Disposals / Decrease	(10)	(44)	(5)	(59)
Business combinations	25	38	8	71
Other movements	(3)	5	(10)	(8)
At December 31, 2011	**593**	**604**	**197**	**1,394**
Translation adjustments	(5)	(9)	(5)	(19)
Acquisitions / Increase	39	100	37	176
Disposals / Decrease	(21)	(72)	(20)	(113)
Business combinations	-	-	-	-
Other movements	(1)	(13)	1	(13)
At December 31, 2012	**605**	**610**	**210**	**1,425**
ACCUMULATED DEPRECIATION AND IMPAIRMENT				
At January 1, 2010	**200**	**295**	**98**	**593**
Translation adjustments	5	16	5	26
Depreciation and impairment	41	74	14	129
Disposals	(14)	(94)	(4)	(112)
Business combinations	12	82	7	101
Other movements	(14)	(3)	7	(10)
At December 31, 2010	**230**	**370**	**127**	**727**
Translation adjustments	-	(9)	(5)	(14)
Depreciation and impairment	44	72	17	133
Disposals	(8)	(42)	(4)	(54)
Business combinations	19	30	5	54
Other movements	(1)	1	1	1
At December 31, 2011	**284**	**422**	**141**	**847**
Translation adjustments	(1)	(8)	(2)	(11)
Depreciation and impairment	50	86	19	155
Disposals	(19)	(64)	(18)	(101)
Business combinations	-	-	-	-
Other movements	-	(7)	-	(7)
At December 31, 2012	**314**	**429**	**140**	**883**
NET				
At December 31, 2010	**304**	**134**	**61**	**499**
At December 31, 2011	**309**	**182**	**56**	**547**
At December 31, 2012	**291**	**181**	**70**	**542**

Property, plant and equipment purchased under finance lease

Net *(in millions of euros)*	2010	2011	2012
At January 1	153	157	183
Translation adjustments	3	1	-
Acquisitions / Increase	49	60	41
Disposals / Decrease	(6)	(1)	(3)
Depreciation and impairment	(45)	(39)	(44)
Business combinations	4	6	-
Other movements	(1)	(1)	(5)
At December 31	**157**	**183**	**172**

NOTE 12 Asset impairment tests

GOODWILL PER CASH-GENERATING UNIT

The cash-generating units adopted by the Group correspond to geographic areas representing the Group's major markets and the main lines of development and strategic investment.

	December 31, 2010			December 31, 2011			December 31, 2012		
in millions of euros	Gross value	Impair-ment	Net carrying amount	Gross value	Impair-ment	Net carrying amount	Gross value	Impair-ment	Net carrying amount
North America	599	(6)	593	636	(6)	630	624	(6)	618
France	658	(1)	657	1,086	(2)	1,084	1,042	(2)	1,040
United Kingdom and Ireland	515	-	515	533	-	533	541	-	541
Benelux	796	(12)	784	800	(12)	788	798	(12)	786
Southern Europe and Latin America	270	-	270	289	-	289	261	-	261
Nordic countries	158	-	158	162	-	162	164	-	164
Germany and Central Europe	214	(31)	183	258	(31)	227	257	(31)	226
Asia-Pacific	41	-	41	55	-	55	66	-	66
GOODWILL	**3,251**	**(50)**	**3,201**	**3,819**	**(51)**	**3,768**	**3,753**	**(51)**	**3,702**

This goodwill was tested for impairment at December 31, 2012 in line with the Group procedure for verifying the value of such assets.

Value in use is measured using the discounted future cash flow method and based on the following main assumptions:

- number of years over which cash flows are estimated: five years, based on data taken from the budget process for the first year and from the three-year strategic plan for the next two years, with extrapolation of this data for the remaining period,
- long-term growth rate used to extrapolate to perpetuity final year estimated cash flows: 2.1% (2.1% in 2011) and 4.0% for Brazil (4.0% in 2011),
- discount rate: 8.7% for North America, 8.9% for the United Kingdom, 12.0% for Brazil and 9.8% for the rest of the Group (respectively 8.0%, 8.1%, 13.0% and 9.5% in 2011).

Group long-term growth and discount rates are based on the average of a representative sample of projections by financial analysts who use these indicators to value the Group. In 2012, with the exception of Brazil, the Group used estimates produced by 11 financial analysts, of whom 9 were already included in the group of 11 financial analysts called on in 2011. The change in discount rates arises from the three components used for the calculation: the risk-free rates, the risk premium and the volatility of the Cap Gemini share price in relation to changes in its listed market ("beta").

No impairment losses were recognized at December 31, 2012 as a result of these impairment tests.

An analysis of the calculation's sensitivity to a combined change in the following key assumptions:

- +/- 2 points in the revenues growth rate for the first five years,
- +/- 1 point in the operating margin rate for the first five years,
- +/- 0.5 point in the discount rate,
- +/- 0.5 point in the long-term growth rate,

did not identify any recoverable amounts below the carrying amount for a cash-generating unit.

NOTE 13 Deferred taxes

RECOGNIZED DEFERRED TAXES

A) Change in deferred tax assets

in millions of euros	Note	Tax loss carry-forwards excl. the US	US amortizable goodwill and tax losses	Provisions for pensions and other post-employment benefits	Other deductible temporary differences	Total deferred tax assets
At January 1, 2010		**537**	**115**	**141**	**94**	**887**
Business combinations		7	-	-	1	8
Translation adjustments		3	8	8	4	23
Deferred tax expense recognized in the Income Statement	7	(45)	-	(9)	2	(52)
Deferred tax expense recognized in equity		-	-	26	(1)	25
At December 31, 2010		**502**	**123**	**166**	**100**	**891**
Business combinations		1	-	1	-	2
Translation adjustments		-	9	5	(2)	12
Deferred tax expense recognized in the Income Statement	7	(34)	76	(3)	(8)	31
Deferred tax expense recognized in equity		-	-	70	14	84
At December 31, 2011		**469**	**208**	**239**	**104**	**1,020**
Translation adjustments		-	(4)	1	(1)	(4)
Deferred tax expense recognized in the Income Statement		(28)	-	(2)	34	4
Deferred tax expense recognized in equity	7	-	-	52	(13)	39
At December 31, 2012		**441**	**204**	**290**	**124**	**1,059**

a) Deferred tax assets arising from tax loss carry-forwards (excluding the United States)

Recognized tax loss carry-forwards (excluding the United States) total €441 million at December 31, 2012. They include tax losses of €385 million attributable to the France tax group.

b) US deferred tax assets arising from amortizable goodwill and tax losses

The acquisition of Ernst & Young's North American consulting business in 2000 gave rise to the amortization for tax purposes, over a period of 15 years, of the difference between the acquisition price of the business and the tax base of the assets and liabilities acquired. Since 2000, the annual amortization charge was deducted from US tax profits and the resulting tax loss carried forward for a period of 20 years.

At December 31, 2012, the cumulative amount of US tax losses, including the amortization charges referred to above, totaled € 2,675 million (USD 3,529 million).

These tax loss carry-forwards do not include future amortization charges deductible for tax purposes of €468 million (USD 617 million).

Recognized deferred tax assets are unchanged at December 31, 2012 compared with December 31, 2011 and total €204 million (USD 269 million).

Unrecognized deferred tax assets at December 31, 2012 amount to €1,022 million (USD 1,348 million) comprising:

- potential deferred tax on all tax losses carried forward at December 31, 2012, calculated on a tax base of €2,675 million (USD 3,529 million) and at a tax rate of 39%,
- potential deferred tax on all future amortization charges deductible for tax purposes in respect of the goodwill referred to above, calculated on a tax base of €468 million (USD 617 million) and at a tax rate of 39%,
- less deferred tax assets recognized at December 31, 2012 of €204 million (USD 269 million).

B) Change in deferred tax liabilities

in millions of euros	Note	Tax-deductible goodwill amortization	Customer relationships	Amortized cost of bonds	Other taxable temporary differences	Total deferred tax liabilities
At January 1, 2010		**49**	**20**	**20**	**64**	**153**
Business combinations		-	17	-	1	18
Translation adjustments		2	1	-	4	7
Deferred tax expense recognized in the Income Statement	7	-	(5)	(9)	15	1
Deferred tax expense recognized in equity		-	-	-	(1)	(1)
At December 31, 2010		**51**	**33**	**11**	**83**	**178**
Business combinations		-	1	-	-	1
Translation adjustments		1	-	-	(1)	-
Deferred tax recognized in the Income Statement	7	(2)	(8)	(1)	14	3
Deferred tax recognized in equity		-	-	-	1	1
At December 31, 2011		**50**	**26**	**10**	**97**	**183**
Business combinations		-	17	-	4	21
Disposals and other movements [1]		-	-	-	(24)	(24)
Translation adjustments		(1)	(2)	-	1	(2)
Deferred tax recognized in the Income Statement	7	1	(10)	(5)	-	(14)
Deferred tax recognized in equity		-	-	-	(1)	(1)
At December 31, 2012		**50**	**31**	**5**	**77**	**163**

(1) Including a negative amount of €29 million relating to the disposal of Capgemini Reinsurance Company S.A.

UNRECOGNIZED DEFERRED TAX ASSETS

At December 31 *(in millions of euros)*	**2010**	**2011**	**2012**
Tax loss carry-forwards, excluding the United States	318	196	238
US deferred tax on amortizable goodwill and tax loss carry-forwards	1,053	1,063	1,022
Deferred tax on other temporary differences	135	133	170
UNRECOGNIZED DEFERRED TAX ASSETS	**1,506**	**1,392**	**1,430**

EXPIRY DATES OF TAX LOSS CARRY-FORWARDS *(TAXABLE BASE)*

	2010		2011		2012	
At December 31 *(in millions of euros)*	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Y+1	11	-	12	-	3	-
Y+2	11	-	11	-	4	-
Y+3	5	-	1	-	8	-
Y+4	7	-	9	-	14	-
Y+5	30	1	13	1	20	1
Beyond 5 years	4,544	99	4,601	99	4,744	99
TAX LOSS CARRY-FORWARDS *(taxable base)*	**4,608**	**100**	**4,647**	**100**	**4,793**	**100**

NOTE 14 Other non-current assets

At December 31 *(in millions of euros)*	**Notes**	**2010**	**2011**	**2012**
Shares in associates		-	-	3
Shares in non-consolidated companies		1	4	1
Deposits, receivables and other long-term investments		88	74	68
Derivative instruments	*19*	5	-	1
Pension plans with funding surpluses	*20*	3	-	-
Other		18	41	25
OTHER NON-CURRENT ASSETS		**115**	**119**	**98**

In 2012, shares in associates concern O2C Pro LLC (€3 million) acquired by Capgemini Technologies LLC as part of the acquisition of the activities of Vengroff, Williams and Associates in 2011. This company was not previously consolidated.

Deposits and other long-term investments consist mainly of security deposits and guarantees relating to leases and “aides à la construction” (building aid program) loans in France, as well as escrow accounts guaranteeing tax and employee-related disputes in CPM Braxis.

NOTE 15 Accounts and notes receivable

At December 31 *(in millions of euros)*	**2010**	**2011**	**2012**
Accounts receivable	1,447	1,710	1,543
Provisions for doubtful accounts	(14)	(11)	(12)
Accrued income	821	871	900
Accounts and notes receivable excluding capitalized costs on projects	**2,254**	**2,570**	**2,431**
Capitalized costs on projects	117	115	107
ACCOUNTS AND NOTES RECEIVABLE	**2,371**	**2,685**	**2,538**

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)*	2010	2011	2012
Accounts and notes receivable excluding capitalized costs on projects	2,254	2,570	2,431
Advances from customers and billed in advance	(576)	(661)	(624)
TOTAL ACCOUNTS RECEIVABLE NET OF ADVANCES FROM CUSTOMERS AND BILLED IN ADVANCE	**1,678**	**1,909**	**1,807**
In number of days' annual revenues [(1)]	66	70	63

(1) In 2010 and 2011, this ratio is adjusted to take account of the impact of entries into the scope of consolidation.

In 2012, Capgemini Technology Services S.A.S. and Capgemini America, Inc. assigned to a financial institution, without recourse, receivables in the total amount of €25 million (unchanged for 2011) and €11 million (USD 15 million) respectively.

As these receivables were assigned with transfer of credit risk as defined by IAS 39, they were derecognized in the Statement of Financial Position at December 31, 2012.

AGED ANALYSIS OF ACCOUNTS RECEIVABLE

The low bad debt ratio (0.7% at December 31, 2012) reflects the fact that most invoices are only issued after the client has validated the services provided.

At end-2012, past due balances totaled €466 million, representing 30.5% of accounts receivable less provisions for doubtful accounts. The breakdown is as follows:

in millions of euros	< 30 days	> 30 days and < 90 days	> 90 days
Net accounts receivable	**291**	**111**	**64**
As a % of accounts and notes receivable, net of provisions for doubtful accounts	19.0%	7.2%	4.2%

Past due balances concern accounts receivable from customers which are individually analyzed and monitored.

CREDIT RISK

The Group's largest client, a major British public body, contributes around 9% of Group revenues (9% in 2011 and 10% in 2010), while the second-largest client accounts for just 2%. The top 10 clients collectively account for 22% of Group revenues. The solvency of these major clients and the sheer diversity of the other smaller clients help limit credit risk. The economic environment could impact the business activities of the Group's clients, as well as the amounts receivable from these clients. However, the Group does not consider that any of its clients, business sectors or geographic areas present a significant risk of non-collection that could materially impact the financial position of the Group as a whole.

NOTE 16 Other current receivables

At December 31 *(in millions of euros)*	Note	2010	2011	2012
Social security and tax-related receivables, other than income tax		126	171	162
Prepaid expenses		119	154	152
Derivative instruments	*19*	22	12	6
Other		39	33	31
OTHER CURRENT RECEIVABLES		**306**	**370**	**351**

At December 31, 2012, "Social security and tax-related receivables, other than income tax" include research tax credit receivables in France in the amount of €45 million (€53 million at December 31, 2011).

The portion of research tax credit receivables available for offset against the current income tax expense is recorded in Current tax assets in the Consolidated Statement of Financial Position in the amount of €35 million.

NOTE 17 Net cash and cash equivalents

At December 31 *(in millions of euros)*	Note	2010	2011	2012
Cash management assets		**71**	**73**	**75**
Short-term investments		1,912	1,877	1,610
Cash at bank		393	346	413
Asset/liability derivative instruments on cash items		8	10	(1)
Bank overdrafts (liability)		(6)	(9)	(6)
Cash and cash equivalents	*18*	**2,307**	**2,224**	**2,016**
Bonds		(1,001)	(1,036)	(1,053)
Obligations under finance leases		(88)	(96)	(76)
Draw-downs on bank and similar facilities		(8)	(2)	(2)
Other borrowings		(5)	(1)	-
Long-term borrowings		**(1,102)**	**(1,135)**	**(1,131)**
Bonds		(24)	(422)	(22)
Obligations under finance leases		(51)	(51)	(54)
Draw-downs on bank and similar facilities		(85)	(209)	(15)
Other borrowings		(44)	(11)	(2)
Short-term borrowings		**(204)**	**(693)**	**(93)**
Borrowings		**(1,306)**	**(1,828)**	**(1,224)**
Derivative instruments on borrowings		(9)	(15)	5
NET CASH AND CASH EQUIVALENTS		**1,063**	**454**	**872**

CASH MANAGEMENT ASSETS

Cash management assets consist of capitalization contracts with insurance companies (Generali and AG2R la mondiale). These contracts may be cancelled by the Company at any time without penalty.

CASH AND CASH EQUIVALENTS

At December 31, 2012, cash equivalents mainly consist of money market mutual funds (FCP and SICAV), certificates of deposit and term bank deposits, paying interest at standard market rates.

BORROWINGS

A) Bonds

a) 2011 Bond issue

On November 18, 2011, Cap Gemini performed a euro bond issue maturing on November 29, 2016. Bondholders enjoy all rights from November 29, 2011.

The total amount of the issue was €500 million, comprising 5,000 bonds with a nominal value of €100,000 each. The bonds bear interest at 5.25% per year, potentially increasing to 6.50% in the event of a down-grading of Cap Gemini's credit rating.

The terms and conditions of this issue were set out in the prospectus approved by the AMF on November 25, 2011 under reference number 11-546.

The bonds are redeemable in full on November 29, 2016. They may be redeemed before this date at the initiative of the Company, subject to certain conditions set out in the issue prospectus and particularly concerning the minimum redemption price. Bondholders may request the early redemption of all or part of their bonds in the event of a change in control of the Company, provided this change in control is accompanied by a downgrading of the Company's financial rating.

Early repayment may be requested at the initiative of a majority of bondholders, subject to the occurrence of certain events and particularly failure to pay sums due in respect of the bond issue or to comply with other obligations set out in the documentation (beyond any "grace" periods, if applicable), cross default (in excess of a minimum threshold), liquidation, dissolution or sale of all of the Company's assets.

An upgrade or downgrade in Cap Gemini's credit rating would not constitute an early repayment event.

Furthermore, Cap Gemini has undertaken that the bonds will rank pari passu with all other bonds issued by the Company.

b) "OCEANE 2009" convertible bonds

On April 8, 2009, Cap Gemini 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, comprising 16,911,765 bonds with a nominal value of €34 each, resulting in an issue premium of 35% compared with the Company benchmark share price. The bonds bear interest at 3.5% per year. They may be converted at any time commencing April 20, 2009 and are redeemable at par on January 1, 2014 if not converted. The terms and conditions of this issue were set out in the prospectus approved by the AMF on April 8, 2009 under reference number 09-084.

c) "OCEANE 2005" convertible bonds and redemption

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

After redeeming a total of 2,350,000 bonds in a number of transactions in November 2011 for an amount of €99 million, Cap Gemini redeemed the remaining 9,460,810 OCEANE 2005 bonds on January 2, 2012 for a total amount of €396 million.

IMPACT OF BONDS ON THE FINANCIAL STATEMENTS

	2010		2011			2012	
At December 31 *(in millions of euros)*	**OCEANE 2005 bonds**	**OCEANE 2009 bonds**	**OCEANE 2005 bonds**	**OCEANE 2009 bonds**	**2011 Bond issue**	**OCEANE 2009 bonds**	**2011 Bond issue**
Equity component	40	64	40	64	n/a	64	n/a
Debt component at amortized cost	480	545	400	561	497	576	499
Effective interest rate	4.8%	6.8%	4.8%	6.8%	5.5%	6.8%	5.5%
Interest expense recognized in the Income Statement for the period	21	35	22	36	2	37	27
Nominal interest rate	1%	3.5%	1%	3.5%	5.3%	3.5%	5.3%
Nominal interest expense (coupon)	4	20	4	20	2	20	26

FAIR VALUE OF BONDS

	2010		2011			2012	
At December 31 *(in millions of euros)*	**OCEANE 2005 bonds**	**OCEANE 2009 bonds**	**OCEANE 2005 bonds**	**OCEANE 2009 bonds**	**2011 Bond issue**	**OCEANE 2009 bonds**	**2011 Bond issue**
Fair value	488	582	400	578	511	586	557
Market rate	2.2%	3.1%	n/a	3.2%	4.7%	1.6%	2.2%

B) Obligations under finance leases

in millions of euros	**Earliest date of leases**	**Latest expiry date**	**Effective interest rate**	**December 31, 2012**
Buildings (Universite Capgemini Les Fontaines)	October 2002	July 2014	3-month Euribor +0.75%	17
Computer equipment and other fixed assets	July 2003	December 2017	6.57%	113
OBLIGATIONS UNDER FINANCE LEASES				**130**
Of which long-term obligations				*76*
Of which short-term obligations				*54*

C) Draw-downs on banks and similar facilities

At December 31, 2012, draw-downs on banks and similar facilities primarily consist of draw-downs on credit facilities in China to the amount of €13 million.

D) Syndicated credit facility obtained by Cap Gemini

On January 13, 2011, Cap Gemini signed a €500 million multi-currency credit facility with a syndicate of 18 banks, maturing on January 13, 2016.

The initial margin on this credit facility is 0.90%. This margin may be adjusted upwards or downwards according to the credit rating of Cap Gemini The facility is also subject to a fee on undrawn amounts equal to 35% of the margin (i.e. 0.315%), that may be increased to 40% if Cap Gemini's rating falls.

An upgrade or downgrade in Cap Gemini's credit rating would have no impact on the availability of this credit facility. The other main terms and conditions of the credit facility, in particular with respect to certain financial ratios, are detailed in Note 27 - Off balance sheet commitments.

This credit facility was not drawn at December 31, 2012.

EFFECTIVE INTEREST RATE (EIR)

In 2012, the effective interest rate on the Group's average outstanding borrowings was 6.4% (6.5% in 2011). At December 31, 2012, 98% of the Group's borrowings are at fixed rates (compared with 92% at end-2011) and the remainder is at floating rates. The increase in fixed-rate borrowings in 2012 is due to the repayment of floating-rate borrowings by CPM Braxis.

	At December 31, 2012							
	Euro		US dollar		Pound sterling		Other	Total
	EIR	Amount	EIR	Amount	EIR	Amount	Amount	Amount
	%	M€	%	M€	%	M€	M€	M€
"OCEANE 2009" bonds	6.8%	576	-	-	-	-	-	576
2011 Bond issue	5.5%	499	-	-	-	-	-	499
Draw-downs on bank and similar facilities	-	-	-	-	-	-	17	17
Obligations under finance leases	4.1%	45	7.2%	13	5.4%	59	13	130
Other borrowings	-	-	n/a	1	-	-	1	2
BORROWINGS		**1,120**		**14**		**59**	**31**	**1,224**

NET CASH AND CASH EQUIVALENTS BY MATURITY AT REDEMPTION VALUE

The amounts indicated below correspond to the undiscounted value of future contractual cash flows. Future cash flows relating to the "OCEANE 2009" bonds and the 2011 bond issue were estimated based on contractual nominal interest rates 3.5% and 5.25%, respectively and on the assumption that the bonds would be redeemed in full at maturity. The contractual cash flows associated with "Obligations under finance leases" represent contractual repayments of the liability.

in millions of euros	Contractual maturity	Carrying amount	Contractual cash flows	Less than 1 year	1 to 2 years	2 to 5 years	Beyond 5 years
At December 31, 2012							
Cash management assets	**2013**	**75**	**75**	**75**	**-**	**-**	**-**
Cash and cash equivalents		**2,016**	**2,016**	**2,016**	**n/a**	**n/a**	**n/a**
"OCEANE 2009" bonds	2014	(576)	(615)	(20)	(595)	-	-
2011 Bond issue	2016	(499)	(603)	(26)	(26)	(551)	-
Obligations under finance leases	2013 to 2017	(130)	(138)	(58)	(45)	(35)	-
Draw-downs on bank and similar facilities	2013 to 2015	(17)	(17)	(15)	(1)	(1)	-
Other borrowings	2013	(2)	(2)	(2)	-	-	-
Borrowings		**(1,224)**	**(1,375)**	**(121)**	**(667)**	**(587)**	**-**
Derivative instruments on borrowings	n/a	5					
NET CASH AND CASH EQUIVALENTS		**872**	**716**	**1,970**	**(667)**	**(587)**	**-**
At December 31, 2011							
Cash management assets	**2012**	**73**	**73**	**73**	**-**	**-**	**-**
Cash and cash equivalents		**2,224**	**2,224**	**2,224**	**n/a**	**n/a**	**n/a**
"OCEANE 2005" bonds	2012	(400)	(400)	(400)	-	-	-
"OCEANE 2009" bonds	2014	(561)	(635)	(20)	(20)	(595)	-
2011 Bond issue	2016	(497)	(631)	(2)	(26)	(603)	-
Obligations under finance leases	2012 to 2017	(147)	(153)	(56)	(45)	(52)	-
Draw-downs on bank and similar facilities	2012 to 2014	(211)	(211)	(209)	(1)	(1)	-
Other borrowings	2012 to 2014	(12)	(12)	(11)	(1)	-	-
Borrowings		**(1,828)**	**(2,042)**	**(698)**	**(93)**	**(1,251)**	**-**
Derivative instruments on borrowings	n/a	(15)					
NET CASH AND CASH EQUIVALENTS		**454**	**255**	**1,599**	**(93)**	**(1,251)**	**-**
At December 31, 2010							
Cash management assets	**2011**	**71**	**71**	**71**	**-**	**-**	**-**
Cash and cash equivalents		**2,307**	**2,307**	**2,307**	**n/a**	**n/a**	**n/a**
"OCEANE 2005" bonds	2012	(480)	(504)	(4)	(500)	-	-
"OCEANE 2009" bonds	2014	(545)	(656)	(20)	(20)	(616)	-
Obligations under finance leases	2011 to 2015	(139)	(149)	(55)	(40)	(54)	-
Draw-downs on bank and similar facilities	2011 to 2012	(93)	(93)	(85)	(8)	-	-
Other borrowings	2011 to 2015	(49)	(49)	(44)	(4)	(1)	-
Borrowings		**(1,306)**	**(1,451)**	**(208)**	**(572)**	**(671)**	**-**
Derivative instruments on borrowings	n/a	(9)					
NET CASH AND CASH EQUIVALENTS		**1,063**	**927**	**2,170**	**(572)**	**(671)**	**-**

NET CASH AND CASH EQUIVALENTS AND LIQUIDITY RISK

The financial liabilities whose repayability could expose the Group to liquidity risk are mainly the convertible bonds ("OCEANE 2009") and the 2011 bond issue.

To manage the liquidity risk that may arise upon financial liabilities becoming due and payable, 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 (€2,098 million at December 31, 2012), which could be increased by a multi-currency syndicated line of credit of €500 million (undrawn to date),
- actively managing the due dates of financial liabilities in order to limit the concentration of borrowings maturities,
- using diverse sources of financing, allowing the Group to reduce its reliance on certain categories of lenders.

NET CASH AND CASH EQUIVALENTS AND CREDIT RISK

Financial assets which could expose the Group to a credit or counterparty risk mainly consists of financial investments: in accordance with Group policy, cash balances are not invested in equity-linked products, but in (i) negotiable debt securities (certificates of deposit), (ii) term deposits, (iii) capitalization contracts or (iv) short-term money market mutual funds, subject to minimum credit rating and diversification rules.

At December 31, 2012, short-term investments totaled €1,610 million and comprise mainly (i) money market mutual funds meeting the criteria defined by the AMF for classification in the "monetary category"; and (ii) negotiable debt securities maturing within three months or immediately available, issued by highly rated companies or financial institutions (minimum rating of A2/P2 or equivalent). Consequently, these short-term investments do not expose the Group to any material credit risk.

NOTE 18 Cash flows

At December 31, 2012, cash and cash equivalents totaled €2,016 million (see Note 17 – Net cash and cash equivalents), down €208 million on December 31, 2011 (€2,224 million). Excluding the impact of exchange rate fluctuations on cash and cash equivalents of €31 million, this decrease is €177 million. Cash flow impacts are shown in the Consolidated Statement of Cash Flows.

NET CASH FROM (USED IN) OPERATING ACTIVITIES

In 2012, net cash from operating activities totaled €709 million (compared with €349 million in 2011) and resulted from:

- cash flows from operations before net finance costs and income tax in the amount of €777 million,
- payment of current income taxes in the amount of €120 million,
- a decrease in working capital requirements, generating a positive cash impact of €52 million.

Changes in working capital requirements (WCR) and the reconciliation with the Consolidated Statement of Financial Position are as follows:

		Working capital requirement components (Consolidated Statement of Financial Position)					Neutralization of items with no cash impact			Statement of Cash Flows items
in millions of euros	Notes	December 31, 2011	December 31, 2012	Net impact	Non-WCR items [1]	Impact of WCR items	Income impact	Foreign exchange impact	Reclassifications [2] and changes in Group structure	Amount
Accounts and notes receivable, excl. capitalized costs on projects	*15*	2,570	2,431	139	-	139	-	(8)	4	135
Capitalized costs on projects	*15*	115	107	8	-	-	-	1	-	9
Advances from customers and billed in advance	*15*	(661)	(624)	(37)	-	(37)	-	(2)	-	(39)
Change in accounts and notes receivable and advances from customers and amounts billed in advance				**110**	**-**	**110**	**-**	**(9)**	**4**	**105**
Accounts and notes payable (Accounts payable)	*23*	(944)	(921)	(23)	-	(23)	-	2	(5)	(26)
Change in accounts and notes payable				**(23)**	**-**	**(23)**	**-**	**2**	**(5)**	**(26)**
Other non-current assets	*14*	119	98	21	(6)	15	(1)	-	(12)	2
Other current receivables	*16*	370	351	19	(7)	12	9	(4)	(43)	(26)
Other non-current liabilities	*22*	(322)	(219)	(103)	92	(11)	3	4	15	11
Accounts and notes payable (excluding accounts payable)	*23*	(1,396)	(1,414)	18	-	18	-	5	(1)	22
Other current payables	*24*	(137)	(206)	69	(86)	(17)	-	1	(20)	(36)
Change in other receivables/ payables				**24**	**(7)**	**17**	**11**	**6**	**(61)**	**(27)**
CHANGE IN OPERATING WORKING CAPITAL						**104**	**11**	**(1)**	**(62)**	**52**

(1) Consolidated Statement of Financial Position items explaining cash flows relating to investing and financing activities and the payment of the income tax expense are not included in working capital requirements,

(2) The Reclassifications heading mainly includes changes relating to the current and non-current reclassification of certain accounts and notes receivable and payable and changes in the position of certain tax and employee-related receivables and payables in assets or liabilities, or recognition, without impacting cash, through an item not classified in working capital requirements.

NET CASH FROM (USED IN) INVESTING ACTIVITIES

The main components of net cash used in investing activities of €206 million (compared with €699 million in 2011) reflect:

- cash outflows of €124 million (including disposal proceeds of €11 million) primarily relating to acquisitions of computer hardware for client projects or the partial renewal of IT installations and the renovation, extension and refurbishment of office space (see Note 11 – Property, plant and equipment),
- cash outflows of €48 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,
- cash outflows of €24 million on business combinations, net of cash and cash equivalents acquired, including primarily the acquisition of DTWO Solutions (renamed Capgemini Japan KK) in Japan for €11 million,
- the €8 million negative impact of the sale of Capgemini Reinsurance Company S.A.

NET CASH FROM (USED IN) FINANCING ACTIVITIES

Net cash outflows as a result of financing activities totaled €680 million (compared with a cash inflow of €279 million in 2011) and mainly comprised:

- the €153 million share capital increase following the issue of new shares under the ESOP share ownership plan,
- the receipt of €49 million from Caixa Participacões on the entry of Caixa Econômica Federal into the share capital of CPM Braxis S.A. through the subscription of a share capital increase in the amount of BRL121 million,
- payment of the 2011 dividend of €154 million,

- a cash outflow of €396 million on the redemption in full of OCEANE 2005 bonds in January 2012,
- a cash outflow of €105 million on the repayment of CPM Braxis borrowings,
- a cash outflow of €90 million on the repayment of commercial paper issued by Cap Gemini,
- a cash outflow of €62 million in respect of repayments of obligations under finance leases,
- interest paid net of interest received of €41 million,
- a net cash outflow of €24 million in respect of treasury share transactions.

NOTE 19 Derivative instruments and currency and interest rate risk management

CURRENCY RISK MANAGEMENT

A) Exposure to currency risk and Currency risk management policy

a) Currency risk and hedging operating transactions

The growing use of offshore production centers located in India, in Poland and in Latin America, exposes the Group to currency risk with respect to some of its production costs.

The Group implements a policy aimed at minimizing and managing these currency risks, due in the majority to internal flows with India. The definition of the hedging policy and the management of operational currency risk is now primarily centralized at Group level, and the later relies on periodic reporting by subsidiaries of their exposure to currency risk over the coming 1 to 3 years. On this basis, the parent company acting as an internal bank, grants since 2012 internal currency guarantees to subsidiaries and enters into currency hedges with its bank counterparties, primarily through forward foreign exchange contracts.

These hedging transactions are generally recorded in accordance with cash flow hedges accounting rules.

b) Currency risk and hedging financial transactions

The Group is exposed to the risk of exchange rate fluctuations in respect of:

- inter-company financing transactions, mainly within the parent company: as inter-company lending and borrowing is systematically hedged (in particular using forward buy and sale foreign exchange contracts), the impact of changes in exchange rates on the Income Statement is negligible,
- fees paid to the parent company by subsidiaries whose functional currency is not the euro. As the majority of these flows are hedged, the impact of changes in exchange rates on the Income Statement is not significant.

c) Currency risk and hedging of other non-current liabilities

The Group has hedged its gross exposure to currency risk (euro against brazilian real) on the call-put option maturing in 2013 held respectively by Capgemini Group and the other shareholders of CPM Braxis over the share capital not yet held by the Group.

d) Sensitivity to currency risk

A 10% fluctuation in the pound sterling-euro exchange rate would trigger a corresponding 2.1% change in revenues and 2.3% change in operating margin. Similarly, a 10% fluctuation in the US dollar-euro exchange rate would trigger a corresponding 1.7% change in revenues and a 2% change in operating margin.

B) Hedging derivatives

Amounts hedged at December 31, 2012 using forward buy and sale foreign exchange contracts, mainly concern the parent company with respect to the centralized management of currency risk on operating transactions and inter-company financing transactions. To a lesser extent, they concern the subsidiary Capgemini India Private Ltd. for sub-contacting activities performed during the period for other regions of the Group and not paid as of December 31, 2012.

At December 31, 2012, the euro-equivalent value of forward buy and sale foreign exchange contracts breaks down by transaction type and maturity as follows:

in millions of euros		< 6 months	> 6 months and < 12 months	> 12 months	Total
Operating transactions		406	413	458	1,277
Of which	*fair value hedge*	*49*	-	-	*49*
	cash flow hedge	*357*	*413*	*458*	*1,228*
Financial transactions	*fair value hedge*	438	-	-	438
Transactions on other non-current liabilities	*cash flow hedge*	-	124	-	124
TOTAL		**844**	**537**	**458**	**1,839**

Hedges contracted in respect of operating transactions in India mainly comprise forward contracts to purchase and sell foreign currency maturing between 2013 and 2016 with an aggregate equivalent value of €1,277 million (€572 million at December 31, 2011). The hedges were chiefly taken out in respect of transactions in Indian rupee (INR 39,129 million), US dollar (USD 439 million), Polish zloty (PLN 1,004 million), pound sterling (GBP 50 million) and euro (€35 million).

The maturities of the hedges range from 2 months to 3 years and the main counterparties are the parent company (for a euro-equivalent value of €1,165 million) and Capgemini India Private Ltd. (for a euro-equivalent value of €96 million).

Pursuant to the implementation of the centralized management of currency risk on operating transactions, at the end of the year the Group terminated hedging contracts in India covering transactions in US dollar (USD 226 million), euro (€98 million) and pound sterling (GBP 47 million). Simultaneously, the parent company contracted hedges of an equivalent nominal amount.

Hedges contracted in respect of financial transactions primarily concern the parent company in the amount of €438 million at December 31, 2012. They mainly comprise hedged inter-company loans for €432 million (€570 million at December 31, 2011) and correspond to loans denominated in pound sterling, Australian dollar, US dollar and Mexican peso.

Hedges contracted in respect of other non-current liabilities concern the parent company. They mainly comprise forward foreign exchange contracts with a nominal value of BRL 335 million (€124 million), maturing in October 2013.

The Group's total exposure to currency risk on its consolidated assets and liabilities is €832 million and €746 million, respectively, at December 31, 2012, These exposures mainly concern the parent company in connection with inter-company Group financing transactions and to a lesser degree, Cap Gemini India Private Ltd. as part of its internal sub-contracting activity.

C) Fair value of hedging derivatives

At December 31 *(in millions of euros)*	Notes	2010	2011	2012
Other non-current assets	*14*	5	-	1
Other current receivables	*16*	22	12	6
Other non-current liabilities	*22*	(2)	(15)	(9)
Other current payables	*24*	(10)	(51)	(25)
Fair value of hedging derivatives		**15**	**(54)**	**(27)**
relating to: – operating transactions		*16*	*(49)*	*(31)*
– financial transactions		*(1)*	*(5)*	*4*
Hedging derivative counterparty recognized in equity at December 31 (on operating transactions)		**11**	**(44)**	**(22)**
Change in the period in hedging derivatives recognized in equity		**9**	**(55)**	**22**
o/w amounts released to operating profit in respect of transactions performed		*(15)*	*3*	*33*
o/w fair value of hedging derivatives relating to future transactions		*24*	*(58)*	*(11)*

The fair value of hedging derivatives and the hedging derivative counterparty recognized in equity primarily concern hedges of inter-company flows between India and other Group entities.

INTEREST RATE RISK MANAGEMENT

A) Interest rate risk management policy

The Group's exposure to interest rate risk should be analyzed in light of its cash position: at December 31, 2012, the Group had €2,098 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 €1,230 million in gross indebtedness principally at fixed rates (98%) (see Note 17 - Net cash and cash equivalents). The high proportion of fixed rate borrowings is due to the weight of bond issues in gross indebtedness.

B) Exposure to Interest rate risk: sensitivity analysis

Based on average levels of cash and cash equivalents and borrowings in 2012, a 100-basis point rise in interest rates would have a positive impact of around €16 million on the Group's net finance costs (€17 million in 2011 and 2010). Conversely, a 100-basis point fall in interest rates would have an estimated €16 million negative impact on the Group's net finance costs for 2012 (€17 million in 2011 and 2010).

C) Fair value of interest rate derivatives

An interest rate swap contract maturing in July 2014, covering 50% of a finance lease taken out by S.A.R.L. Immobiliere Les Fontaines (owner of Capgemini University) was entered into by the latter in 2003 for a residual notional amount of €9 million (liability of €17 million at December 31, 2012). Under the terms of the swap, S.A.R.L. Immobiliere Les Fontaines pays a fixed rate of 3.51% and receives 3-month Euribor +0.75%.

COUNTERPARTY RISK MANAGEMENT

In addition, in line with its policies for managing currency and interest rate risks as described above, the Group also enters into hedging agreements with leading financial institutions. Accordingly, counterparty risk can be deemed not material. At December 31, 2012, the Group's main counterparties for managing currency and interest rate risk are Barclays, BNP Paribas, CA CIB, HSBC, ING, Itau, JP Morgan, Natixis, Santander, and Société Générale.

NOTE 20 Provisions for pensions and other post-employment benefits

BREAKDOWN OF PROVISIONS FOR PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

A) Change in the obligation, plan assets and the expense recognized in the Income Statement

in millions of euros	Notes	2010	2011	2012
Present value of the obligation at January 1		**2,112**	**2,548**	**3,027**
Business combinations		-	8	-
Service cost		39	43	53
Past service cost		6	3	-
Interest cost		131	136	147
Effect of curtailments and settlements		(2)	-	-
Contributions paid by employees		6	6	7
Benefits paid to employees		(76)	(71)	(95)
Changes in actuarial gains and losses (1)		198	280	165
Translation adjustments		133	72	51
Other movements		1	2	4
Present value of the obligation at December 31		**2,548**	**3,027**	**3,359**
Fair value of plan assets at January 1		**(1,417)**	**(1,713)**	**(1,898)**
Expected return on plan assets		(103)	(111)	(121)
Effect of curtailments and settlements		2	-	-
Contributions paid by employees		(6)	(6)	(7)
Benefits paid to employees		68	66	83
Contributions paid		(84)	(93)	(114)
Changes in actuarial gains and losses (1)		(71)	13	(54)
Translation adjustments		(97)	(45)	(32)
Other movements		(5)	(9)	(10)
Fair value of plan assets at December 31		**(1,713)**	**(1,898)**	**(2,153)**
Total net funding shortfall		835	1,129	1,206
Unrecognized past service costs		(34)	(30)	(21)
Net provision in the Consolidated Statement of Financial Position at December 31		**801**	**1,099**	**1,185**
Funding surplus recognized in assets	*14*	(3)	-	-
Provisions recognized in liabilities		**804**	**1,099**	**1,185**
EXPENSE FOR THE PERIOD RECOGNIZED IN THE INCOME STATEMENT				
Service cost	*4*	(39)	(43)	(53)
Past service cost	*4*	(8)	(8)	(9)
Interest cost	*6*	(131)	(136)	(147)
Expected return on plan assets	*6*	103	111	121
TOTAL EXPENSE FOR THE PERIOD		**(75)**	**(76)**	**(88)**

(1) The change in actuarial gains and losses is recorded in "Income and expense recognized in equity".

B) Breakdown of the change by main beneficiary country

in millions of euros	United Kingdom	Canada	Other	Total
At December 31, 2010				
Present value of obligations under funded plans	1,827	368	167	2,362
Fair value of plan assets	(1,251)	(341)	(121)	(1,713)
Funding shortfall under funded plans	576	27	46	649
o/w actuarial gains and losses recognized in equity (1)	*398*	*75*	*13*	*486*
Funding shortfall under unfunded plans	-	58	128	186
o/w actuarial gains and losses recognized in equity (1)	-	*6*	*25*	*31*
Total net funding shortfall	**576**	**85**	**174**	**835**
Unrecognized past service costs	-	-	(34)	(34)
NET PROVISION IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION	**576**	**85**	**140**	**801**
Funding surplus recognized in assets	-	-	(3)	(3)
Provisions recognized in liabilities	576	85	143	804
At December 31, 2011				
Present value of obligations under funded plans	2,187	425	180	2,792
Fair value of plan assets	(1,428)	(345)	(125)	(1,898)
Funding shortfall under funded plans	759	80	55	894
o/w actuarial gains and losses recognized in equity (1)	*619*	*141*	*20*	*780*
Funding shortfall under unfunded plans	-	85	150	235
o/w actuarial gains and losses recognized in equity (1)	-	*27*	*28*	*55*
Total net funding shortfall	**759**	**165**	**205**	**1,129**
Unrecognized past service costs	-	-	(30)	(30)
NET PROVISION IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION	**759**	**165**	**175**	**1,099**
At December 31, 2012				
Present value of obligations under funded plans	2,387	474	231	3,092
Fair value of plan assets	(1,626)	(389)	(138)	(2,153)
Funding shortfall under funded plans	761	85	93	939
o/w actuarial gains and losses recognized in equity (1)	*667*	*166*	*51*	*884*
Funding shortfall under unfunded plans	-	95	172	267
o/w actuarial gains and losses recognized in equity (1)	-	*29*	*46*	*75*
Total net funding shortfall	**761**	**180**	**265**	**1,206**
Unrecognized past service costs	-	-	(21)	(21)
NET PROVISION IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION	**761**	**180**	**244**	**1,185**

(1) Actuarial gains and losses are recorded in "Income and expense recognized in equity.

The countries included in the "Other" column are France, Germany, Sweden, Italy, the United States, India, Switzerland, the Netherlands, Austria and Norway. These countries represent 21% of net provisions for pensions and other post-employment benefits in the Consolidated Statement of Financial Position.

MAIN ACTUARIAL ASSUMPTIONS

A) Discount rate and salary inflation rate

%	2010	2011	2012 United Kingdom	2012 Canada	2012 Other
Discount rate	2.4 - 8.4	2.9 - 8.8	4.6	4.5	1.7 - 8.4
Salary inflation rate	1.0 - 7.0	1.5 - 10.0	3.9	3.3	1.5 - 8.0

In 2012, the benchmark indexes used to calculate discount rates were similar to those used in previous years.

B) Plan assets and the expected and actual return on plan assets

in millions of euros	Amount	%	Expected return United Kingdom	Expected return Canada	Expected return Other	Actual return United Kingdom	Actual return Canada	Actual return Other
At December 31, 2010								
Shares	1,015	59	8.0	8.5	3.0 - 8.7	12.8 - 16.3	8.6 - 8.8	0.9 - 13.5
Bonds	595	35	5.5	4.0	1.5 - 4.5	9.4 - 11.0	9.0 - 9.2	0.9 - 8.5
Real estate assets	3	-	-	-	3.0 - 3.9	-	-	0.9 - 8.5
Cash and cash equivalents	71	4	3.8	1.0	0.8 - 3.0	1.3	(1.4) - (1.3)	0.1 - 8.5
Other	29	2	-	-	3.8 - 5.9	-	-	0.9 - 24.3
TOTAL	**1,713**	**100**						
At December 31, 2011								
Shares	1,068	56	8.0	7.5	4.3 - 10.1	(5.7) - (4.8)	(4.1) - (4.0)	1.5 - 3.3
Bonds	752	40	4.7	4.0	2.0 - 4.6	15.3 - 15.8	10.8	1.5 - 6.2
Real estate assets	3	-	6.5	-	3.0 - 4.0	-	-	1.5 - 3.0
Cash and cash equivalents	44	2	3.8	1.0	0.5 - 4.0	0.5	(1.2) - (0.8)	-
Other	31	2	-	-	(2.3) - 9.4	-	-	0.9 - 9.4
TOTAL	**1,898**	**100**						
At December 31, 2012								
Shares	1,228	57	8.0	7.5	3.0 - 9.6	10.5 - 14.0	15.2 - 15.3	(1.2) - 15.6
Bonds	845	39	4.6	4.0	1.9 - 4.6	7.9 - 8.1	4.5	(1.2) - 8.4
Real estate assets	3	-	6.5	-	3.0 - 4.0	-	-	(1.2) - 8.4
Cash and cash equivalents	34	2	3.8	1.0	-	0.0 - 7.0	(1.2) - (1.0)	-
Other	43	2	-	-	0.1 - 9.4	-	-	(1.2) - 30.2
TOTAL	**2,153**	**100**						

In the United Kingdom, expected rates of returns are validated by experts. For shares, the expected rate of return is based on a study of a selection of leading companies in the United Kingdom which takes account of the maturity of obligations hedged and forecast expected returns based on past trends. The expected rate of return on bonds is determined based on the discount rate used for the obligation, that is, the expected rate of return on corporate bonds rated AA.

In Canada, expected rates of return are determined in accordance with a model based on economic data observable in financial markets (assumptions on the profitability of shares and bonds, validated by expert analyses).

C) Employees covered by pension plans

	2010	2011	2012			
At December 31			**United Kingdom**	**Canada**	**Other**	**Total**
Current employees – accruing pensionable service	54,284	61,438	1,118	2,607	63,908	67,633
Former and current employees – not accruing pensionable service	12,014	11,879	8,461	231	1,921	10,613
Retirees	2,538	2,820	2,009	696	475	3,180
TOTAL	**68,836**	**76,137**	**11,588**	**3,534**	**66,304**	**81,426**

The increase in employees in 2012 is chiefly attributable to the expansion of Group operations in India. At December 31, 2012, a total of 41,124 employees were eligible for these pension plans in India, compared with 35,932 employees at December 31, 2011.

ANALYSIS OF THE CHANGE IN PROVISIONS FOR PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

A) Change in regulatory context: pension reform in France

The pension reforms adopted in France and resulting in the lengthening of the period of activity, did not have a material impact on the amount of retirement termination payments.

B) Impact on the Income Statement: change in the service cost and the interest cost

In 2012, the expense recognized in operating margin in respect of the service cost and the past service cost is €62 million and mainly concerns France (€20 million), Canada (€19 million) and the United Kingdom (€13 million). The increase in the service cost in 2012 compared with 2011 (€11 million) was mainly due to the decrease in discount rates between 2010 and 2011 in the majority of regions and particularly Canada and the United Kingdom and the increase in the workforce in India.

The net impact of the interest cost (discounting of the obligation) and the expected return on plan assets was a financial expense of €26 million (mainly concerning the United Kingdom for €13 million). The increase in this financial expense in 2012 compared with 2011 (€1 million) was due to:

- the increase in the fair value of plan assets as a result of the rise in contributions paid by the Group and despite a decrease in expected rates of return across all regions. The overall impact was a decrease in the net financial expense of €10 million,
- the favorable impact tied to the fall in interest rates in the majority of regions was nonetheless more than offset by the increase in the net present value of obligations, particularly in the United Kingdom, resulting in an increase in the net financial expense of €11 million.

C) Impact on equity: change in actuarial gains and losses

Actuarial gains and losses reflect increases or decreases in the present value of the obligation or the fair value of the related plan assets. Actuarial gains and losses include (i) the impact of changes in actuarial assumptions and (ii) experience adjustments, reflecting differences between projected actuarial assumptions and what has actually occurred.

	2010	2011	2012			
At December 31 *(in millions of euros)*			**United Kingdom**	**Canada**	**Other**	**Total**
Impact of changes in actuarial assumptions	186	306	59	44	57	160
Experience adjustments, o/w	(59)	(13)	(25)	(17)	(7)	(49)
Adjustment on liabilities (1)	*12*	*(26)*	*5*	*-*	*-*	*5*
Adjustment on assets (2)	*(71)*	*13*	*(30)*	*(17)*	*(7)*	*(54)*
IMPACT ON INCOME AND EXPENSE RECOGNIZED IN EQUITY	**127**	**293**	**34**	**27**	**50**	**111**

(1) +: increase in liabilities / -: decrease in liabilities,
(2) -: increase in assets / +: decrease in assets.

a) Impact of changes in actuarial assumptions

Changes in actuarial assumptions (essentially the discount rate and the expected rate of return on plan assets) generated an actuarial loss in 2012 of €160 million. This loss is attributable to changes in actuarial assumptions between 2011 and 2012, particularly in Canada where the discount rate dropped by 70 basis points.

b) Experience adjustments

Experience adjustments result from differences between projected actuarial assumptions and what has actually occurred during the fiscal year. The impact of experiences adjustments on the value of plan assets was an actuarial gain of €54 million, as actual rates of return were higher than expected rates of return in the United Kingdom and Canada.

D) Other impacts on the statement of financial position: contributions, benefits and translation adjustments

Contributions paid by the Group totaled €114 million in 2012, including €71 million in the United Kingdom and €35 million in Canada.

Benefits paid to employees of €95 million mainly involved the United Kingdom (€35 million) and Canada (€38 million).

The €19 million increase in provisions for pensions for translation adjustments, was due to the appreciation, in particular, of the pound sterling during the period (€18 million).

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 addition, in accordance with the recommendations put forward by the UK Pensions Regulator, Capgemini UK Plc. has committed to fund the shortfall identified at the last three-year valuation by July 2018.

In accordance with local regulations, the non-renewal of certain contracts in full or in part could result in the Group paying additional post-employment benefits.

SENSITIVITY ANALYSIS

A) Analysis of the sensitivity of the present value of the obligation in The United Kingdom and Canada

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 and Canada, which represent 88% of the total Group obligation at December 31, 2012, is presented below:

	Impact		Present value of obligation	
in millions of euros	United Kingdom	Canada	United Kingdom	Canada
Present value of the obligation at December 31, 2012			**2,387**	**569**
Increase of 50 basis points in the discount rate	(236)	(51)	2,151	518
Decrease of 50 basis points in the discount rate	274	56	2,661	625
Increase of 50 basis points in the inflation rate	199	46	2,586	615
Decrease of 50 basis points in the inflation rate	(206)	(42)	2,181	527

B) Analysis of the sensitivity of healthcare assistance costs

Healthcare assistance costs exclusively concern Canada. For 2010, 2011 and 2012, a change of 100 basis points in healthcare assistance cost trends would have an impact of plus or minus €2 million in the Consolidated Income Statement (service cost and interest cost) and an impact ranging from negative €16 million to positive €21 million in the Consolidated Statement of Financial Position at December 31, 2012.

NOTE 21 Current and non-current provisions

in millions of euros	2010	2011	2012
At January 1	**49**	**66**	**63**
Charge	42	34	34
Reversals (utilization of provisions)	(8)	(13)	(27)
Reversals (surplus provisions)	(19)	(31)	(8)
Other	2	7	2
At December 31	**66**	**63**	**64**

At December 31, 2012, current provisions (€48 million) and non-current provisions (€16 million) mainly concern risks relating to projects and contracts amounting to €47 million (€46 million at December 31, 2011) and risks relating to tax and labor disputes amounting to €17 million (unchanged for 2011).

Charges to provisions mainly concern outsourcing and technology services projects and tax and labor disputes. Reversals for the period mainly reflect the favorable outcome of customer disputes.

NOTE 22 Other non-current liabilities

At December 31 *(in millions of euros)*	Note	2010	2011	2012
Special employee profit-sharing reserve		68	61	51
Derivative instruments	19	2	15	9
Liabilities related to acquisitions of consolidated companies		189	219	127
Other		20	27	32
OTHER NON-CURRENT LIABILITIES		**279**	**322**	**219**

Liabilities related to acquisitions of consolidated companies consist of earn-outs granted at the time of certain acquisitions and put options granted to Caixa Participacões in 2012 in the amount of €119 million (see Note 2 – Changes in Group structure).

NOTE 23 Accounts and notes payable

At December 31 *(in millions of euros)*	2010	2011	2012
Accounts payable	957	944	921
Accrued taxes other than on income	405	378	358
Personnel costs	924	1,002	1,041
Other	19	16	15
ACCOUNTS AND NOTES PAYABLE	**2,305**	**2,340**	**2,335**

NOTE 24 Other current payables

At December 31 *(in millions of euros)*	Note	2010	2011	2012
Special employee profit-sharing reserve		21	18	21
Derivative instruments	19	10	51	25
Liabilities related to acquisitions of consolidated companies		6	14	114
Other		43	54	46
OTHER CURRENT PAYABLES		**80**	**137**	**206**

Liabilities related to acquisitions of consolidated companies consist for €104 million of the initial put option (net of price adjustments and the impact of the unwinding of the discount) granted to remaining minority shareholders following the acquisition of CPM Braxis in 2010 and exercisable between October 2013 and October 2015 (€198 million at December 31, 2011 recorded in other non-current liabilities).

NOTE 25 Operating segments

As indicated in Note 1-R – Accounting policies: Operating segments, segment information is provided for the geographic areas presented below and complemented by information on revenues and operating margin for each of the Group's four businesses.

SEGMENT REPORTING BY GEOGRAPHIC AREA

The Group has operations in the following eight geographic areas:

Geographic area	Country
North America	Canada, United States
France	France, Morocco
United Kingdom and Ireland	Ireland, United Kingdom
Benelux	Belgium, Luxembourg, Netherlands
Southern Europe and Latin America	Argentina, Brazil, Chile, Colombia, Guatemala, Italy, Mexico, Portugal, Spain
Nordic countries	Denmark, Finland, Norway, Sweden
Germany and Central Europe	Austria, Czech Republic, Germany, Hungary, Poland, Romania, Slovakia, Switzerland
Asia-Pacific	Australia, China, India, Japan, Malaysia, Philippines, Singapore, United Arab Emirates, Vietnam

ANALYSIS OF THE INCOME STATEMENT BY GEOGRAPHIC AREA

2012 *(in millions of euros)*	North America	France	United Kingdom and Ireland	Benelux	Southern Europe and Latin America	Nordic countries	Germany and Central Europe	Asia-Pacific	Not allocated [1]	Eliminations	Total
Revenues											
– external [2]	2,101	2,181	2,104	1,118	1,029	714	658	359	-	-	10,264
– inter-geographic area	82	179	121	53	44	22	138	636	-	(1,275)	-
TOTAL REVENUES	**2,183**	**2,360**	**2,225**	**1,171**	**1,073**	**736**	**796**	**995**	**-**	**(1,275)**	**10,264**
Operating margin before amortization of intangible assets recognized in business combinations [2]	**195**	**182**	**163**	**84**	**43**	**54**	**60**	**112**	**(69)**	**-**	**824**
% of revenues	*9.3*	*8.3*	*7.8*	*7.5*	*4.2*	*7.5*	*9.1*	*n/a*	-	-	*8.0*
Amortization of intangible assets acquired through business combinations [2]	(9)	(11)	-	(4)	(8)	(2)	(2)	(1)			(37)
OPERATING MARGIN [2]	**186**	**171**	**163**	**80**	**35**	**52**	**58**	**111**	**(69)**	**-**	**787**
% of revenues	*8.8*	*7.8*	*7.7*	*7.2*	*3.4*	*7.2*	*8.8*	*n/a*	-	-	*7.7*
OPERATING PROFIT	**178**	**129**	**144**	**16**	**3**	**47**	**46**	**107**	**(69)**	**-**	**601**
Net finance costs											(55)
Other financial income											42
Other financial expense											(87)
Income tax expense											(140)
Share of profit of associates											(1)
PROFIT FOR THE YEAR											**360**
Non-controlling interests											10
PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY											**370**

(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 the operating margin rate is calculated based on these revenues, the margin for the Asia-Pacific area is not representative of its activities, which mostly consist of internal subcontracting carried out in India.

2011 *(in millions of euros)*	North America	France	United Kingdom and Ireland	Benelux	Southern Europe and Latin America	Nordic countries	Germany and Central Europe	Asia-Pacific	Not allocated [1]	Eliminations	Total
Revenues											
– external [2]	1,805	2,138	1,945	1,266	1,000	635	626	278	-	-	9,693
– inter-geographic area	78	162	125	52	41	26	132	537	-	(1,153)	-
TOTAL REVENUES	**1,883**	**2,300**	**2,070**	**1,318**	**1,041**	**661**	**758**	**815**	**-**	**(1,153)**	**9,693**
Operating margin before amortization of intangible assets recognized in business combinations [2]	**169**	**187**	**139**	**98**	**36**	**48**	**45**	**84**	**(68)**	**-**	**738**
% of revenues	*9.4*	*8.7*	*7.1*	*7.7*	*3.6*	*7.6*	*7.2*	*n/a*	-	-	*7.6*
Amortization of intangible assets acquired through business combinations [2]	(10)	-	-	(4)	(6)	(2)	(2)	(1)	-	-	(25)
OPERATING MARGIN [2]	**159**	**187**	**139**	**94**	**30**	**46**	**43**	**83**	**(68)**	**-**	**713**
% of revenues	*8.8*	*8.7*	*7.1*	*7.4*	*3.0*	*7.2*	*6.9*	*n/a*	-	-	*7.4*
OPERATING PROFIT	**153**	**153**	**124**	**62**	**11**	**42**	**36**	**82**	**(68)**	**-**	**595**
Net finance costs											(65)
Other financial income											64
Other financial expense											(104)
Income tax expense											(101)
PROFIT FOR THE YEAR											**389**
Non-controlling interests											15
PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY											**404**

(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 the operating margin rate is calculated based on these revenues, the margin for the Asia-Pacific area is not representative of its activities, which mostly consist of internal subcontracting carried out in India.

2010 *(in millions of euros)*	North America	France	United Kingdom and Ireland	Benelux	Southern Europe and Latin America	Nordic countries	Germany and Central Europe	Asia-Pacific	Not allocated [1]	Eliminations	Total
Revenues											
– external [2]	1,665	1,931	1,912	1,314	599	543	534	199	-	-	8,697
– inter-geographic area	58	117	83	43	42	21	117	456	-	(937)	-
TOTAL REVENUES	**1,723**	**2,048**	**1,995**	**1,357**	**641**	**564**	**651**	**655**	**-**	**(937)**	**8,697**
Operating margin before amortization of intangible assets recognized in business combinations [2]	**97**	**127**	**150**	**131**	**21**	**38**	**49**	**62**	**(67)**	**-**	**608**
% of revenues	*5.8*	*6.6*	*7.8*	*10.0*	*3.5*	*7.0*	*9.2*	*n/a*	-	-	*7.0*
Amortization of intangible assets acquired through business combinations [2]	(11)	-	-	(4)	(2)	(2)	(1)	(1)	-	-	(21)
OPERATING MARGIN [2]	**86**	**127**	**150**	**127**	**19**	**36**	**48**	**61**	**(67)**	**-**	**587**
% of revenues	*5.2*	*6.6*	*7.9*	*9.7*	*3.1*	*6.6*	*9.0*	*n/a*	-	-	*6.8*
OPERATING PROFIT	**76**	**106**	**132**	**106**	**6**	**30**	**40**	**60**	**(67)**	**-**	**489**

Net finance costs	(54)
Other financial income	22
Other financial expense	(55)
Income tax expense	(124)
PROFIT FOR THE YEAR	**278**
Non-controlling interests	2
PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY	**280**

(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 the operating margin rate is calculated based on these revenues, the margin for the Asia-Pacific area is not representative of its activities, which mostly consist of internal subcontracting carried out in India.

Analysis of depreciation, amortization and other expenses with no cash impact included in the operating margin

2012 *(in millions of euros)*	North America	France	United Kingdom and Ireland	Benelux	Southern Europe and Latin America	Nordic countries	Germany and Central Europe	Asia-Pacific	Not allocated [1]	Total
Depreciation and amortization expense	(32)	(43)	(38)	(24)	(30)	(15)	(16)	(30)	-	(228)
Net charge to provisions [1]	(1)	(9)	(6)	(1)	(5)	(1)	(4)	-	-	(27)
TOTAL	**(33)**	**(52)**	**(44)**	**(25)**	**(35)**	**(16)**	**(20)**	**(30)**	**-**	**(255)**

(1) This item includes net movements in provisions for doubtful accounts and current and non-current provisions.

2011 *(in millions of euros)*	North America	France	United Kingdom and Ireland	Benelux	Southern Europe and Latin America	Nordic countries	Germany and Central Europe	Asia-Pacific	Not allocated [1]	Total
Depreciation and amortization expense	(33)	(29)	(30)	(21)	(22)	(12)	(15)	(26)	-	(188)
Net charge to provisions [1]	3	7	(11)	2	(3)	-	(5)	5	-	(2)
TOTAL	**(30)**	**(22)**	**(41)**	**(19)**	**(25)**	**(12)**	**(20)**	**(21)**	**-**	**(190)**

(1) This item includes net movements in provisions for doubtful accounts and current and non-current provisions.

2010 *(in millions of euros)*	North America	France	United Kingdom and Ireland	Benelux	Southern Europe and Latin America	Nordic countries	Germany and Central Europe	Asia-Pacific	Not allocated [1]	Total
Depreciation and amortization expense	(35)	(27)	(28)	(29)	(11)	(11)	(13)	(20)	-	(174)
Net charge to provisions [1]	10	(7)	(11)	6	(1)	(1)	(5)	(3)	-	(12)
TOTAL	**(25)**	**(34)**	**(39)**	**(23)**	**(12)**	**(12)**	**(18)**	**(23)**	**-**	**(186)**

(1) This item includes net movements in provisions for doubtful accounts and current and non-current provisions.

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, 2012 *(in millions of euros)*	North America	France	United Kingdom and Ireland	Benelux	Southern Europe and Latin America	Nordic countries	Germany and Central Europe	Asia-Pacific	Not allocated	Eliminations	Total
Assets by geographic area											
– external	1,076	1,993	1,138	1,092	825	390	469	370	64	-	7,417
– inter-geographic area	39	128	40	18	11	8	36	114	-	(394)	-
TOTAL ASSETS BY GEOGRAPHIC AREA	**1,115**	**2,121**	**1,178**	**1,110**	**836**	**398**	**505**	**484**	**64**	**(394)**	**7,417**
Deferred tax assets											1,059
Current income tax receivable											70
Cash management assets											75
Cash and cash equivalents											2,023
Derivative instruments											6
TOTAL ASSETS											**10,650**
Liabilities by geographic area											
– external	615	1,021	1,351	305	616	206	248	230	7	-	4,599
– inter-geographic area	67	56	68	43	21	22	25	29	64	(395)	-
TOTAL LIABILITIES BY GEOGRAPHIC AREA	**682**	**1,077**	**1,419**	**348**	**637**	**228**	**273**	**259**	**71**	**(395)**	**4,599**
Total equity											4,529
Deferred tax liabilities											163
Current income tax payable											95
Borrowings and bank overdrafts											1,230
Derivative instruments											34
TOTAL EQUITY AND LIABILITIES											**10,650**

At December 31, 2011 *(in millions of euros)*	North America	France	United Kingdom and Ireland	Benelux	Southern Europe and Latin America	Nordic countries	Germany and Central Europe	Asia-Pacific	Not allocated	Eliminations	Total
Assets by geographic area											
– external	1,154	2,081	1,184	1,146	857	380	464	314	51	-	7,631
– inter-geographic area	38	101	52	23	24	11	36	106	35	(426)	-
TOTAL ASSETS BY GEOGRAPHIC AREA	**1,192**	**2,182**	**1,236**	**1,169**	**881**	**391**	**500**	**420**	**86**	**(426)**	**7,631**
Deferred tax assets											1,020
Current income tax receivable											55
Cash management assets											73
Cash and cash equivalents											2,223
Derivative instruments											12
TOTAL ASSETS											**11,014**
Liabilities by geographic area											
– external	607	1,053	1,388	336	554	207	218	186	7	-	4,556
– inter-geographic area	78	84	71	47	18	19	28	42	32	(419)	-
TOTAL LIABILITIES BY GEOGRAPHIC AREA	**685**	**1,137**	**1,459**	**383**	**572**	**226**	**246**	**228**	**39**	**(419)**	**4,556**
Total equity											4,283
Deferred tax liabilities											183
Current income tax payable											89
Borrowings and bank overdrafts											1,837
Derivative instruments											66
TOTAL EQUITY AND LIABILITIES											**11,014**

At December 31, 2010 *(in millions of euros)*	North America	France	United Kingdom and Ireland	Benelux	Southern Europe and Latin America	Nordic countries	Germany and Central Europe	Asia-Pacific	Not allocated	Eliminations	Total
Assets by geographic area											
– external	1,035	1,560	990	1,195	805	340	400	274	35	-	6,634
– inter-geographic area	41	69	47	22	15	7	26	77	22	(326)	-
TOTAL ASSETS BY GEOGRAPHIC AREA	**1,076**	**1,629**	**1,037**	**1,217**	**820**	**347**	**426**	**351**	**57**	**(326)**	**6,634**
Deferred tax assets											891
Current income tax receivable											40
Cash management assets											71
Cash and cash equivalents											2,305
Derivative instruments											27
TOTAL ASSETS											**9,968**
Liabilities by geographic area											
– external	497	968	1,198	340	526	179	205	174	11	-	4,098
– inter-geographic area	81	72	43	45	17	21	20	21	6	(326)	-
TOTAL LIABILITIES BY GEOGRAPHIC AREA	**578**	**1,040**	**1,241**	**385**	**543**	**200**	**225**	**195**	**17**	**(326)**	**4,098**
Total equity											4,307
Deferred tax liabilities											178
Current income tax payable											61
Borrowings and bank overdrafts											1,312
Derivative instruments											12
TOTAL EQUITY AND LIABILITIES											**9,968**

Analysis of acquisitions of intangible assets and property, plant and equipment

At December 31 *(in millions of euros)*	2010	2011	2012
North America	31	18	21
France	22	33	32
United Kingdom and Ireland	50	46	33
Benelux	13	13	28
Southern Europe and Latin America	14	29	25
Nordic countries	14	20	23
Germany and Central Europe	15	17	18
Asia-Pacific	37	42	51
ACQUISITIONS OF INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT	**196**	**218**	**231**

Total acquisitions 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 (€183 million), which excludes acquisitions of assets held under finance leases (€48 million).

SEGMENT REPORTING BY BUSINESS

The Group's services are organized into four businesses:

- "Consulting Services" helps to enhance the performance of organizations based on in-depth knowledge of client industries and processes,
- "Technology Services" plans, designs and develops IT systems and applications,
- "Local Professional Services" provides assistance and support to internal IT teams within client companies,
- "Outsourcing Services" manages all or part of a company's IT or business process needs.

Breakdown of revenues by business

	2010		2011		2012	
in millions of euros	Amount	%	Amount	%	Amount	%
Consulting Services	511	6	515	5	500	5
Technology Services	3,610	42	4,020	41	4,147	40
Local professional services	1,418	16	1,518	16	1,528	15
Outsourcing services	3,158	36	3,640	38	4,089	40
REVENUES	**8,697**	**100**	**9,693**	**100**	**10,264**	**100**

Breakdown of operating margin by business

	2010		2011		2012	
in millions of euros	Amount	%	Amount	%	Amount	%
Consulting Services	56	10.9	62	12.0	56	11.2
Technology Services	242	6.7	273	6.8	328	7.9
Local professional services	131	9.2	166	10.9	160	10.4
Outsourcing services	225	7.1	280	7.7	312	7.6
Not allocated	(67)	-	(68)	-	(69)	-
OPERATING MARGIN	**587**	**6.8**	**713**	**7.4**	**787**	**7.7**
Amortization of intangible assets acquired through business combinations	21	0.2	25	0.2	37	0.3
OPERATING MARGIN BEFORE AMORTIZATION OF INTANGIBLE ASSETS RECOGNIZED IN BUSINESS COMBINATIONS	**608**	**7.0**	**738**	**7.6**	**824**	**8.0**

NOTE 26 Number of employees

AVERAGE NUMBER OF EMPLOYEES BY GEOGRAPHIC AREA

	2010		2011		2012	
	Employees	%	Employees	%	Employees	%
North America	8,265	8	9,039	8	9,680	8
France	19,828	21	20,614	18	21,503	18
United Kingdom and Ireland	8,167	8	8,700	8	8,988	7
Benelux	10,877	11	10,508	9	9,815	8
Southern Europe and Latin America	9,863	10	15,505	14	16,648	14
Nordic countries	3,850	4	4,292	4	4,523	4
Germany and Central Europe	7,853	8	8,375	7	9,278	7
Asia-Pacific	28,696	30	37,150	32	41,228	34
Not allocated	172	-	171	-	166	-
AVERAGE NUMBER OF EMPLOYEES	**97,571**	**100**	**114,354**	**100**	**121,829**	**100**

NUMBER OF EMPLOYEES AT DECEMBER 31 BY GEOGRAPHIC AREA

	2010		2011		2012	
	Employees	%	Employees	%	Employees	%
North America	8,667	8	9,505	8	9,608	8
France	20,107	18	21,571	18	21,574	17
United Kingdom and Ireland	8,515	8	8,977	7	8,964	7
Benelux	10,782	10	10,391	9	9,186	7
Southern Europe and Latin America	14,853	14	16,499	14	16,735	13
Nordic countries	4,012	4	4,538	4	4,504	4
Germany and Central Europe	7,928	7	8,962	7	9,581	8
Asia-Pacific	33,655	31	39,097	33	44,794	36
Not allocated	179	-	167	-	164	-
NUMBER OF EMPLOYEES AT DECEMBER 31	**108,698**	**100**	**119,707**	**100**	**125,110**	**100**

NOTE 27 Off-balance sheet commitments

OFF-BALANCE SHEET COMMITMENTS RELATING TO GROUP OPERATING ACTIVITIES

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 with HM Revenue & Customs, Schneider Electric Industries, Euroclear, the Metropolitan Police, Ontario Power Generation Inc., Environment Agency, Renault S.A. and The Secretary of State for Work & Pensions.

In addition, certain clients enjoy:

- limited financial guarantees issued by the Group and totaling €1,027 million at December 31, 2012 (€856 million and €631 million at December 31, 2011 and 2010, respectively),
- bank guarantees borne by the Group and totaling €72 million at December 31, 2012 (€81 million and €91 million at December 31, 2011 and 2010, respectively).

B) Commitments given on non-cancellable leases

in millions of euros	Computer equipment	Offices	Vehicles and other non-cancellable leases	Total
Y+1	7	180	66	253
Y+2	5	157	50	212
Y+3	2	126	28	156
Y+4	1	81	8	90
Y+5	-	63	-	63
Y+6 and beyond	-	96	-	96
December 31, 2012	**15**	**703**	**152**	**870**
December 31, 2011	**22**	**651**	**145**	**818**
December 31, 2010	**32**	**633**	**140**	**805**

Lease payments recognized in the Income Statement in 2012 totaled €320 million (€307 million and €267 million at December 31, 2011 and 2010, respectively).

C) Other commitments given

Other commitments given total €110 million at December 31, 2012 (€121 million and €50 million in 2011 and 2010, respectively) and comprise:

- bank guarantees given to the tax authorities in connection with tax disputes in France, India and Spain,
- firm purchase commitments relating to goods or services in India and France.

D) Commitments received on client contracts

Pursuant to a contract signed in 2010, Capgemini Group received a limited financial guarantee of €63 million from the client.

OFF-BALANCE SHEET COMMITMENTS RELATING TO GROUP FINANCING

A) Bonds

With regard to the OCEANE 2009 bonds and the 2011 bond issue detailed in Note 17 – Net cash and cash equivalents, Cap Gemini has committed to standard obligations and particularly to maintain pari passu status with all other negotiable bonds that may be issued by the Company.

B) Syndicated credit facility obtained by Cap Gemini and not drawn to date

Cap Gemini has agreed to comply with the following financial ratios (as defined in IFRS) in respect of the credit facility disclosed in Note 17 – Net cash and cash equivalents:

- the consolidated net debt to consolidated equity ratio must be less than 1 at all times,
- the interest coverage ratio (the extent to which consolidated net finance costs are covered by consolidated operating margin) must be equal to or greater than 3 at December 31 and June 30 of each year (based on the 12 months then ended).

At December 31, 2010, 2011 and 2012 the Group complied with these financial ratios.

The credit facility agreement includes covenants restricting the Company's ability to carry out certain operations. These covenants also apply to Group subsidiaries. They include restrictions primarily relating to pledging assets as collateral, asset sales, mergers and similar transactions. Cap Gemini also committed to standard obligations, including an agreement to maintain pari passu status.

C) Borrowings secured by assets

Some borrowings are secured by assets recorded in the Consolidated Statement of Financial Position. At December 31, 2012, these related to finance leases for an amount of €127 million.

CONTINGENT LIABILITIES

During 2012 and in previous fiscal years, some Group companies underwent tax audits leading in some cases to tax reassessments. A number of these reassessments have been challenged and some litigation proceedings were in progress at the period end. In general, no provisions have been set aside for these disputes in the consolidated financial statements.

NOTE 28 Related-party transactions

ASSOCIATES

Associates are equity-accounted companies over which the Group exercises significant influence. At December 31, 2012, O2C Pro LLC is the only company equity-accounted by the Group since its acquisition in 2011. Transactions with this equity associate during 2012 were performed at arm's length and were of immaterial volume.

OTHER RELATED-PARTIES

In 2012, no material transactions were carried out with:

- shareholders holding significant voting rights in the share capital of Cap Gemini,
- members of management, including Directors and non-voting Directors,
- entities controlled or jointly controlled by a member of key management personnel, or over which he/she has significant influence or holds significant voting rights.

Moreover, since the acquisition of CPM Braxis on October 6, 2010, it is worth noting that Bradesco S.A., a minority shareholder, is also the main client of CPM Braxis accounting for 37% of its revenues.

GROUP MANAGEMENT COMPENSATION

The table below provides a breakdown of the 2012 compensation of members of management bodies, encompassing the Group operating management structure, present at each year-end (21 members in 2012 and 20 members in 2011) and the compensation and attendance fees paid to Directors and non-voting Directors.

in thousands of euros	2010	2011	2012
Short-term benefits excluding employer payroll taxes (1)	18,306	16,253	18,242
O/w attendance fees to salaried Directors (2)	*-*	*-*	*28*
O/w attendance fees to non-salaried Directors and non-voting Directors (3)	*699*	*722*	*683*
Short-term benefits: employer payroll taxes	3,300	3,640	5,013
Post-employment benefits (4)	674	623	748
Share-based payment (5)	2,183	2,456	2,105

(1) Includes gross wages and salaries, bonuses, profit-sharing, attendance fees and benefits in kind,
(2) Note that Serge Kampf and Paul Hermelin waived receipt of their attendance fees in 2010, 2011 and 2012,
(3) 13 in 2010, 13 in 2011 and 14 in 2012,
(4) Including mainly statutory retirement termination payments,
(5) Representing the annual expense relating to the granting of stock options and performance shares.

NOTE 29 Subsequent events

At the Combined Shareholders' Meeting, the Board of Directors will recommend a dividend payout to Cap Gemini shareholders of €1 per share in respect of 2012. A dividend of €1 per share was paid in respect of fiscal years 2011 and 2010.

Under the share buyback program authorized by the Ordinary Shareholders' Meeting of May 24, 2012, the Company purchased between January 16 and February 14, 2013, via a contract with an authorized financial intermediary, 1,017,549 of its own shares (representing 0.63% of the share capital at December 31, 2012) at an average share price of €35.38, representing a total acquisition cost of €36 million. These shares were purchased for cancellation.

NOTE 30 List of the main consolidated companies by country

FC = Full consolidation

EM = Equity method

Country	Consolidated company at December 31, 2012	% interest	Consolidation Method
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
BRAZIL	Capgemini Business Services Brasil – Assessoria Empresarial Ltda.	100.00%	FC
	Consultoria de Gestao Gemini Ltda.	100.00%	FC
	CPM Braxis ERP Tecnologia da Informação Ltda.	55.80%	FC
	CPM Braxis Outsourcing S.A.	55.80%	FC
	CPM Braxis S.A.	55.80%	FC
CANADA	Capgemini Canada Inc.	100.00%	FC
	Capgemini Financial Services Canada Inc.	100.00%	FC
	Gestion Cap Gemini Quebec Inc.	100.00%	FC
	Inergi LP	100.00%	FC
	New Horizon System Solutions LP	100.00%	FC
	Société en Commandite Cap Gemini Quebec	100.00%	FC
CHILE	Capgemini Business Services Chile Ltda.	100.00%	FC
CHINA	Capgemini (China) Co. Ltd.	100.00%	FC
	Capgemini (Hangzhou Co., Ltd)	100.00%	FC
	Capgemini Business Services (Asia) Ltd.	100.00%	FC
	Capgemini Business Services (China) Ltd.	100.00%	FC
	Capgemini Hong Kong Ltd.	100.00%	FC
	Praxis Technology Co.Ltd.	100.00%	FC
COLUMBIA	Capgemini Colombia SAS	100.00%	FC
CZECH REPUBLIC	Capgemini Czech Republic S.r.o.	100.00%	FC
DENMARK	Capgemini Danmark AS	100.00%	FC
	IBX Danmark AS	100.00%	FC
	Sogeti Danmark AS	100.00%	FC
FINLAND	Capgemini Finland Oy	100.00%	FC
	IBX Finland Oy	100.00%	FC
	Sogeti Finland Oy	100.00%	FC

Country	Consolidated company at December 31, 2012	% interest	Consolidation Method
FRANCE	Cap Gemini	Parent Company	-
	Sogeti Corporate Services S.A.S	100.00%	FC
	Artesys S.A.S.	100.00%	FC
	Backélite S.A.S.	100.00%	FC
	Capgemini Consulting S.A.S.	100.00%	FC
	Capgemini France S.A.S.	100.00%	FC
	Capgemini Gouvieux S.A.S.	100.00%	FC
	Capgemini OS Electric S.A.S.	100.00%	FC
	Capgemini Outsourcing Services S.A.S.	100.00%	FC
	Capgemini Service S.A.S.	100.00%	FC
	Capgemini Technology Services S.A.S.	100.00%	FC
	Capgemini Université S.A.S.	100.00%	FC
	Immobilière Les Fontaines S.A.R.L.	100.00%	FC
	Prosodie S.A.	100.00%	FC
	SCI Paris Etoile	100.00%	FC
	Sogeti France S.A.S.	100.00%	FC
	Sogeti High Tech S.A.S.	100.00%	FC
	Sogeti S.A.S.	100.00%	FC
GERMANY	Capgemini Deutschland GmbH	100.00%	FC
	Capgemini Deutschland Holding GmbH	100.00%	FC
	Capgemini Outsourcing Services GmbH	100.00%	FC
	CS Consulting GmbH	100.00%	FC
	I&S IT-Beratung & Service GmbH	100.00%	FC
	Sogeti Deutschland GmbH	100.00%	FC
	Sogeti High Tech GmbH	100.00%	FC
GUATEMALA	Capgemini Business Services Guatemala S.A.	100.00%	FC
HUNGARY	Capgemini Magyarorszag Kft	100.00%	FC
INDIA	Capgemini Business Services (India) Ltd.	100.00%	FC
	Capgemini India Private Ltd.	100.00%	FC
IRELAND	Sogeti Ireland Ltd.	100.00%	FC
ITALY	Aive BS S.p.A.	100.00%	FC
	Aive BST S.p.A.	100.00%	FC
	Aive S.p.A.	100.00%	FC
	Capgemini Italia S.p.A.	100.00%	FC
	EnterPrime Consulting S.p.A.	100.00%	FC
	EnterPrime Finance s.r.l.	100.00%	FC
	Realtà Informatica s.r.l.	100.00%	FC
JAPAN	Capgemini Japan KK	100.00%	FC
LUXEMBOURG	Capgemini Reinsurance International	100.00%	FC
	Sogeti Luxembourg S.A.	100.00%	FC
MALAYSIA	Capgemini Services Malaysia Sdn Bhd	100.00%	FC
MEXICO	Capgemini Mexico S. de R.L. de C.V.	100.00%	FC
MOROCCO	Capgemini Technology Services Maroc S.A.	100.00%	FC

Country	Consolidated company at December 31, 2012	% interest	Consolidation Method
NETHERLANDS	Capgemini Educational Services B.V.	100.00%	FC
	Capgemini Interim Management B.V.	100.00%	FC
	Capgemini N.V.	100.00%	FC
	Capgemini Nederland B.V.	100.00%	FC
	Capgemini Retail Solutions B.V.	100.00%	FC
	Sogeti Nederland B.V.	100.00%	FC
NORWAY	Capgemini Norge AS	100.00%	FC
	IBX Norge AS	100.00%	FC
	Sogeti Norge AS	100.00%	FC
PHILIPPINES	Capgemini Phillipines SBOS	100.00%	FC
POLAND	Capgemini Polska Sp z.o.o.	100.00%	FC
PORTUGAL	Capgemini Portugal, Serviços de Consultoria e Informatica S.A.	100.00%	FC
ROMANIA	Capgemini Services Romania s.r.l.	100.00%	FC
	IBX Software Development s.r.l.	100.00%	FC
SINGAPORE	Capgemini Singapore Pte Ltd.	100.00%	FC
SLOVAKIA	Capgemini Slovensko, S.r.o.	100.00%	FC
SPAIN	Capgemini España, S.L.	100.00%	FC
	Prosodie Ibérica	100.00%	FC
	Sogeti España, S.L.	100.00%	FC
SWEDEN	Capgemini AB (Sweden)	100.00%	FC
	Capgemini Sverige AB	100.00%	FC
	IBX Group AB	100.00%	FC
	Skvader Systems AB	100.00%	FC
	Sogeti Sverige AB	100.00%	FC
	Sogeti Sverige Mitt AB	100.00%	FC
SWITZERLAND	Capgemini Suisse S.A.	100.00%	FC
	Sogeti Suisse S.A.	100.00%	FC
UNITED ARAB EMIRATES	Capgemini Middle East FZ LLC	100.00%	FC
	Thesys Technologies LLC	49.00%	FC
	Thesys Technologies Middle East FZE	100.00%	FC
UNITED KINGDOM	Capgemini Financial Services UK Ltd.	100.00%	FC
	Capgemini UK Plc.	100.00%	FC
	IBX UK Ltd.	100.00%	FC
	Sogeti UK Ltd.	100.00%	FC
	Strategic Systems Solutions Ltd.	100.00%	FC
UNITED STATES	Capgemini America Inc.	100.00%	FC
	Capgemini Business Services USA LLC	100.00%	FC
	Capgemini Financial Services Europe Inc.	100.00%	FC
	Capgemini Financial Services International Inc.	100.00%	FC
	Capgemini Financial Services USA Inc.	100.00%	FC
	Capgemini Government Solutions LLC	100.00%	FC
	Capgemini Japan Inc.	100.00%	FC
	Capgemini North America Inc.	100.00%	FC
	Capgemini Technologies LLC	100.00%	FC
	Capgemini US LLC	100.00%	FC
	CPM Braxis USA Corporation	55.80%	FC
	O2C Pro LLC	49.00%	EM
	Sogeti USA LLC	100.00%	FC
VIETNAM	Capgemini Vietnam co Ltd	100.00%	FC

4.2.7 Statutory Auditors' report on the consolidated financial statements

(Year ended December 31, 2012)

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, 2012, 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, 2012, and of the results of its operations for the year then ended in accordance with IFRS as adopted by the European Union.

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of Article L.823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- Note 1-E to the consolidated financial statements sets out the methods used to account for revenues and costs related to long-term contracts. As part of our assessments, we ensured that the abovementioned accounting rules and principles adopted by your Group were properly applied and verified that the information provided in the note above was appropriate. We also obtained assurance that the estimates used were reasonable.
- Goodwill of €3,702 million is carried in the consolidated balance sheet. The approach adopted by the Group as well as the accounting principles and methods applied to determine the value in use of these assets are described in Notes 1-H and 12 to the consolidated financial statements. As part of our assessments, we verified whether the approach applied was correct and that the assumptions used and resulting valuations were consistent overall.
- Deferred tax assets amounting to €1,059 million are recorded in the consolidated balance sheet. Notes 1-K and 13 to the consolidated financial statements describe the methods used to calculate the value of these assets. As part of our assessments, we verified the overall consistency of the information and assumptions used to perform these calculations.

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

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 22, 2013	Paris La Défense, February 22, 2013
PricewaterhouseCoopers Audit	KPMG Audit Division of KPMG S.A.

Serge Villepelet	Edouard Sattler	Jean-Luc Decornoy	Jacques Pierre
Partner	Partner	Partner	Partner

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

Income statement

The Company reported **operating income** for the year ended December 31, 2012 of €230 million (including €218 million in royalties received from subsidiaries) compared to €241 million last year (including €227 million in royalties).

Operating profit is €174 million, compared with €190 million in 2011.

Net financial income totaled €97 million (compared to a net financial expense of €2 million in 2011) and reflects:

- income of €533 million, mainly comprising reversals of provisions on equity interests of €441 million and dividends received from subsidiaries of €43 million,
- expenses of €436 million, mainly comprising charges to provisions for equity interests (€370 million), the interest expense on the 2009 convertible bond issue and the 2011 bond issue (€47 million) and interest on loans from subsidiaries (€6 million).

This €99 million improvement in the net financial income (expense) year-on-year was mainly due to net reversals of provisions for equity interests (€71 million) and a reversal of the provision for treasury shares (€16 million in 2012).

After a **net non-recurring expense** of €1 million compared with €14 million in 2011 and an **income tax expense** of €22 million (€3 million in 2011), the Company reported a **net profit** of €248 million, up €76 million on 2011 (€172 million).

Balance sheet

Net investments rose from €8,692 million last year to €9,145 million at December 31, 2012. This €453 million increase is mainly attributable to:

- share capital increases by five European subsidiaries and one Singapore subsidiary in the amount of €507 million and €70 million respectively, primarily through a decrease in loans granted to two of these subsidiaries in the amount of €116 million,
- a net decrease of €106 million in other loans granted to subsidiaries,
- net reversals of provisions for equity interests in the amount of €71 million,
- the increase in other long-term investments corresponding to treasury shares held by the company under the share buyback program in the amount of €27 million.

Shareholders' equity is €8,468 million, up €250 million on last year. This increase essentially reflects the difference between:

- profit for 2012 (€248 million),
- the share capital increase reserved for employees of €153 million, net of costs, and
- the June 7, 2012 dividend payment of €1 per share on the 155,770,362 shares making up the Company's share capital at December 31, 2011, representing a total payment of €154 million (taking into account the 2 million treasury shares held by the Company at the dividend payment date).

External **accounts payable** of Cap Gemini S.A. total €0.5 million, 81% of which (€0.4 million) are not yet due. Group accounts payable total €4 million and are not yet due.

Borrowings totaled €1,840 million at December 31, 2012, down €463 million compared with December 31, 2011. This decrease was mainly due to:

- the redemption in January 2012 of the remaining 2005 OCEANE convertible bonds in the amount of €400 million,
- the repayment of commercial paper issued by the Company in the amount of €90 million,
- the decrease in outstanding inter-company loans in the amount of €109 million,
- the €132 million increase in bank overdrafts on the accounts included in the Group's cash pooling arrangement (Cash pooling international), for which the Company acts as the centralizing agent, offset in full by an opposite position of the same amount in the cash and cash equivalents of the Company.

Cash and cash equivalents net of borrowings totaled negative €341 million at the end of 2012, compared with negative €690 million at December 31, 2011. This €349 million improvement was mainly due to:

- payments relating to share capital increases carried out by several subsidiaries in the amount of €404 million,
- payment of the 2011 dividend for €154 million,

- a decrease in current account advances to Group subsidiaries in the amount of €359 million,
- the share capital increase reserved for employees of €153 million, net of costs,
- the collection of brand royalties for €260 million,
- the net repayment of loans granted to certain subsidiaries of €48 million in 2012,
- dividends received from subsidiaries of €41 million.

Appropriation of earnings

During its meeting of February 20, 2013, the Board of Directors decided to recommend to the next Ordinary Shareholders' Meeting, the following appropriation of net profit for the year:

Net profit for 2011	€247,759,001.72
Allocation to the legal reserve	€0
i.e. a balance of	€247,759,001.72
Retained earnings of previous years	€405,440,151.48
i.e. Distributable earnings at December 31, 2012 of	€653,199,153.20
This amount will be allocated to:	
– payment of a dividend of €1 euro per share:	* €162,055,362.00
– retained earnings for the balance:	€491,143,791.20
Giving a total of	€653,199,153.20

This dividend of €1 for each of the 162,055,362 * shares bearing dividend rights on January 1, 2012, will be fully eligible for the 40% tax rebate referred to in Article 158.3.2 of the French Tax Code (*Code Général des Impôts*). Taking account of the recommendations of certain investors, and so as not to encourage security lending/borrowing transactions around the date of the Combined Shareholders' Meeting, the Board of Directors proposes an ex-dividend date of Monday, June 3, 2013 and a dividend payment date of Thursday, June 6, 2013. If, at the time of payment of the dividend, the Company still holds some of its own shares, the dividend amount for these shares will be allocated to retained earnings. Furthermore, pursuant to Article 243 bis of the French Tax Code, it is reminded that dividends paid over the past three fiscal years were as follows:

- €155,770,362.00 for 2011 (€1 per share),
- €155,770,362.00 for 2010 (€1 per share),
- €123,341,916.80 for 2009 (€0.80 per share),

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

Share capital and ownership structure

During 2012, the share capital was increased from €1,246,162,896 to €1,294,162,896 following the issue of 6,000,000 new shares subscribed pursuant to the share capital increase reserved for employees (international employee share ownership plan).

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, a single shareholder held more than 5% of the Company's share capital and voting rights at the year end: the limited liability company, Amundi Group, acting on behalf of the Capgemini ESOP FCPE (French collective employee shareholder vehicle) which it manages (international employee share ownership plan).

During the fiscal year:

- Amundi reported that it successively exceeded on May 29, 2012 and then fell below on June 12, 2012 the 5% share capital and voting rights threshold,
- Crédit Industriel et Commercial reported that it successively exceeded on May 23, 2012 and then fell below on May 24, 2012 the 5% share capital and voting rights threshold,
- Société Générale reported that it successively exceeded on September 28, 2012 and then fell below on October 1, 2012 the 5% share capital and voting rights threshold.

* *Amount/number of shares includes 285,000 shares to be issued and delivered on March 5, 2013 to non-French resident beneficiaries under the 2009 performance share plan and which rank for the 2012 dividend. The Board of Directors' meeting of March 27, 2013 will adjust this amount/number of shares based on the continued employment of beneficiaries at March 5, 2013.*

4.4 CAP GEMINI S.A. FINANCIAL STATEMENTS

4.4.1 Balance sheet at December 31, 2011 and 2012

ASSETS

in thousands of euros	Dec. 31, 2011 Net	Dec. 31, 2012 Gross	Dec. 31, 2012 Depreciation, amortization and provisions	Dec. 31, 2012 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	8,216,373	14,753,388	(5,888,162)	8,865,226
Receivable from controlled entities [1]	465,091	243,169		243,169
Securities held for portfolio management purposes	2	-	-	-
Other financial fixed assets [1]	10,294	36,789	(42)	36,747
NON-CURRENT ASSETS	**8,694,053**	**15,069,138**	**(5,921,703)**	**9,147,435**
Accounts and notes receivable [1]	-	71	(71)	-
Other receivables [1]	57,841	45,450	-	45,450
Receivable from related and associated companies [1]	559,496	128,737	-	128,737
Miscellaneous receivables [1]	216	19	-	19
Marketable securities	1,273,888	1,029,304	(1,836)	1,027,468
Cash and cash equivalents	338,829	471,443	-	471,443
CURRENT ASSETS	**2,230,269**	**1,675,025**	**(1,907)**	**1,673,118**
Prepaid expenses [1]	1,708	1,350	-	1,350
Deferred charges	10,319	6,591	-	6,591
Unrealized foreign exchange losses	6	26	-	26
OTHER ASSETS	**12,033**	**7,967**	**-**	**7,967**
TOTAL ASSETS	**10,936,355**	**16,752,130**	**(5,923,610)**	**10,828,519**
(1) of which due within one year	*746,120*	*249,203*	-	*249,090*

SHAREHOLDERS' EQUITY AND LIABILITIES

in thousands of euros	Dec. 31, 2011	Dec. 31, 2012
Share capital (fully paid-up)	1,246,163	1,294,163
Additional paid-in capital	5,717,403	5,818,094
Legal reserve	124,616	129,416
Other reserves	561,853	561,853
Retained earnings	387,513	405,440
Profit for the year	171,563	247,759
Tax-driven provisions	9,199	11,119
SHAREHOLDERS' EQUITY	**8,218,310**	**8,467,844**
PROVISIONS FOR CONTINGENCIES AND LOSSES	**6**	**26**
Convertible bonds (2)	971,408	575,000
Eurobond issue	500,000	500,000
Bank loans and borrowings (2)	454,140	496,747
Payable to controlled entities (2)	376,692	267,942
BORROWINGS (2)	**2,302,240**	**1,839,689**
Accounts and notes payable (2)	4,003	3,433
Tax and social security liabilities (2)	2,764	2,815
Payable to related and associated companies (2)	408,362	514,234
Other payables (2)	425	475
Unrealized foreign exchange gains	245	3
OTHER LIABILITIES	**415,799**	**520,960**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**10,936,355**	**10,828,519**
(2) of which due within one year	*1,642,794*	*1,285,645*

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4.4.2 Income Statement for the years ended December 31, 2011 and 2012

in thousands of euros	2011	2012
Royalties	227,181	217,905
Reversals of depreciation, amortization and provisions, expense transfers	6,353	30
Other income	7,560	12,436
Total operating income	**241,094**	**230,371**
Other purchases and external charges	34,858	37,046
Taxes, duties and other levies	4,118	3,429
Depreciation and amortization	2,367	2,920
Charges to provisions	1,820	621
Other expenses	7,779	12,457
Total operating expenses	**50,942**	**56,473**
OPERATING PROFIT	**190,152**	**173,898**
Investment income [1]	48,749	42,600
Income from other marketable securities and amounts receivable on non-current assets [1]	7,662	5,464
Other interest income [1]	13,125	10,294
Reversals of provisions	19,587	457,330
Foreign exchange gains	5,112	13,890
Net proceeds on disposals of marketable securities	4,230	3,466
Total financial income	**98,465**	**533,044**
Depreciation, amortization and provisions relating to financial items	63,106	372,387
Interest and similar expenses [2]	31,609	53,166
Foreign exchange losses	5,354	10,842
Total financial expenses	**100,069**	**436,395**
NET FINANCE INCOME (EXPENSE)	**(1,604)**	**96,649**
RECURRING PROFIT BEFORE TAX	**188,548**	**270,547**
Non-recurring income from operations	93	-
Non-recurring income from capital transactions	1,603	3,224
Total non-recurring income	**1,696**	**3,224**
Non-recurring expenses on operations	8,117	1,428
Non-recurring expenses on capital transactions	4,470	1,102
Exceptional depreciation, amortization and charges	3,132	1,920
Total non-recurring expenses	**15,719**	**4,450**
NET NON-RECURRING INCOME (EXPENSE)	**(14,023)**	**(1,226)**
INCOME TAX EXPENSE	**(2,962)**	**(21,562)**
PROFIT FOR THE YEAR	**171,563**	**247,759**
(1) of which income concerning related companies	*63,014*	*53,901*
(2) of which interest concerning related companies	*3,952*	*5,295*

4.4.3 Notes to the financial statements

I – ACCOUNTING POLICIES

The annual financial statements for the year ended December 31, 2012 are prepared and presented in accordance with French accounting rules and principles (as set out in the 1999 French chart of accounts), including the new accounting rules on assets introduced by the French Accounting Regulatory Committee (*Comité de Réglementation Comptable*) and applicable since January 1, 2005. The annual financial statements are also prepared in accordance with the principles of prudence and accruals, and assuming that the Company is able to continue as a going concern.

Items in the financial statements are generally measured using the historical cost method.

The Company's main accounting policies are described below:

Intangible assets

Computer software and user rights acquired on an unrestricted ownership basis, as well as software developed for internal use which has a positive, lasting and quantifiable effect on future results, are capitalized and amortized over a maximum period of three years. At year-end, the value of computer software and user rights is compared to their value in use for the Company.

Financial fixed assets

The gross value of equity interests and other long-term investments carried in the balance sheet comprises their acquisition cost, including any transaction fees. A provision for impairment is set aside when the value in use falls below the acquisition cost. The value in use is calculated based on either the present value of discounted future cash flows adjusted for net debt, the Company's share in net assets, or in certain cases with reference to the market value of comparable transactions.

Treasury shares

Treasury shares held by Cap Gemini S.A. as part of the liquidity agreement are recorded on the balance sheet within long-term investments at the lower of cost and net realizable value. Realizable value is the average market price for Cap Gemini S.A. shares in December. Other treasury shares held for other objectives of the share buyback program are recorded in listed shares.

Marketable securities

Marketable securities are shown on the balance sheet at the lower of cost and net realizable value. The realizable value of listed securities is based on the average share price in December. The realizable value of unlisted securities is based on their net asset value. At year-end, accrued interest receivable or interest received in advance on certificates of deposit and commercial paper is recognized in accrued income or prepaid income, respectively.

Capitalization contracts subscribed by the Company are also included in marketable securities.

Foreign currency transactions

Receivables, payables and cash and cash equivalents denominated in foreign currencies are translated into euros at the year-end exchange rate or at the hedging rate. Any differences resulting from the translation of foreign currency receivables and payables at these rates are included in the balance sheet under "Unrealized foreign exchange gains/losses". A provision for foreign exchange losses is set aside to cover any unrealized losses.

Receivables and payables

Receivables are measured at their nominal amount, and a provision for impairment set aside when their net realizable value falls below their net carrying amount. Unbilled payables are recognized excluding VAT.

Tax consolidation

The Company and French subsidiaries at least 95% owned by the Group have elected to file consolidated tax returns pursuant to Article 223 A of the French General Tax Code. Any tax savings realized by the Group primarily on account of losses incurred by consolidated entities are treated as a gain for the Company in the period in which they arise.

Financial instruments

Currency and interest rate positions are taken using financial instruments presenting minimum counterparty risk listed on organized markets or over-the-counter. Gains and losses on financial instruments used in hedging transactions are recognized to match the gains and losses arising on the hedged items. The fair value of financial instruments, which is not recognized in the accounts of the Company, in accordance with French accounting principles, is estimated based on market prices or pricing data provided by banks.

II – NOTES TO THE CAP GEMINI S.A. BALANCE SHEET AND INCOME STATEMENT

1. Non-current assets

in thousands of euros	Gross value (January 1)	Increase	Decrease	Gross value (December 31)
Intangible assets				
Trademarks, patents and similar rights	35,568	-	-	35,568
Sub-total	**35,568**	**-**	**-**	**35,568**
Property, plant and equipment	**224**	**-**	**-**	**224**
Sub-total	**224**	**-**	**-**	**224**
Financial fixed assets		**-**	**-**	
Equity interests	14,175,052	578,336		14,753,388
Receivable from controlled entities	465,091	136,872	(358,794)	243,169
Securities held for portfolio management purposes	2	-	(2)	-
Other financial fixed assets	10,420	194,038	(167,669)	36,789
Sub-total	**14,650,565**	**909,246**	**(526,465)**	**15,033,346**
TOTAL NON-CURRENT ASSETS	**14,686,357**	**909,246**	**(526,465)**	**15,069,138**

Equity interests

Equity interests comprise shares in the Company's subsidiaries. The main changes during the year reflect capital increases in Europe of €506,850 thousand and in the Asia-Pacific region of €70,403 thousand.

Receivable from controlled entities

Amounts receivable from controlled entities consist of loans granted by the Company to subsidiaries primarily in North America (€162,400 thousand), Europe (€53,341 thousand) and the Asia-Pacific region (€19,112 thousand).

The main changes in this heading reflect:

- advances on capitalization of €58,190 thousand granted to a Singapore subsidiary followed by a capital increase by capitalization of both this advance and the advance already granted at December 31, 2011 for a total amount of €70,403 thousand,
- a loan of €40,000 thousand granted to a Spanish subsidiary and its repayment during the year,
- a loan of €15,500 thousand granted to a North American subsidiary and the repayment of a loan of €14,201 thousand by another American subsidiary,
- a capital increase by a European subsidiary using an advance on capitalization of €103,850 thousand granted in 2011,
- partial repayment of the loan granted to a Dutch subsidiary to help fund the acquisition of BAS BV in the amount of €99,500 thousand,
- partial repayment of the loan granted to a Swedish subsidiary in the amount of €21,853 thousand.

Other financial fixed assets

This account comprises:

- treasury shares held under the liquidity agreement. This agreement relates to the share buyback program approved by the Combined Shareholders' Meeting on May 24, 2012. Accordingly, a total of 5,387,688 shares were acquired and 5,588,244 shares were sold between January 1, 2012 and December 31, 2012. Cap Gemini S.A. held 202,944 treasury shares at December 31, 2012 (403,500 at December 31, 2011), valued at €6,789 thousand,
- 920,098 treasury shares with a value of €30 million acquired on December 27, 2012 under the forward share purchase agreement entered into on November 21, 2012. These shares were purchased for cancellation.

2. Depreciation, amortization and provisions for non-current assets

in thousands of euros	Depreciation, amortization and provisions (January 1)	Charge	Reversal	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	5,958,679	370,483	(441,000)	5,888,162
TOTAL DEPRECIATION, AMORTIZATION AND PROVISIONS	**5,992,178**	**370,483**	**(441,000)**	**5,921,661**

In 2012, the charge to provisions for equity interests primarily concerns our Dutch subsidiary in the amount of €243,000 thousand and our Spanish subsidiary in the amount of €120,000 thousand.

The provision reversal of €441,000 thousand concerns an American subsidiary in the amount of €411,000 thousand and an Austrian subsidiary in the amount of €30,000 thousand.

3. Marketable securities

Marketable securities break down as follows at December 31, 2012:

in thousands of euros	Net asset value	Nominal value	Carrying amount
Listed securities			
Money market funds (SICAV)	395,949	395,942	395,942
Investment funds (FCP)	288,748	288,748	288,748
Treasury shares	48,164	50,000	48,164
Unlisted securities			
Certificates of deposit	100,000	100,000	100,000
Term deposits	119,600	119,600	119,600
Other marketable securities			
Capitalization contracts	75,014	75,014	75,014
TOTAL	**1,027,475**	**1,029,304**	**1,027,468**

Other marketable securities: two capitalization fund contracts were subscribed in July and August 2010 with leading insurance companies in Europe for €20,000 thousand and €50,000 thousand, respectively.

Capitalized interest at December 31, 2012 on these two contracts totaled €5,014 thousand.

4. Maturity of receivables at year-end

in thousands of euros	Gross amount	One year or less	More than one year
Non-current assets			
Receivable from controlled entities	243,169	37,763	205,406
Other financial fixed assets	36,789	36,789	-
Current assets			
Accounts and notes receivable	71	71	-
Income tax receivable	44,643	44,643	-
VAT receivable	807	807	-
Receivable from related companies	128,737	128,737	-
Miscellaneous receivables	19	19	-
Prepaid expenses	1,350	374	976
TOTAL	**455,585**	**249,203**	**206,382**

5. Deferred charges

in thousands of euros	Amount at January 1	Increase	Amortization	Amount at December 31
Issuance fees on syndicated credit facility, 2009 OCEANE bonds and 2011 Bond issue [(1)]	10,319	-	(3,728)	6,591
TOTAL	**10,319**	**-**	**(3,728)**	**6,591**

(1) Issuance fees on the syndicated credit facility, OCEANE 2009 bonds and 2011 Bond issue 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, 2011 *(par value of €8)*	**155,770,362**	**1,246,163**	**5,717,403**
+ Cash capital increase reserved for employees	6,000,000	48,000	106,560
- Offset of share issue costs, net of tax	-	-	(1,069)
- Charge to the legal reserve following the capital increase reserved for employees	-	-	(4,800)
At December 31, 2012 *(par value of €8)*	**161,770,362**	**1,294,163**	**5,818,094**

Capital increase reserved for employees, share issue costs and charge to the legal reserve

Pursuant to the 8th and 9th resolutions adopted by the Combined Shareholders' Meeting of May 26, 2011, the Group set up an employee share ownership plan (ESOP 2012) in the second half of 2012. This plan was open to all employees in the 19 countries where the Group has had activities for over two years and where the headcount exceeds 500 employees. Under the plan, a minimum length of service of three months was required at August 30, 2012, acquired consecutively or not since January 1, 2012. 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 solely on the employee's personal contribution. In return, the employee waives a portion of any increase in the price 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 period of five years (except for cases of early release covered by applicable regulations).

This employee share ownership plan (ESOP 2012) includes a 15% discount. Under the delegation of authority granted by the Board of Directors, the subscription price was set at €25.76 by the Chairman and Chief Executive Officer on August 27, 2012. This price corresponds to the average Cap Gemini S.A. share price adjusted for volumes observed over the twenty stock market trading days preceding the Chairman and Chief Executive Officer's decision, less a 15% discount. On September 27, 2012, the Group issued 6,000,000 new shares reserved for employees with a par value of €8, representing a share capital increase of €153 million net of issue costs (€1 million, net of tax). Mr. Paul Hermelin subscribed for Cap Gemini S.A. shares in the amount of €44,460.49 via the Capgemini Employee Savings Mutual Fund.

On September, 27, 2012, the Chairman and Chief Executive Officer, using the powers delegated to him, decided, concomitantly to the capital increase, the offset of the related share issue costs against the corresponding additional paid-in capital and the deduction from additional paid-in capital of the amount necessary to increase the legal reserve to one-tenth of the new share capital amount.

7. Stock option plans

At the May 12, 2005 Combined Shareholders' Meetings, the Board of Directors or Executive Board was given a 38-month authorization to grant stock options to certain Group employees on one or several occasions.

The main features of this plan in force at December 31, 2012 are set out in the table below:

Summary	**2005 Plan**
Date of Combined Shareholders' Meeting	May 12, 2005
Maximum number of shares to be issued on exercise of options	6,000,000
Date options first granted under the plan	October 1, 2005
Deadline for exercising stock options after their grant date (based on progressive tranches): 10% after 1 year; +20% after 2 years; +30% after 3 years; +40% after 4 years, up to 100%)	5 years
Strike price as a % of the average share price over the 20 stock market trading days preceding the grant date	100%
Strike price *(per share and in euros)* of the various stock option grants	40.5
Maximum number of shares to be issued on exercise of outstanding options at December 31, 2011	1,715,500
Number of new stock options granted during the year	Plan expired (1)
Number of options forfeited or cancelled in 2012	1,576,000
Number of options exercised in 2012	0 (2)
Maximum number of shares to be issued on exercise of outstanding options at December 31, 2012	139,500 (1)
Residual weighted average life *(in years)*	0.42

(1) Last stock options granted on June 1, 2008 at a price of €40.50.
(2) No options were exercised in fiscal year 2012.

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 all of the Company's shares published by Euronext, option holders would be entitled, if they so wish, to exercise all of their remaining unexercised options immediately.

8. Performance share plan

The Combined Shareholders' Meetings of April 17, 2008, April 30, 2009 and May 24, 2012 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 for the first share plan and 18 months for the second and third share plans subject to performance and continued employment conditions. On March 5, 2009, October 1, 2010 and then on December 12, 2012, the Board of Directors approved the terms and conditions and the list of beneficiaries of the three plans.

The main features of these plans are set-out in the table below:

	2009 Plan	2010 Plan	2012 Plan
Maximum number of shares to be granted	1% of the share capital on the date of the Board of Directors' decision i.e. a maximum of 1,458,860 shares	1% of the share capital on the date of the Board of Directors' decision i.e. a maximum of 1,557,703 shares	1.5% of the share capital on the date of the Board of Directors' decision i.e. a maximum of 2,426,555 shares
Total number of shares granted	1,148,250 (1)	1,555,000 (4)	1,003,500 (7)
Date of the Board of Directors' decision	March 3, 2009	October 1, 2010	December 12, 2012
Performance assessment dates	At the end of the first and second years following the grant date	At the end of the first and second years following the grant date	At the end of the first and second years following the grant date
Vesting period	Two years as from the grant date (France) or four years as from the grant date (other countries)	Two years as from the grant date (France) or four years as from the grant date (other countries)	2 years and 1/2 month as from the grant date (France) or 4 years and 1/2 month as from the grant date (other countries)
Mandatory lock-in period effective as from the vesting date (France only)	Two years, or five years in the event of departure from the Group during the two years following the vesting date	Two years, or five years in the event of departure from the Group during the two years following the vesting date	4 years
Number of shares at December 31, 2011 that may vest under this plan in respect of shares previously granted, subject to performance and presence conditions	311,625	1,458,000	
Of which corporate officers	0 (2)	0 (6)	0
Number of shares subject to performance and presence conditions granted in 2012			1,003,500
Of which corporate officers			50,000 (7)
Number of shares forfeited or canceled during the year	22,125	483,871	-
Number of shares definitively granted at December 31, 2012	-	350,509	-
Number of shares at December 31, 2012 that may be definitively granted under this plan in respect of shares previously granted, subject to performance and presence conditions	289,500 (3)	623,620 (5)	1,003,500
Share price at the grant date *(in euros)*	23.3	37.16	33.15
Main market conditions at the grant date:			
Volatility	*42.70%*	*42.80%*	*25.80%*
Risk-free interest rate	*1.40%*	*1.67%*	*0,35% - 0,98%*
Expected dividend rate	*3.00%*	*3.00%*	*3.00%*
Other conditions:			
Performance conditions	*Yes (see below)*	*Yes (see below)*	*Yes (see below)*
Employee presence within the Group at the vesting date	*Yes*	*Yes*	*Yes*
(Pricing model used to calculate the fair value of shares)	- Monte Carlo for performance shares - Black& Scholes for free shares	- Monte Carlo for performance shares with external (market) conditions - Black& Scholes for shares granted without conditions or with internal performance conditions	- Monte Carlo for performance shares with external (market) conditions
Range of fair values in euros:			
Free shares (per share and in euros)	20.7 - 21.9	32.32 - 32.96	n/a
Performance shares (per share and in euros)	16.1 - 17.53	21.54 - 21.97	14.35 - 28.67
Of which corporate officers	17.53	n/a	17.92

(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) Currently no performance shares granted,
(3) Balance on the "foreign" plan that may be granted on March 5, 2013, subject to conditions of presence,
(4) Of which 124,000 shares granted without performance conditions (8% of the total) pursuant to the relevant resolution (authorization capped at 15% of the total),
(5) Balance on the "foreign" plan that may be granted in October 2014, subject to conditions of presence,
(6) No performance shares were granted in 2010,
(7) Grant subject to performance conditions only.

Performance conditions of the 2009 Plan

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

The definitive allocation depends on the relative performance of the Cap Gemini S.A. share in relation to the basket of comparable securities. In each period, the number of shares that ultimately vests:

- is equal to 60% of the number of shares initially allocated if the performance of the Cap Gemini S.A. share is equal to 90% of the basket,
- varies on a straight-line basis between 60% and 100% of the initial allocation, based on a predefined schedule, where the performance of the Cap Gemini S.A. share is between 90% and 110% of the basket,
- is equal to 100% of the number of shares initially allocated if the performance of the Cap Gemini S.A. share is higher than or equal to 110% of the basket.

The definitive calculation led to the grant of 50% of performance shares initially allocated (including shares granted solely subject to continued employment conditions), representing a maximum allocation of 534,750 shares, of which 489,750 shares could finally be granted.

Performance conditions and measurement of the 2010 Plan

In accordance with the AMF recommendation of December 8, 2009 regarding the inclusion of an internal and external performance condition when granting performance shares, the Board of Directors decided to add an internal condition to the external condition initially planned.

External performance condition

The external performance condition is calculated in the same way as under the first plan, except for the grant thresholds which have been tightened compared to the first plan. As such:

- no shares are granted if the performance of the Cap Gemini S.A. share during the period in question is less than 90% of the average performance of the basket of securities over the same period,
- the number of shares that ultimately vests:
  - is equal to 40% of the number of shares initially allocated if the performance of the Cap Gemini S.A. share is at least equal to 90% of the basket,
  - is equal to 60% of the number of shares initially allocated if the performance of the Cap Gemini S.A. share is equal to 100% of the basket,
  - varies on a straight-line basis between 40% and 60% and between 60% and 100% of the initial allocation, based on a predefined schedule, where the performance of the Cap Gemini S.A. share is between 90% and 100% of the basket in the first case and 100% and 110% of the basket in the second case,
  - is equal to 100% of the number of shares initially allocated if the relative performance of the Cap Gemini S.A. share is higher than or equal to 110% of the basket.

Under these conditions, if the performance of the Cap Gemini S.A. share is in line with that of the basket of comparable shares, only 60% of the initial allocation will be granted compared with 80% under the first plan.

The external performance condition accounts for 70% of the grant calculation.

The calculation for the period concerned leads, at the share delivery date, to the grant of 55% of the maximum number of shares initially defined in respect of external performance conditions.

Internal performance condition

The internal performance condition is based on the progression in the 2011 audited and published operating margin of Capgemini Group compared with the 2010 operating margin at constant Group structure and exchange rates.

The performance calculation was therefore performed following approval of the 2011 accounts, by comparing the percentage increase in the 2011 audited and published operating margin with the 2010 audited and published operating margin at constant Group structure and exchange rates. Based on the percentage increase calculated in this way:

- no shares would have been granted in respect of the internal performance condition if the increase in the operating margin thus calculated was less than 12%,
- the number of shares that ultimately vested would have been:
  - equal to 40% of the number of shares initially allocated for an increase between 12% and 13.5%,
  - equal to 60% of the number of shares initially allocated for an increase between 13.5% and 15%,
  - equal to 100% of the number of shares initially allocated for an increase greater than or equal to 15%.

The internal performance condition accounts for 30% of the grant calculation. The year-on-year increase in the operating margin at constant Group structure and exchange rates was 15.6%. Accordingly, shares granted at the share delivery date in respect of the internal performance condition shall equal 100% of the number of shares initially defined.

Performance conditions and measurement of the 2012 Plan

The following internal and external performance conditions apply:

External performance condition

The external performance condition is calculated in a similar way as under the second plan (2010 plan).

It accounts for 50% of the total amount granted.

Internal performance condition

The internal performance condition is based on the generation of Organic Free Cash Flow over a three-year period encompassing fiscal years 2012 to 2014. Accordingly:

- no shares will be granted in respect of the internal performance condition if the cumulative increase in Organic Free Cash Flow over the reference period is less than €750 million,
- 100% of the initial internal grant will become definitive if Organic Free Cash Flow of €1 billion or more is generated,

The internal performance condition accounts for 50% of the total amount granted.

9. Free Share Plan

At the May 24, 2012 Combined Shareholders' Meeting, the Board of Directors was given a 18-month authorization to grant to certain Group employees, on one or several occasions, performance shares subject only to a condition of presence. This authorization was partially used and the terms and conditions of the grant and the list of beneficiaries were set by the Board of Directors meeting of July 25, 2012.

The main features of this plan are set out in the table below:

	2012 Plan
Maximum number of shares to be granted	1.5% of the share capital on the date of the Board of Directors' decision i.e. a maximum of 2,336,554 shares, of which a maximum of 15% granted without performance conditions
Total number of shares granted	202,538 (1)
Date of the Board of Directors' decision	July 25, 2012
Grant condition assessment date	Continued employment condition only (employee presence within the Group at the vesting date)
Vesting period	Two years as from the grant date (France only) Democratic plan
Number of shares subject to continued employment conditions granted during the year	202,538
Number of options forfeited or canceled during the year	14,836
Number of shares at December 31, 2012 that may be definitively granted under this plan in respect of shares previously granted, subject to performance and presence conditions	187,702
Number of shares definitively granted at December 31, 2012	-
Share price at the grant date *(in euros)*	26.3
Main market conditions at the grant date:	
Risk-free interest rate	*0.88%*
Expected dividend rate	*3.00%*
Fair value in euros *(per share)*	20.22

(1) i.e. 8.6% of the total authorized maximum granted without performance conditions, pursuant to the resolution (authorization capped at 15% of the total).

This transaction, which aims to develop employee share ownership, enabled all employees of French companies with at least three months seniority at the grant date to receive shares and to become Cap Gemini S.A. shareholders at the end of the vesting period. More than 20,000 employees were concerned by this share grant, representing a total of 202,538 shares and with a differentiated share allocation based on annual salary (four categories): the lowest paid employees received 12 shares, while the highest paid employees received 4 shares.

10. Change in shareholders' equity at December 31, 2012

in thousands of euros	At December 31, 2011	Appropriation of profit for 2011	Other movements	At December 31, 2012
Share capital	1,246,163	-	48,000	1,294,163
Additional paid-in capital	5,717,403	-	100,691	5,818,094
Legal reserve	124,616	-	4,800	129,416
Other reserves	561,853	-	-	561,853
Retained earnings	387,513	17,927	-	405,440
Dividends paid	-	153,636	(153,636)	-
Profit for the year	171,563	(171,563)	247,759	247,759
Tax-driven provisions	9,199	-	1,920	11,119
TOTAL	**8,218,310**	**-**	**249,534**	**8,467,844**

The appropriation of the net profit for 2011 led to the distribution on June 7, 2012 of a €1 dividend on each of the 155,770,362 shares making-up the share capital at December 31, 2011, for a total of €153,636 thousand. The amount not paid out on the 2,134,690 shares held by the Company on June 7, 2012 (€2,135 thousand) was appropriated to retained earnings.

Other movements concern:

- share capital in the amount of €48,000 thousand following the issue of 6,000,000 shares pursuant to the share issue reserved for employees (ESOP 2012),
- additional paid-in capital in the amount of €106,560 thousand pursuant to the aforementioned transaction. Issue costs, net of tax, of €1,069 thousand were offset against this balance and €4,800 thousand was transferred to the legal reserve to bring it to one-tenth of the new share capital balance at December 27, 2012,
- tax-driven provisions in the amount of €1,920 thousand, corresponding to the accelerated tax depreciation of equity interests.

11. Provisions for contingencies and losses

in thousands of euros	At January 1	Charge	Reversal (utilized provision)	Reversal (surplus provision)	Change in accounting policy	Other	At December 31
Provisions for contingencies and losses							
– relating to foreign exchange losses	6	26	6	-	-	-	26
TOTAL	**6**	**26**	**6**	**-**	**-**	**-**	**26**

Charges during the period concern a provision for currency risks set aside in respect of unrealized foreign exchange losses on foreign currency receivables and payables of €26 thousand. Reversals during the period concern a provision for currency risks recognized in 2011 in the amount of €6 thousand.

12. Bond issues and Convertible bonds

in thousands of euros	December 31, 2011	December 31, 2012
OCEANE 2005		
– Principal	350,050	-
– Redemption premium	46,358	-
OCEANE 2009	**575,000**	**575,000**
2011 BOND ISSUE	**500,000**	**500,000**
TOTAL	**1,471,408**	**1,075,000**

A) "OCEANE 2005" convertible/exchangeable bonds issued on June 16, 2005

On June 16, 2005, Cap Gemini S.A. issued bonds convertible/exchangeable into new or existing Cap Gemini shares, maturing on January 1, 2012 ("OCEANE 2005"). Bondholders enjoy all rights from June 24, 2005. The total amount of the issue was €437 million, comprising 11,810,810 bonds with a nominal value of €37 each. The bonds bore interest at 1% per year. They were convertible at any time from June 24, 2005 and redeemable at €41.90 per bond on January 1, 2012, representing 113.2% of their nominal value, if not converted. Bondholders had until December 22, 2011 to exercise the option to convert or exchange their bonds for shares. The right to redemption of the bonds (principal + premium) vested at this date. The terms and conditions of this issue were set out in the prospectus approved by the AMF on June 16, 2005 under reference number 05-564.

In November 2011, Cap Gemini S.A. redeemed a total of 2,350,000 bonds in a number of transactions for an amount of €99 million, at an average price of €42.18 per bond. Redeemed bonds were cancelled pursuant to the provisions set-out in the prospectus. At December 31, 2011, 9,460,810 OCEANE 2005 bonds remained outstanding, representing 80.1% of the number of bonds initially issued.

On January 2, 2012, Cap Gemini S.A. redeemed the remaining 9,460,810 OCEANE 2005 bonds for a total amount of €396 million.

B) "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 in control of the Company.

Early repayment

At the initiative of a majority of bondholders, particularly in the event of a failure to pay sums due or to comply with other obligations set out in the documentation (beyond any "grace" periods, if applicable), cross default (in excess of a minimum threshold), liquidation, dissolution or sale of all of the Company's assets, or delisting of the Company's shares on the Eurolist market of Euronext Paris S.A.

An upgrade or downgrade in Cap Gemini S.A.'s credit rating would not constitute an early redemption event and would have no impact on the applicable interest rate.

***Pari passu* status**

Cap Gemini S.A. has undertaken that the bonds will rank *pari passu* with all other bonds issued by the Company.

C) Bond issued on November 29, 2011

On November 18, 2011, Cap Gemini S.A. performed a euro bond issue maturing on November 29, 2016. Bondholders enjoy all rights from November 29, 2011 (2011 Bond issue).

The total amount of the issue was €500 million, comprising 5,000 bonds with a nominal value of €100,000 each.

The bonds bear interest at 5.25% per year, potentially increasing to 6.50% in the event of a down-grading of Cap Gemini S.A.'s credit rating.

The terms and conditions of this issue were set out in the prospectus approved by the AMF on November 25, 2011 under reference number 11-546.

Summary of the main terms and conditions of the 2011 bond issue

Redemption at maturity

The bonds are redeemable in full on November 29, 2016.

Early redemption at the Company's option

The bonds are redeemable at the Company's option under certain conditions set out in the issue prospectus and particularly concerning the minimum redemption price.

Early redemption at the option of bondholders

Bondholders may request the early redemption of all or part of their bonds in the event of a change in control of the Company, provided this change in control is accompanied by a downgrading of the Company's financial rating.

Early repayment

At the initiative of a majority of bondholders, particularly in the event of a failure to pay sums due or to comply with other obligations set out in the documentation (beyond any "grace" periods, if applicable), cross default (in excess of a minimum threshold), liquidation, dissolution or sale of all of the Company's assets.

An upgrade or downgrade in Cap Gemini S.A.'s credit rating would not constitute an early redemption event.

***Pari passu* status**

Cap Gemini S.A. has undertaken that the bonds will rank *pari passu* with all other bonds issued by the Company.

13. Bank loans and borrowings

Bank loans and borrowings total €496,747 thousand and comprise (i) the balances on certain euro and foreign bank accounts used in connection with the Group's worldwide cash pooling arrangements in the amount of €470,156 thousand, fully offset by opposite balances of the same amount presented in cash and cash equivalents of the company, (ii) bank overdrafts in the amount of €3,728 thousand and (iii) accrued interest of €22,862 thousand.

Syndicated credit facility obtained by Cap Gemini S.A.

On November 14, 2005, Cap Gemini S.A. signed a €500 million multi-currency credit facility with a bank syndicate maturing on November 14, 2011 at the latest.

On January 13, 2011, Cap Gemini S.A. signed a €500 million multi-currency credit facility with a syndicate of 18 banks, maturing on January 13, 2016.The initial margin on this credit facility is 0.90%. This margin may be adjusted upwards or downwards according to the credit rating of Cap Gemini S.A. The facility is also subject to a fee on undrawn amounts equal to 35% of the margin (i.e. 0.315%), that may be increased to 40% if Cap Gemini S.A.'s rating falls.

An upgrade or downgrade in Cap Gemini S.A.'s credit rating would have no impact on the availability of this credit facility. The other main terms and conditions of the credit facility, in particular with respect to certain financial ratios, remain unchanged.

Cap Gemini S.A. has agreed to comply with the following financial ratios (as defined in IFRS) in respect of this credit facility:

- the net debt to consolidated equity ratio must be less than 1 at all times,
- interest coverage must be equal to or greater than 3 at December 31 and June 30 of each year (based on the 12 months then ended).

At December 31, 2012, the Group complied with these financial ratios.

The facility agreement includes covenants restricting the Company's ability to carry out certain operations. These covenants also apply to Group subsidiaries. They include restrictions primarily relating to:

- pledging assets as collateral,
- asset sales, mergers or similar transactions.

Cap Gemini S.A. also committed to standard obligations, including an agreement to maintain *pari passu* status.

The agreement contains the usual provisions relating to early repayment, including for failure to pay sums due, misrepresentation or failure to comply with other obligations included in the agreement (subject to any applicable "grace" periods), cross defaults (in excess of a minimum threshold), insolvency and bankruptcy proceedings, change of control, or changes which would have a significant negative impact on the Group's financial position.

At December 31, 2012, this credit facility had not yet been drawn.

14. Maturity of payables at year-end

in thousands of euros		Gross amount	One year or less	More than one year
Convertible bonds		**575,000**	**-**	**575,000**
Eurobond issue		**500,000**	**-**	**500,000**
Bank loans and borrowings				
– Bank overdrafts		3,728	3,728	-
– Bank overdrafts (Group cash pooling arrangement)		470,156	470,156	-
– Accrued interest		22,862	22,862	-
	Sub-total	**496,746**	**496,746**	**-**
Group loans and borrowings				
– Payable to the Group		267,942	267,942	-
– Payable to related companies		514,234	514,234	-
	Sub-total	**782,176**	**782,176**	**-**
Accounts and notes payable		**3,433**	**3,433**	**-**
Tax and social security liabilities		**2,815**	**2,815**	**-**
Other payables		**475**	**475**	**-**
TOTAL		**2,360,645**	**1,285,645**	**1,075,000**

Group loans of €267,942 thousand comprise:

- a three-month revolving loan from Capgemini U.K. Plc. of €245,942 thousand. This loan was renewed on October 23, 2012 for an amount of £200 million, maturing January 23, 2013 and pays annual interest of 0.531250%. It is hedged by currency swaps (euro/pound sterling),
- two three-month revolving loans from Capgemini Deutschland GmbH and Capgemini Deutschland Holding GmbH for a total amount of €22,000 thousand. These loans were renewed on October 26, 2012, maturing January 28, 2013 and pay annual interest of 0.2010%.

15. Accrued charges

Accrued charges reported in the balance sheet can be analyzed as follows:

in thousands of euros	Amount
Borrowings	
– Accrued interest	22,862
Other liabilities	
– Accounts and notes payable	3,433
– Tax and social security liabilities	2,815
– Other payables	475
TOTAL	**29,585**

16. Unrealized foreign exchange gains and losses on foreign currency receivables and payables

in thousands of euros	Reported in assets	Reported in liabilities	Provision for currency risks
On other receivables/payables	26	3	26
TOTAL	**26**	**3**	**26**

17. Net finance income (expense)

in thousands of euros		Montant
Provisions relating to financial items		
Charge		(372,387)
Reversal		457,330
	Sub-total	**84,943**
Dividends		**42,600**
	Sub-total	**42,600**
Other financial income and expense		
Net income from short-term investments		5,557
Loan income (capitalization contracts)		1,668
Revenue from loans, current accounts and Group cash pooling arrangements		11,994
Interest on borrowings, current accounts and Group cash pooling arrangements		(5,587)
Interest on “OCEANE” bonds		(20,125)
Interest on the Eurobond		(26,656)
Interest on issued commercial paper		(789)
Net foreign exchange losses (net)		3,048
Other		(6)
	Sub-total	**(30,896)**
NET FINANCE INCOME (EXPENSE)		**96,649**

Additions to provisions for financial items of €372,387 thousand primarily concern provisions for impairment of equity interests in the amount of €370,483 thousand, relating to a Dutch subsidiary for €243,000 thousand, a Spanish subsidiary for €120,000 thousand and a French subsidiary for €6,338 thousand.

Provision reversals of €457,330 thousand primarily concern reversals of provisions for impairment of equity interests in the amount of €437,000 thousand, relating to an American subsidiary in the amount of €411,000 thousand and an Australian subsidiary in the amount of €30,000 thousand and the reversal of a provision on treasury shares in the amount of €16,324 thousand.

The dividends of €42,600 thousand correspond to dividends received during the period by the Company from French, Hungarian, Portuguese, and Polish subsidiaries.

Net income from short-term investments (€5,557 thousand) is the result of investments during 2012 in money market funds (SICAV) for €2,100 thousand, investment funds (FCP) for €1,370 thousand and certificates of deposit for €2,091 thousand.

18. Net non-recurring income

in thousands of euros		Amount
Proceeds on asset disposals		10
Net proceeds on disposals of treasury shares under the liquidity agreement		2,112
	Sub-total	**2,122**
Exceptional provisions		(1,920)
Other		(1,428)
	Sub-total	**(3,348)**
NET NON-RECURRING INCOME (EXPENSE)		**(1,226)**

19. Income tax expense

In France, Cap Gemini S.A. is the parent company of a French tax consolidation group comprising 22 companies. In 2012, Cap Gemini S.A. recognized an income tax expense of €21,746 thousand, after taking account of the positive impact of tax consolidation and an additional tax consolidation gain of €339 thousand in respect of 2011. Cap Gemini S.A. would have recognized a theoretical income tax expense of €34,838 thousand were it not part of the tax consolidation group. Tax losses carried forward by Cap Gemini S.A. amounted to €1,001,394 thousand at December 31, 2012.

Breakdown of the income tax expense

in thousands of euros	Net profit before tax	Income tax expense at 34.41%
Recurring profit before tax	270,547	93,092
Net non-recurring income (expense)	(1,226)	(422)
Accounting profit for the year before tax	269,321	92,670
Tax differences	(62,882)	(21,637)
Tax credit		
– Training / family / patronage tax credit		-
– Research tax credit		-
Offset of tax losses carried forward	(103,720)	(35,689)
Withholding tax		(506)
Tax consolidation of subsidiaries		(13,277)
INCOME TAX EXPENSE		**21,562**

Impact of tax-driven valuations

in thousands of euros	Amount
Profit for the year	**247,759**
Income tax expense (net)	21,562
Profit before tax	**269,321**
Change in tax-driven provisions:	
– Accelerated depreciation	(2,438)
Other tax-driven valuations	Nil
PROFIT EXCLUDING TAX-DRIVEN VALUATIONS (BEFORE TAX)	**266,883**

Change in deferred tax liabilities

Deferred tax on temporary differences *(in thousands of euros)*	Current year amount	Prior year amount
Non-deductible provisions		
■ organic sales tax	396	371
Provisions for contingencies and losses		
■ provision for foreign exchange losses	26	6
Net asset value differences on UCITS	7	0
Unrealized foreign exchange gains	3	245
Unrealized foreign exchange losses	6	26
Remeasurement differences on receivables and payables and fair value measurement of derivatives	41,301	0
TOTAL	**41,740**	**649**
Rate of tax on temporary differences	34.43%	34.43%
DEFERRED TAX	**14,371**	**223**
Deferred tax assets		
■ deferred tax depreciation		
■ tax losses carried forward	1,001,394	1,105,067
■ long-term capital losses		
DEFERRED TAX	**344,780**	**380,475**

III – OTHER INFORMATION

20. 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, 2012 can be analyzed as follows:

in thousands of euros	Amount
Financial items	204,497
Operating items	982,067
Tax items	15,060
TOTAL	**1,201,624**

Guarantees, deposits and comfort letters granted to subsidiaries in respect of financial items provide them with access to local cash facilities in the form of credit lines. Total draw-downs on these credit lines at December 31, 2012 amounted to €27,617 thousand.

b) Other commitments

The Group has provided performance and/or financial guarantees for a number of major contracts. These include the contracts signed with HM Revenue & Customs, Schneider Electric Industries, Euroclear, the Metropolitan Police Force, Ontario Power Generation Inc., Environment Agency, Renault S.A. and The Secretary of State for Work and Pensions

Cap Gemini S.A., together with all of its subsidiaries and any entities which it directly or indirectly owns more than 50%, are insured for the financial implications of any civil or professional liability claims that may be filed against them as a result of their activities. The insurance is part of a worldwide program comprising a number of policies taken out with leading insurance companies. The terms and conditions of this insurance program (including maximum coverage) are regularly reviewed and adjusted to reflect changes in revenues, business activities and risk profiles. The program's largest policy, amounting to €30 million, is reinsured with a consolidated captive reinsurance subsidiary.

Cap Gemini S.A. granted a financial guarantee in connection with the agreement signed on May 25, 2004 with France Telecom to transfer the management of part of the latter's telecommunications network for a term of eight years, renewed on January 1, 2012 for a term of 6 years.

c) Financial instruments

Currency hedges / Derivative instruments

At December 31, 2012, the values of external currency derivative instruments negotiated in respect of foreign currency denominated internal financing arrangements, primarily break down as follows:

- five euro/US dollar swap with a positive value of €3,538 thousand for a nominal amount of USD 230 million (€174 million),
- a euro/pound sterling swap with a negative value of €579 thousand for a nominal amount of GBP 200 million (€245 million),
- a euro/Australian dollar swap with a positive value of €13 thousand for a nominal amount of AUD 13 million (€10.33 million).

At December 31, 2012, external currency derivatives hedging brand royalties invoiced to subsidiaries had a positive value of €137 thousand and mainly concerned the Australian dollar, pound sterling, US dollar and Canadian dollar.

At December 31, 2012, external currency derivatives instruments entered into pursuant to the pooling of currency risk at Group level, had a net negative value of €4,292 thousand.

At December 31, 2012, off-balance sheet commitments given to subsidiaries on internal currency derivative instruments entered into pursuant to the pooling of currency risk at Group level, had a positive value of €40,675 thousand.

21. Related companies

in thousands of euros	**Amount**
Balance sheet items	
Equity interests	14,753,388
Receivable from controlled entities	243,169
Payable to controlled entities	267,942
Related companies	
■ receivable	128,737
■ payable	514,234
Income Statement items	
Investment income	42,600
Income on Group loans	5,464
Other interest income	5,837
Interest expense	5,295

22. Dilution tied to the Redeemable share subscription or purchase warrants (BSAAR)

At December 31, 2012, the 2,999,000 redeemable share subscription or purchase warrants (BSAAR) are not dilutive as the aggregate of the €34 strike price and €3.22 issue premium is higher than the average market price of the Cap Gemini share in 2012.

If all these redeemable share subscription or purchase warrants (BSAAR) were exercised, the dilutive impact at December 31, 2012 would be 1.82% after exercise.

23. Consolidating company

Cap Gemini S.A. is the consolidating company for the Capgemini Group.

24. Subsequent events

- At the Combined Shareholders' Meeting, the Board of Directors will recommend a dividend payment of €1 per share in respect of 2012.
- Under the share buyback program authorized by the Ordinary Shareholders' Meeting of May 24, 2012, the Company purchased between January 16 and February 14, 2013, via a contract with an authorized financial intermediary, 1,017,549 of its own shares (representing 0.63% of the share capital at December 31, 2012) at an average share price of €35.38, representing a total acquisition cost of €36 million. These shares were purchased for cancellation.

25. Remuneration of members of the Board of Directors

The total amount of attendance fees paid to Directors and non-voting directors in 2012 is €749,000€ (or €666,800 after deduction of withholding tax for non-resident beneficiaries).

26. 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		1,054
Other services directly related to the statutory audit engagement		58
	Sub-total	**1,112**
Other services		
Legal, tax and employee-related advisory services		-
Other		-
	Sub-total	**-**
TOTAL		**1,112**

4.4.4 Statutory Auditors' report on the financial statements

(Year ended December 31, 2012)

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, 2012, 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 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 at December 31, 2012, and of the results of its operations for the year then ended in accordance with the accounting rules and principles applicable in France.

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of Article L.823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matter:

Equity interests as reported in the balance sheet amounted to €8,865 million at December 31, 2012. The accounting rules and methods 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.

Concerning the information disclosed pursuant to Article L.225-102-1 of the French Commercial Code on the compensation 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 22, 2013
PricewaterhouseCoopers Audit

Paris La Défense, February 22, 2013
KPMG Audit
Division of KPMG S.A.

Serge Villepelet
Partner

Edouard Sattler
Partner

Jean-Luc Decornoy
Partner

Jacques Pierre
Partner

4.4.5 Statutory Auditors' special report on regulated agreements and commitments

(Shareholders' Meeting held to approve the financial statements for the year ended December 31, 2012)

*This is a free translation into English of the Statutory Auditors' special report on regulated agreements and commitments that is issued in the French language and is provided solely for the convenience of English speaking readers. This report on regulated agreements and commitments should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by French corporate law (*Code de Commerce*) and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.*

To the Shareholders,

In our capacity as statutory auditors of your Company, we hereby report to you on regulated agreements and commitments.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements and commitments brought to our attention or which we may have discovered during the course of our audit, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements and commitments, if any. It is your responsibility, pursuant to Article R.225-31 of the French Commercial Code (*Code de commerce*), to assess the interest involved in respect of the conclusion of these agreements and commitments for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article R.225-31 of the French Commercial Code relating to the implementation during the past year of agreements and commitments previously approved by the shareholders' meeting, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

Agreements and commitments submitted to the approval of the Shareholders' Meeting

We hereby inform you that we have not been advised of any agreement or commitment authorized during the year to be submitted to the approval of the Shareholders' Meeting pursuant to Article L.225-38 of the French Commercial Code.

Agreements and commitments previously approved by Shareholders' Meeting

Pursuant to Article R.225-30 of the French Commercial Code, we have been informed that the following agreements and commitments, previously approved by Shareholders' Meetings of prior years, have remained in force during the year.

Type:

Supplementary collective defined benefit pension scheme set up by the company in favor of certain senior executives regarded as having made a significant and lasting contribution to the Group's development.

Purpose and terms:

On December 13, 2006, the Board of Directors authorized the creation of a collective defined benefit pension scheme in favor of certain senior executives of the Group, enabling them to obtain, upon their retirement, a supplementary pension that may not exceed 40% of their reference earnings. The beneficiary's total cumulative pension benefits may not exceed 50% of the reference earnings which are capped at 60 times the annual ceiling for social security.

Messrs. Serge Kampf and Paul Hermelin have been registered as beneficiaries of this plan. During 2012, these corporate officers did not receive any compensation pursuant to this agreement.

The statutory Auditors

Neuilly-sur-Seine, February 22, 2013
PricewaterhouseCoopers Audit

Paris La Défense, February 22, 2013
KPMG Audit
Département de KPMG S.A.

Serge Villepelet	Edouard Sattler	Jean-Luc Decornoy	Jacques Pierre
Partner	Partner	Partner	Partner

4.5 OTHER FINANCIAL AND ACCOUTING INFORMATION

4.5.1 Five-year financial summary

(in thousand of euros)	2008	2009	2010	2011	2012
I - SHARE CAPITAL AT YEAR-END					
Share capital	1,166,760	1,233,419	1,246,163	1,246,163	1,294,163
Number of common shares outstanding	145,844,938	154,177,396	155,770,362	155,770,362	161,770,362
Maximum number of future shares to be created:				-	-
■ through exercise of equity warrants	8,696,637	9,655,432	9,079,500	6,484,125	5,242,822
■ through conversion fo convertible bonds	20,830,416	32,583,691	28,722,575	26,372,575	16,911,765
II - OPERATIONS AND RESULTS OF THE CURRENT YEAR					
Operating revenue	202,017	198,567	201,567	241,094	230,370
Operating revenue and financial revenue	382,207	297,617	278,822	339,560	763,415
Income before taxes, amortization and provisions	240,322	213,622	208,598	225,363	189,839
Income tax	(29,419)	(27,418)	(15,740)	2,962	21,562
Net income / (losses)	259,605	224,022	136,889	171,563	247,759
Distributed income	145,845	123,342	155,770	155,770	161,770
III - EARNINGS PER SHARE *(in euros)*					
Earnings after taxes, but before amortization and provisions	1.85	1.56	1.44	1.43	1.04
Net earnings	1.78	1.45	0.88	1.10	1.53
Dividend per share	1.00	0.80	1.00	1.00	* 1.00
IV - EMPLOYEE DATA					
Average number of employee during the year	Cap Gemini S.A. does not have any employees				
Total payroll					
Total benefits					

* *Subject to approval by the Combined shareholders' Meeting of May 23, 2013.*

4.5.2 Subsidiaries and investments

(in millions of euros)	Capital	Other sharehol-ders'equity (including net income for the year)	% interest	Number of shares owned	Book value of shares		Loans & advances granted	Guarantees given	2012 Revenue	Dividends
					Gross	Net				
SUBSIDIARIES										
Capgemini North America Inc.	1	3,015	100.00%	982,000	6,618	2,778	159	76	1	-
CGS HOLDINGS Ltd	650	1	100.00%	558,777,061	721	721	-	-	-	-
Gemini Consulting Holding Ltd	0	9	100.00%	1,083	23	23	-	-	-	-
Capgemini Oldco Ltd	13	27	100.00%	1,033,938,858	801	264	-	-	-	-
Capgemini AB (Suède)	3	341	100.00%	25,861	387	387	-	9	-	-
Capgemini NV (Benelux)	2	297	100.00%	21,582,376	1,467	996	15	-	-	-
Capgemini Business services BV	0	2	100.00%	485	19	19	-	-	-	-
Capgemini Shared Services BV	0	0	100.00%	1,053	3	3	-	-	-	-
Capgemini Deutschland Holding GmbH	129	8	95.59%	3	629	629	-	-	-	-
Capgemini Consulting Österreich AG	0	5	100.00%	36,791	54	22	-	-	15	-
Capgemini Suisse AG	0	3	100.00%	500	45	30	-	68	56	-
Capgemini Polska Sp Z.o.o (Pologne)	4	31	100.00%	129,160	25	25	-	-	162	15
Capgemini Magyarorszag Kft	0	1	100.00%	1	2	2	-	-	5	1
capgemini Czech Republic s r o	1	1	98.77%	21,255	8	8	-	-	10	-
Capgemini France S.A.S.	89	657	100.00%	5,713,954	1,324	1,324	-	-	6	-
Capgemini Technology Services Maroc	3	2	99.99%	329,996	3	3	-	-	18	-
SOGETI N.V./S.A.	1	(1)	99.99%	11,449	1	-	-	-	-	-
SOGETI S.A.S.	261	331	100.00%	52,106,876	754	754	-	-	29	25
Capgemini Italia S.p.A.	18	17	100.00%	3,575,000	543	50	10	17	154	-
Capgemini España S.L. (Sociedad Unipersonal)	32	1	81.38%	264,315	279	159	-	-	249	-
Capgemini Portugal, Serviços de Consultoria e Informatica, SA	8	4	100.00%	1,698,842	44	44	-	-	25	0
Capgemini Business Services Guatemala S.A.	1	(1)	99.80%	12,900,034	1	1	-	-	1	-
Capgemini Argentina S.A.	1	(1)	2.00%	126,369	0	0	-	-	2	-
Capgemini Asia Pacific Pte. Ltd. (Singapour)	94	(2)	100.00%	138,779,483	218	81	-	24	1	-
Capgemini Australia Pty Ltd (Australie)	150	(131)	100.00%	1,502,342	172	90	10	114	151	-
Capgemini Business Services (India)	0	31	99.90%	4,995	25	25	-	2	72	-
Capgemini Service S.A.S	8	(14)	100.00%	8,000,000	134	-	-	15	197	-
S.C.I. Paris Etoile	0	5	99.99%	9,999	48	31	-	-	2	2
Immobilière les Fontaines S.A.R.L	2	(13)	99.84%	1,004,628	52	52	-	25	7	-
Capgemini Université S.A.S.	0	0	100.00%	2,500	0	0	-	-	13	-
Capgemini Gouvieux S.A.S.	3	(3)	100.00%	210,000	3	3	-	-	22	-
Capgemini Consulting Cyprus Ltd	0	0	100.00%	101	0	0	0	-	-	-
CAP SOGETI 2005	332	(1)	100.00%	33,249,750	341	341	17	6	-	-
Capgemini Reinsurance International	20	-	100.00%	10,000	5	5	-	-	11	-
Other French compagnies	nm	nm	nm	nm	0	0	nm	nm	nm	nm
Other foreign compagnies	nm	nm	nm	nm	-	-	nm	nm	nm	nm
INVESTMENTS										
As of December 31, 2012, investments held by Cap Gemini SA are not material										

Cap Gemini and its shareholders

5

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5.1 CAP GEMINI SHARE CAPITAL

5.1.1 Share capital (amount, table of movements and delegations of authority)

AMOUNT OF CAPITAL

At December 31, 2012, the Company's share capital amounted to €1,294,162,896, divided into 161,770,362 fully paid-up ordinary shares with a par value of €8 each.

Shares may be held in either registered or bearer form, at the shareholder's discretion.

CHANGES IN THE COMPANY'S SHARE CAPITAL OVER THE PAST FIVE YEARS

	Number of shares	Share capital *(in euros)*	Additional paid-in capital *(in euros)*
AT DECEMBER 31, 2007	**145,425,510**	**1,163,404,080**	**5,525,119,409**
Adjustment to issuance costs for shares issued in 2006			26,207
Share capital increase for cash:			
■ shares issued on exercise of stock options	419,428	3,355,424	6,672,634
AT DECEMBER 31, 2008	**145,844,938**	**1,166,759,504**	**5,531,818,250**
Share capital increase for cash:			
■ shares issued reserved for employees	5,999,999	47,999,992	117,479,980
■ issue costs for shares reserved for employees			(1,266,628)
■ shares issued on exercise of stock options	2,332,459	18,659,672	33,472,939
Subscription of redeemable share subscription or purchase warrants (BSAAR)			
■ issue of 2,999,000 warrants (BSAAR)			9,656,780
■ warrant issue costs charged against additional paid-in capital			(863,727)
Allocation to legal reserve			**(6,490,802)**
AT DECEMBER 31, 2009	**154,177,396**	**1,233,419,168**	**5,683,806,792**
Share capital increase for cash:			
■ shares issued on exercise of stock options	1,592,966	12,743,728	33,595,907
AT DECEMBER 31, 2010	**155,770,362**	**1,246,162,896**	**5,717,402,699**
AT DECEMBER 31, 2011	**155,770,362**	**1,246,162,896**	**5,717,402,699**
Share capital increase for cash:			
■ shares issued reserved for employees	6,000,000	48,000,000	106,560,000
■ issue costs for shares reserved for employees			(1,068,864)
Allocation to legal reserve			**(4,800,000)**
AT DECEMBER 31, 2012	**161,770,362**	**1,294,162,896**	**5,818,093,835**

DELEGATIONS OF AUTHORITY TO INCREASE THE SHARE CAPITAL

Pursuant to the delegations of authority given to the Board of Directors by the Extraordinary Shareholders' Meeting of May 24, 2012, the Board was granted a 26-month authorization (expiring July 24, 2014) to:

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

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

- a maximum par value amount of €1.5 billion for share capital increases paid up by capitalizing reserves,
- a maximum par value amount of €500 million for share capital increases with pre-emptive subscription rights, and a maximum of €3.5 billion in total issuance amounts,
- a maximum par value amount of €185 million for share capital increases without pre-emptive subscription rights, and a maximum of €1.25 billion in total issuance amounts,
- a maximum aggregate par value amount of €500 million and an aggregate issuance amount of €3.5 billion for securities granting access to the Company's share capital or granting a right to allocation of debt instruments.

The share capital issues that may be carried out pursuant to these delegations of authority, would be offset against the following ceilings:

- a maximum aggregate par value amount of €185 million, or approximately 14% of the share capital, and an aggregate issuance amount of €1.25 billion for all issues performed without pre-emptive subscription rights, that is (i) issues performed by way of a public offering or private placement at a price at least equal to the weighted average price of the Company's shares during the three trading days preceding the date on which the price is set, potentially reduced by a discount of up to 5%, and (ii) issues as payment for contributions in kind made to the Company or shares tendered to any public exchange offering launched by the Company,
- a maximum aggregate par value amount of €500 million and an aggregate issuance amount of €3.5 billion for all issues of securities granting access to the Company's share capital or granting a right to allocation of debt instruments, with or without pre-emptive subscription rights.

Over-allotment options ("Greenshoe" options) will of course be included in these ceilings.

Finally, readers are reminded that:

- in the event of a share capital issue in the form of a public offering with cancellation of pre-emptive subscription rights, the Board of Directors would have the power to provide for a priority right for shareholders, during the period and by the methods it deems fit,
- should the Board of Directors use one or other of these delegations of authority, the Statutory Auditors will issue a special report for the attention of the Shareholders' Meeting.

Your Board of Directors did not use any of these delegations of authority in 2012. As these delegations of authority are valid until July 24, 2014, the Board did not consider it necessary to request their renewal at the next 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 hereafter.

5.1.2 Financial authorizations

AUTHORIZATIONS GRANTED BY THE COMBINED SHAREHOLDERS' MEETING TO THE BOARD OF DIRECTORS TO ISSUE SHARE CAPITAL

The following table summarizes (pursuant, to Article L.225-100 of the French Commercial Code) authorizations still in effect and those that have expired since the last Combined Shareholders' Meeting.

Type of securities	Maximum amount *(in euros)* (1) (2)	Authorization date	Expiry date	Used during the fiscal year
a) Ordinary shares paid up by capitalizing additional paid-in capital, reserves, profit or other eligible amounts	1.5 billion (par value)	05/24/2012	07/24/2014	No
b) Ordinary shares and/or securities granting access to the share capital of the Company, or granting a right to allocation of debt instruments, **with PSR**	500 million (par value) 3.5 billion (issue amount)	05/24/2012	07/24/2014	No
c) Ordinary shares and/or securities granting access to the share capital of the Company, or granting a right to an allocation of debt instruments **without PSR, public offer**	185 million (par value) 1.25 billion (issue amount)	05/24/2012	07/24/2014	No
d) Ordinary shares and/or securities granting access to the share capital of the Company, or granting a right to an allocation of debt instruments **without PSR, private placement**	185 million (par value) 1.25 billion (issue amount)	05/24/2012	07/24/2014	No
e) Ordinary shares or shares combined with securities granting access to the share capital of the Company, as payment for contributions in kind to the Company	10% of the share capital	05/24/2012	07/24/2014	No
f) Ordinary shares and/or securities granting access to the share capital of the Company, or granting a right to an allocation of debt instruments, as payment for shares tendered to a public exchange offer made by the Company	185 million (par value) 1.25 billion (issue amount)	05/24/2012	07/24/2014	No
Ordinary shares issued within the scope of the international employee share ownership plan:				
g) members of Group savings plans	48 million (par value) (2)	05/26/2011	07/26/2013	Yes
h) not restricted to members of Group savings plans, but subject to similar conditions	16 million (par value) (2)	05/26/2011	11/26/2012	Yes
i) Ordinary shares without PSR (French Corporate Savings Act)	12 million (par value)	05/27/2010	07/27/2012	No
j) Redeemable share subscription or purchase warrants (BSAAR)	8 million (par value)	05/26/2011	11/26/2012	No

PSR = Pre-emptive Subscription Rights.

(1) Recap of overall limits:

- a maximum par value amount of €500 million and a maximum issue amount of €3.5 billion for all issues with and without pre-emptive subscription rights,
- including a maximum par value amount of €185 million and a maximum issue amount of €1.25 billion for all issues without pre-emptive subscription rights,
- issues performed pursuant to g), h), i) and j) above are not included in these overall limits.

(2) Total share capital issues decided pursuant to g) and h) are capped at a maximum par value amount of €48 million.

USE OF AUTHORIZATIONS DURING THE FISCAL YEAR

Pursuant to the authorizations detailed in g) and h) above, the Board of Directors' meeting of February 15, 2012 decided in principle a share capital increase reserved for employees and eligible corporate officers of the Company and its subsidiaries (ESOP 2012 Plan). Accordingly, the share capital of the Company was increased by €48,000,000 on September 27, 2012 through the issue of 6 million new shares with a par value of €8 each.

OTHER EXISTING FINANCIAL AUTHORIZATIONS

Type of securities	Maximum amount *(in euros)*	Authorization date	Expiry date
Performance shares	1.5% of the share capital	05/24/2012	11/24/2013

The Board of Directors used this authorization twice in 2012:

- on July 25, 2012, the Board of Directors granted a total of 202,538 shares subject to a condition of presence but not performance to all employees of French companies with over three months seniority,
- on December 12, 2012, the Board of Directors granted a total of 1,003,500 shares to a certain number of employees of French and non-French companies, subject to conditions of performance and presence.

The Board of Directors also used this authorization at the beginning of 2013:

- on February 20, 2013, the Board of Directors granted a total of 1,209,100 shares to a certain number of employees of French and non-French companies, subject to conditions of performance and presence.

A new authorization will be presented to the Combined Shareholders' Meeting of May 23, 2013 for the grant of performance shares up to a maximum amount of 1% of the share capital in accordance with the conditions set out on section 5.4.4 page 211.

5.1.3 Other share equivalents outstanding

STOCK OPTION PLANS

The main features of the May 12, 2005 plan, valid for a period of 38 months and under which 139,500 options may still be exercised, are summarized in the tables on page 183 of this registration document.

PERFORMANCE SHARE PLANS

The mean features of these plans are summarized in the tables on pages 183 to 186 of this registration document, it being noted that:

- at the end of the four-year period, the number of shares vested under the first plan led to the grant of 285,000 shares on March 5, 2013 to non-French beneficiaries,
- at the end of the two-year period, under the second plan, the definitive calculation led to the vesting of only 68.5% of performance shares initially granted, that is, after including shares granted without performance conditions, 350,509 shares vested to beneficiaries tax-resident in France and a maximum of 623,620 shares vested to foreign beneficiaries subject to their continued presence in the Group on the termination of the plan on October 1, 2014 (see also § 5.4.4).

BONDS CONVERTIBLE/EXCHANGEABLE INTO NEW OR EXISTING CAP GEMINI SHARES (OCEANE)

On April 8, 2009, Cap Gemini issued bonds convertible/exchangeable into new or existing Cap Gemini shares, maturing on January 1, 2014 (OCEANE 2009). The total amount of the issue was €575 million, represented by 16,911,765 bonds with a nominal value of €34 each. The terms and conditions of this issue were set out in the prospectus approved by the AMF on April 8, 2009 under reference number 09-084.

REDEEMABLE SHARE SUBSCRIPTION OR PURCHASE WARRANTS (BSAAR)

During fiscal year 2009, 2,999,000 warrants were subscribed by employees and corporate officers of the Group at a price of €3.22 per warrant. This issue was disclosed in a prospectus approved by the AMF on May 14, 2009 under reference number 09-140.The warrants may not be exercised or transferred during a four-year period commencing July 22, 2009, except under the conditions specified in the issue agreement (primarily in the event of a takeover bid for Cap Gemini shares). The warrants will be listed and traded on the Euronext Paris market between July 22, 2013 and July 20, 2016.

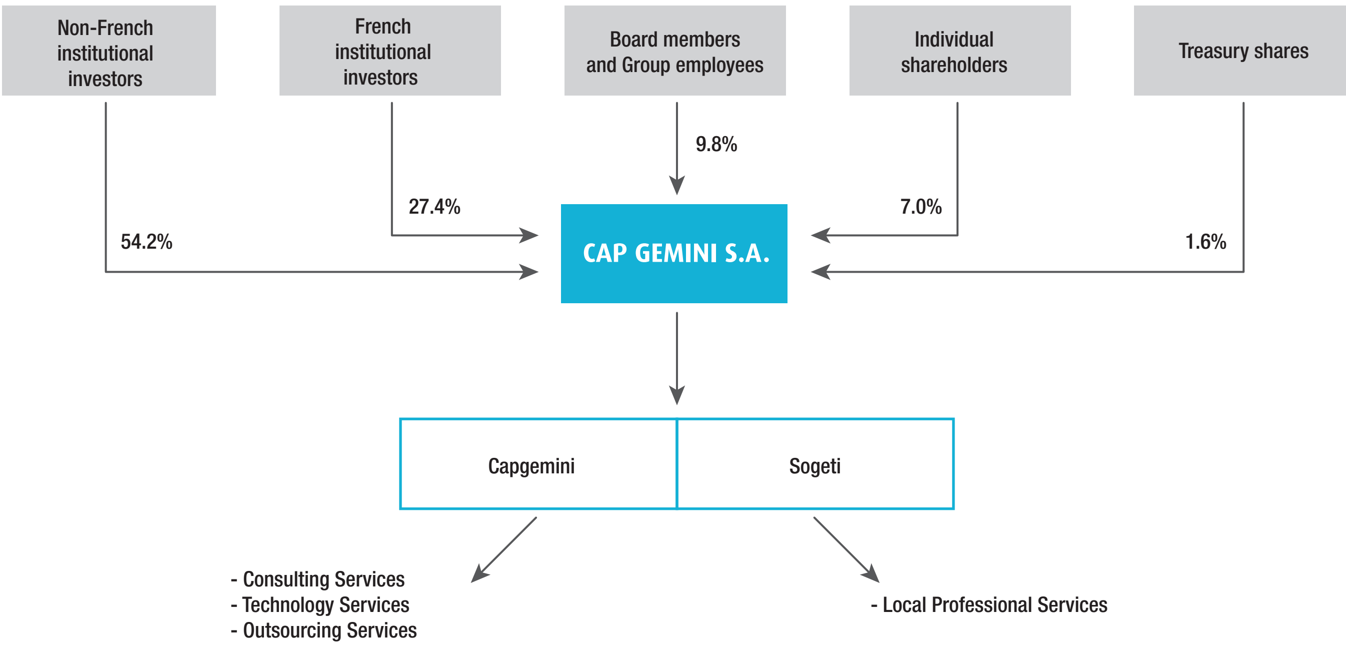
5.2 CAP GEMINI AND THE STOCK MARKET

At December 31, 2012, the share capital of Cap Gemini S.A. comprised 161,770,362 shares (ISIN code: FR0000125338). Cap Gemini shares are listed on the “Euronext Paris” market (compartment A) and are eligible for the SRD deferred settlement system of the Paris Stock Exchange. The increase in the number of shares between 2011 and 2012 followed the issue in September 2012 of 6 million shares under the International Employee Share Ownership Plan (ESOP 2012).

Cap Gemini shares are included in the CAC 40 and the Euronext 100 indexes and the Dow Jones STOXX and Dow Jones Euro STOXX. Between January 1 and December 31, 2012, the Cap Gemini share price on “Euronext Paris” increased from €25.075 to €32.860.

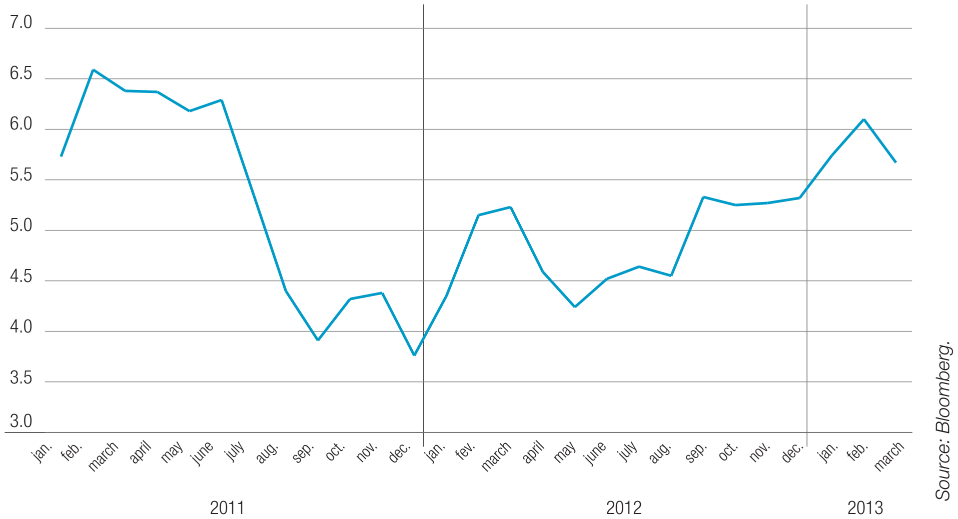
CAP GEMINI S.A. SHARE OWNERSHIP STRUCTURE AT DECEMBER 31, 2012

(based on a shareholder survey)



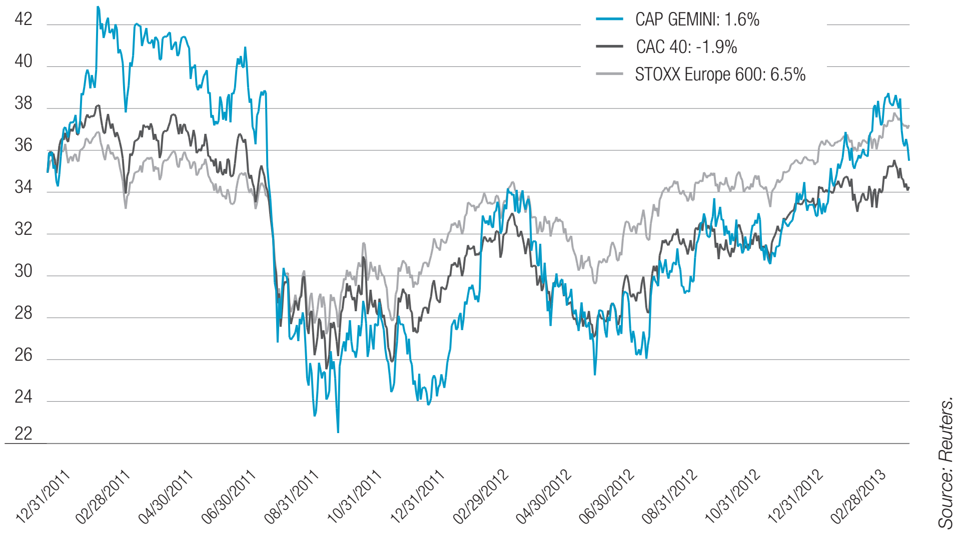
STOCK MARKET CAPITALIZATION

From January 2011 to March 2013
In billions of euros



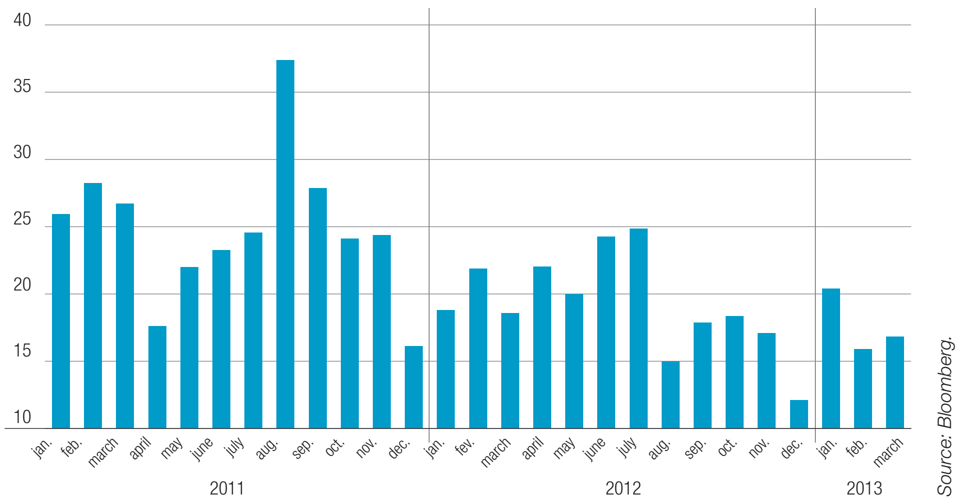
SHARE PERFORMANCE

From December 31, 2010
to March 28, 2013
In euros



NUMBER OF TRADES PER MONTH

From January 2011 to March 2013
In millions of shares



5

SHARE PRICE AND TRADING VOLUME

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

		Share price *(in euros)*			Trading volume		
					Number of shares		Value
Month	Number of trading days	High	Average	Low	Total	Average *(daily)*	*(millions of euros)*
April 11	19	41.920	41.193	40.185	17,614,638	927,086	725.6
May 11	22	42.035	40.269	38.410	21,987,998	999,454	890.8
June 11	22	40.650	38.297	36.930	23,244,209	1,056,555	888.9
July 11	21	41.105	38.398	33.945	24,565,135	1,169,768	923.1
August 11	23	35.015	28.870	25.700	37,381,516	1,625,283	1,081.4
September 11	22	28.285	25.175	22.545	27,868,496	1,266,750	701.0
October 11	21	29.490	26.648	21.980	24,103,558	1,147,788	634.5
November 11	22	28.920	26.699	24.165	24,373,839	1,107,902	651.2
December 11	21	28.190	25.512	23.665	16,111,732	767,225	410.7
January 12	22	28.595	26.255	24.035	18,798,849	854,493	489.1
February 12	21	33.230	30.740	27.925	21,867,590	1,041,314	670.9
March 12	22	34.500	33.398	31.445	18,582,046	844,638	628.3
April 12	19	34.015	30.225	27.430	22,013,813	1,158,622	664.1
May 12	22	30.425	28.391	26.815	19,986,185	908,463	568.1
June 12	21	29.200	27.716	25.235	24,256,840	1,155,088	663.2
July 12	22	30.540	27.705	25.630	24,854,682	1,129,758	686.9
August 12	23	31.480	30.094	29.060	14,952,972	650,129	447.8
September 12	20	33.735	31.955	29.120	17,846,312	892,316	570.9
October 12	23	33.435	31.918	30.770	18,353,342	797,971	584.5
November 12	22	33.400	31.685	30.480	17,096,205	777,100	540.1
December 12	19	34.565	33.245	32.025	12,113,053	637,529	403.3
January 13	22	36.945	34.701	32.700	20,397,938	927,179	708.6
February 13	20	38.565	36.410	35.000	15,888,993	794,450	583.8
March 13	20	39.005	37.664	35.150	16,834,288	841,714	631.8

Source: Bloomberg.

DIVIDENDS PAID BY CAP GEMINI

	Distribution of dividends			
Year ended December 31	In millions	In % of net income	Number of shares	Dividend per share
2008	€ 146	33%	145,844,938	€1.00
2009	€ 123	69%	154,177,396	€0.80
2010	€ 156	56%	155,770,362	€1.00
2011	€ 156	39%	155,770,362	€1.00
2012	€ 162	44%	161,770,362	* €1.00

* *Recommended dividend submitted to the Annual Shareholders' Meeting of May 23, 2013*

2013 PROVISIONAL FINANCIAL CALENDAR

First quarter 2013 revenue:	May 2, 2013
First half 2013 results:	July 25, 2013
Third quarter 2013 revenue:	November 7, 2013
2013 Results:	February 13, 2014

This provisional calendar is provided for information purposes only and may be subject to subsequent amendments.

5.3 CURRENT OWNERSHIP STRUCTURE

The ownership structure at December 31, 2012 is presented below. No shares carry double voting rights. At December 31, 2012, Cap Gemini held 2,571,783 of its own shares.

At December 31, 2012, there were 1,634 holders of registered shares.

Based on information received by the Company during the year, one shareholder held more than 5% of the Company's share capital and voting rights at the year-end: the limited liability company, Amundi Group, acting on behalf of the Capgemini ESOP FCPE (French collective employee shareholder vehicle) which it manages (international employee share ownership plan).

In accordance with Article 10 of the Company's bylaws, the companies listed below made the following disclosures to the Company during the fiscal year:

- Manning & Napier Advisors, LLC disclosed that it had raised its interest above the threshold of 2% of the Company's share capital and voting rights,
- UBS AG disclosed that it had raised and reduced its interest on numerous occasions (5 in total) above and below the threshold of 1% of the Company's share capital and voting rights. On the most recent occasion, it reduced its interest below the 1% threshold,
- BNP Paribas Asset Management disclosed that it had raised and reduced its interest on numerous occasions (10 in total) above and below the threshold of 1% of the Company's share capital and voting rights. On the most recent occasion, it reduced its interest below the 1% threshold,
- Crédit Suisse disclosed that it had raised and reduced its interest on numerous occasions (6 in total) above and below the threshold of 1% of the Company's share capital and voting rights. On the most recent occasion, it reduced its interest below the 1% threshold,
- CM-CIC Asset Management disclosed that it had reduced its interest below the threshold of 1% of the Company's share capital and voting rights,
- Amundi Asset Management disclosed that it had reduced its interest below the threshold of 4% of the Company's share capital and voting rights,
- HSBC Holdings Plc disclosed that it had raised its interest above the threshold of 1% of the Company's share capital and voting rights,
- Caisse des Dépôts et Consignations disclosed that it had reduced its interest below the threshold of 1% of the Company's share capital and voting rights.

Shares held by members of the Board of Directors represent 3.2% of the Company's share capital.

Changes in ownership structure over the past three years

	At December 31, 2010			At December 31, 2011			At December 31, 2012		
	Number of shares	% Share capital	% voting-rights	Number of shares	% Share capital	% voting-rights	Number of shares	% Share capital	% voting-rights
Serge Kampf	5,518,156	3.5	3.5	5,365,904	3.4	3.4	4,897,492	3.0	3.0
Paul Hermelin	202,048	0.1	0.1	227,048	0.1	0.1	227,048	0.1	0.1
Public (1) (bearer + registered)	142,377,580	91.4	91.4	142,745,303	91.7	91.7	143,391,840	88.6	88.6
Employee shareholders	5,497,578	3.6	3.6	5,228,857	3.4	3.4	10,682,199	6.6	6.6
Treasury shares (2)	2,175,000	1.4	1.4	2,203,250	1.4	1.4	2,571,783	1.6	1.6
Own shares	-	-	-	-	-	-	-	-	-
TOTAL	**155,770,362**	**100**	**100**	**155,770,362**	**100**	**100**	**161,770,362**	**100**	**100**

(1) *Including share capital held by managers.*

(2) *At December 31, 2012, Cap Gemini S.A. held 2,571,783 of its own shares acquired under the share buyback program. In accordance with French corporate law, these shares are stripped of voting rights.*

The Company does not hold any "own shares" other than those classified as treasury shares.

Based on a study of identifiable bearer shares carried out at December 31, 2012, the Company has 4,479 identifiable holders of bearer shares holding at least 500 shares.

No shares carry double voting rights.

Shareholders' agreements

There are no shareholder agreements or pacts in force.

5.4 EMPLOYEE SHAREHOLDERS

5.4.1 Share subscription options

The Combined Shareholders' Meeting of May 12, 2005 authorized the Board of Directors to grant stock options to employees of the Group and its French and non-French subsidiaries, during a period of 38 months commencing May 12, 2005 and therefore expiring July 12, 2008, conferring entitlement to subscribe to a total of 6 million shares. This authorization represented the sixth stock option plan implemented by the Company.

No stock options were therefore granted by the Board of Directors in 2012.

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

During the past year, no shares were subscribed under this plan, it being noted that no shares may be subscribed under the first, second, third, fourth or fifth plans for which the subscription periods expired on November 1, 1995, April 1, 1999, April 1, 2002, December 1, 2006 and March 31, 2010, respectively.

5.4.2 International employee shareholding system

On February 15, 2012, the Board of Directors decided in principle (based on the 8th and 9th resolutions adopted by the Combined Shareholders' Meeting of May 26, 2011) to increase the share capital of the Company through the issue of up to a maximum of 6 million shares reserved for eligible employees and corporate officers of the Company and its subsidiaries (ESOP 2012) and delegated to the Chief Executive Officer the necessary powers for the performance of these share issues. Accordingly, in a decision of August 27, 2012, the Chairman and Chief Executive Officer set the subscription dates and the subscription price for the shares to be issued: €25.76, representing the average price of the Cap Gemini share over the twenty stock market trading days preceding the date of the decision (€30.30) less a 15% discount. On September 27, 2012, having taken due note of the certificate issued by the custodian attesting to the receipt of funds corresponding to the share subscription reserved for employees, he decided to increase the share capital from €1,246,162,896 to €1,294,162,896 (creation of 6 million new shares with a par value of €8).

Pursuant to the provisions of Article L.225-102 of the French Commercial Code, the Board of Directors informs you that employees and corporate officers who subscribed to this operation (ESOP 2012) and the operation in 2009 (ESOP 2009) under a Capgemini Group Company Savings Plan, together held 6.6% of the Company's share capital at December 31, 2012.

5.4.3 Issue of redeemable share subscription or purchase warrants (BSAAR)

We would remind you that the Combined Shareholders' Meeting of April 17, 2008 authorized the Board of Directors to grant Redeemable Share Subscription or Purchase Warrants (BSAAR) to employees and corporate officers of the Company and its subsidiaries.

During 2009, 2,999,000 warrants were subscribed by employees and corporate officers of the Group (at a price of €3.22 per warrant). Between July 22, 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 warrants will be listed on the stock market between July 22, 2013 and July 20, 2016.

We would also remind you that the Combined Shareholders' Meeting of May 26, 2011 authorized the Board of Directors, for a period of 18 months, to issue Redeemable Share Subscription or Purchase Warrants (BSAAR) to employees and corporate officers of the Group up to a maximum of one million shares (approximately 0.62% of the share capital at December 31, 2012), representing a maximum par value amount of €8 million. This authorization was not used in fiscal years 2011 or 2012.

5.4.4 Performance share grant

The Extraordinary Shareholders' Meeting of May 24, 2012 authorized the Board of Directors to allocate performance shares to employees and corporate officers of the Company and its French and non-French subsidiaries, during a period of 18 months commencing May 24, 2012 and expiring November 24, 2013. The number of shares allocated (existing and to be issued) must not exceed 1.5% of the share capital at the date of the Board of Directors' decision to allocate such shares (this maximum number of shares being referred to hereafter by the letter "N"). Up to a maximum of 10% of "N", these performance shares may be allocated to executive corporate officers of the Company, it being specified that in this case, the shares may not be transferred by their beneficiary until the end of the beneficiary's term of office.

By exception, and for an amount not exceeding 15% of "N", shares may be allocated to employees of the Company and its French and non-French subsidiaries – excluding members of the Group Management Board – without performance conditions.

On July 25, 2012, pursuant to this authorization, the Board of Directors decided the allocation of a total of 202,538 shares without performance conditions to all employees of French companies within the scope of the Capgemini UES [(1)]. The shares will be delivered to beneficiaries at the end of a two-year vesting period beginning July 25, 2012.

On December 12, 2012, pursuant to the same authorization, the Board of Directors decided the allocation of a total of 1,003,500 performance shares to 118 "Team One" managers, 13 members of the Executive Committee (excluding Paul Hermelin) and Paul Hermelin who will be required to hold the vested shares until the end of his term of office. The Board also decided to increase from two to four years the minimum holding period for vested shares following the vesting period for beneficiaries tax-resident in France.

Finally, it is noted that pursuant to the authorization granted by the Extraordinary Shareholders' Meeting of April 30, 2009, the Board of Directors allocated a total of 1,555,000 performance shares on October 1, 2010. These performance shares were allocated subject to a two-year vesting period at the end of which the share allocation to beneficiaries tax-resident in France becomes definitive; this period therefore expired on October 1, 2012 (the vesting period is four years for beneficiaries not tax resident in France, expiring October 1, 2014). The internal performance condition (representing 30% of the definitive grant) was achieved in full and the external performance condition (representing 70% of the definitive grant) was achieved 55%. 350,509 shares therefore vested on October 1, 2012.

Pursuant to the aforementioned authorization granted by the Extraordinary Shareholders' Meeting of May 24, 2012, the Board of Directors decided on February 20, 2013 to grant 1,209,100 performance shares to 368 talented and high-potential managers. Accordingly, the three share grants performed pursuant to the May 24, 2012 authorization (on July 25, 2012, December 12, 2012 and February 20, 2013) represent a total of 1.5% of the share capital, in line with the maximum percentage set by the authorization now lapsed.

Desirous to continue its motivation policy and involving employees and managers in the development of the Group, the Board of Directors is seeking an authorization to grant performance shares, existing or to be issued, and comprising internal and external performance conditions, during the coming 18 months, with in the case of shares to be issued, the waiver by shareholders of their pre-emptive subscription rights in favor of the beneficiaries of the grants, up to a maximum share capital percentage reduced from 1.5% to 1%. The performance conditions are detailed in the draft tenth resolution presented for shareholders' vote today.

The resolution limits to 10% the maximum number of shares that may be granted to executive corporate officers, currently the Chairman and Chief Executive Officer, who would be required to hold such shares for a period defined by the Board of Directors at the time of grant.

The resolution also authorizes the Board of Directors to grant up to 15% of the maximum number of shares to Group employees, other than members of the general management team (the Executive Committee), without performance conditions.

(1) UES – Unité économique et sociale (Economic and Social Unit).

5.5 SHARE BUYBACK PROGRAM

5.5.1 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 2012 in connection with the liquidity agreement entered into on February 15, 2010. The purpose of this agreement is to improve the liquidity of the Cap Gemini share and stabilize the share price. In 2012, a total of 5,387,688 shares were purchased on behalf of Cap Gemini S.A., at an average price of €30.45 per share, representing 3.33% of the share capital at December 31, 2012. During the same period, 5,588,244 Cap Gemini shares were sold at an average price of €30.00 per share, representing 3.45% of the share capital at December 31, 2012. At the year-end, the liquidity account balance comprised 202,944 treasury shares (0.13% of the share capital) and approximately €7 million.

Furthermore, after transferring 351,009 shares to employees and corporate officers during the year under the Group free share grant program, the Company held 1,448,741 of its own shares at December 31, 2012, representing 0.90% of the share capital held following share buybacks performed between January 17 and 25, 2008 at an average share price of €34.48.

Finally, on December 27, 2012, the Company bought back 920,098 of its own shares (for cancellation), representing 0.57% of the share capital at December 31, 2012, at an average share price of €32.60.

Overall, the Company therefore held 2,571,783 of its own shares at December 31, 2012, representing 1.59% of the share capital and a total value of €84,508,789, based on the closing price of the Cap Gemini share at this date of €32.86.

As the authorization granted by the Ordinary Shareholders' Meeting of May 24, 2012 is only valid for 18 months, we are asking shareholders to replace it with a similar authorization to allow the Company to:

- manage the secondary market and encourage the liquidity of the Cap Gemini share within the scope of a liquidity agreement,
- grant shares to employees and corporate officers, on the terms and by the methods provided for by law, in particular in connection with the grant of performance shares or the set-up of a company savings plan or an international employee share ownership plan,
- grant shares to holders of securities conferring entitlement to the capital of the Company upon exercise of the rights attached thereto in accordance with the applicable regulations,
- purchase shares to be retained with a view to remitting them in the future in exchange or payment for potential external growth transactions,
- cancel some or all of the shares purchased subject to the adoption of the ninth resolution included in the agenda of the Combined Shareholders' Meeting of May 23, 2013.

The Board of Directors is therefore seeking an authorization for the Company to buy back shares representing up to 10% of its share capital, during a period of 18 months. The total amount of such purchases may not exceed €970 million and the maximum authorized unit purchase price is €55 per share, these purchases taking place within the scope of:

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

Pursuant to the law, a description of the share buyback program will be published prior to the Combined Shareholders' Meeting.

5.5.2 Authorization to cancel shares purchased under the buyback program

The Combined Shareholders' Meeting of May 24, 2012 authorized the Board of Directors to cancel on one or several occasions at its sole discretion, all or some of the treasury shares held by the Company pursuant to Article 225-209 of the French Commercial Code and to reduce the share capital accordingly. This authorization was not used in fiscal year 2012.

It should be noted, however, that the Board of Directors, using the aforementioned delegation, cancelled 1,937,647 shares during its meeting of February 20, 2013, with a view to partially neutralizing the dilution resulting from the September 2012 issue of 6 million shares under the international employee share ownership plan.

Shareholders are asked today to renew for a period of 24 months the authorization granted to the Board of Directors to cancel shares bought back up to a maximum of 10% of the share capital by 24-month period, this share capital amount being adjusted for any transactions performed after the date of the Combined Shareholders Meeting.

Text of the draft resolutions

presented by the Board of Directors to the Combined Shareholders' Meeting of May 23, 2013

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6.1 RESOLUTIONS PRESENTED AT THE ORDINARY SHAREHOLDERS' MEETING 214

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Statutory Auditors' report on the authorization to grant free shares (existing or to be issued) to employees and corporate officers 219

The English language version of these resolutions 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. In the event of discrepancies, the French language version shall prevail.

6.1 RESOLUTIONS PRESENTED AT THE ORDINARY SHAREHOLDERS' MEETING

First resolution

Approval of the 2012 Company financial statements

The Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings and after having read the following:

- the management report of the Board of Directors,
- the Chairman's report, and
- the Statutory Auditors' report on their audit of the Company financial statements,

approves the Company financial statements for the year ended December 31, 2012, that show profit for the year of €247,759,001.72, and gives discharge to the Board of Directors for its management of the Company's business during the year.

Second resolution

Approval of the 2012 consolidated financial statements

The Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings and after having read the following:

- the Group management report of the Board of Directors for 2012, and
- the Statutory Auditors' report on the consolidated financial statements,

approves the consolidated financial statements for the year ended December 31, 2012, that show net profit for the year of €370 million.

Third resolution

Regulated agreements

The Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings and after having read the Statutory Auditors' special report on regulated agreements governed by Article L.225-38 of the French Commercial Code (*Code de commerce*), records that no such agreement has been entered into during the past year.

Fourth resolution

Net income appropriation and dividend

The Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings, approves the recommendations of the Board of Directors to appropriate the profit for the year ended December 31, 2012 as follows:

■ net profit for the year	€247,759,001.72
■ no allocation to the legal reserve as it is fully funded	
i.e. a balance of:	€247,759,001.72
■ retained earnings of previous years	€405,440,151.48
i.e. distributable earnings of:	€653,199,153.20
■ allocated to:	
• payment of a dividend of €1 per share	€162,055,362.00
• retained earnings for the balance	€491,143,791.20
giving a total of:	€653,199,153.20

It should be noted that the dividend, set at €1 for each of the 162,055,362 shares bearing dividend rights on January 1, 2012, will be fully eligible for the 40% tax rebate referred to in Article 158.3.2 of the French Tax Code (*Code Général des Impôts*).

The ex-dividend date will be June 3, 2013 and the dividend will be payable from June 6, 2013. If, at the time of payment of the dividend, the Company holds some of its own shares, the dividend for these shares will be added to retained earnings.

Pursuant to Article 243 bis of the French Tax Code, dividends paid over the past three fiscal years were as follows: €155,770,362 for 2011 (€1 per share); €155,770,362 for 2010 (€1 per share) and €123,341,916.80 for 2009 (€0.80 per share). All of these dividends were fully eligible for the 40% tax rebate set out in Article 158.3.2 of the French Tax Code.

Fifth resolution

Renewal of the term of office as director of Mr. Daniel Bernard

At the recommendation of the Board of Directors, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings, renews for a four-year period the term of office as director of Mr. Daniel Bernard, which expires at the close of this meeting. This new term of office will therefore expire at the close of the Ordinary Shareholders' Meeting held to approve the financial statements for the year ending December 31, 2016.

Sixth resolution

Renewal of the term of office as director of Mr. Bernard Liautaud

At the recommendation of the Board of Directors, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings, renews for a four-year period the term of office as director of Mr. Bernard Liautaud, which expires at the close of this meeting. This new term of office will therefore expire at the close of the Ordinary Shareholders' Meeting held to approve the financial statements for the year ending December 31, 2016.

Seventh resolution

Renewal of the term of office as director of Mr. Pierre Pringuet

At the recommendation of the Board of Directors, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings, renews for a four-year period the term of office as director of Mr. Pierre Pringuet, which expires at the close of this meeting. This new term of office will therefore expire at the close of the Ordinary Shareholders' Meeting held to approve the financial statements for the year ending December 31, 2016.

Eighth resolution

Authorization to the Board of Directors, for a period of eighteen months, to enable the Company to buy back its own shares within the limit of a number of shares equal to a maximum of 10% of the share capital, a total maximum amount of €970 million and a maximum purchase price of €55 per share

In accordance with Articles L. 225-209 et seq. of the French Commercial Code and with European Commission Regulation No. 2273/2003 of December 22, 2003, the Combined Shareholders' Meeting voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings and after having read the Board of Directors' report authorizes the Company – for the reasons and subject to the terms and conditions detailed below – to buy back its own shares.

This authorization is given to allow the Company, if required, to:

- manage the secondary market and share liquidity through an investment services provider within the scope of a liquidity agreement in accordance with the AMAFI ethics charter recognized by the AMF,
- award shares to employees and/or corporate officers (on the terms and by the methods provided by law), in particular in connection with a plan involving the allocation of shares without consideration, a company savings plan or an international employee share ownership plan,
- remit the shares thus purchased to holders of securities granting access to the Company's share capital upon exercise of the rights attached thereto, in accordance with applicable regulations,
- 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 ninth resolution included in the agenda of this Combined Shareholders' Meeting.

The acquisition, disposal and transfer transactions described above may be carried out by any method in accordance with applicable laws and regulations – including through the use of derivative instruments or by means of a block purchase or transfer of shares – and be carried out at any time, except during public offers for Company shares.

The Combined Shareholders' Meeting:

- resolves that the total amount of purchases may not exceed €970 million and that the maximum unit purchase price may not exceed €55 per share with a par value of €8. In the event of a share capital increase paid up by capitalizing additional paid-in capital, reserves, profit or other amounts and allocating shares without consideration during the period of validity of this authorization (as well as in the event of a stock-split or reverse stock-split), the maximum unit purchase price will be adjusted based on the ratio of the number of shares issued and outstanding before the transaction to this number after the transaction, and the above maximum number of shares will be adjusted based on the ratio of the number of shares issued and outstanding after the transaction to this number before the transaction,
- resolves that the maximum number of shares that may be acquired under this resolution may not exceed 10% of the Company's share capital at any time. It is specified, however, that:
  - within the context of this authorization, the number of treasury shares should be taken into account to ensure that the Company does not own, at any time, over 10% of the number of shares issued and outstanding at that date,
  - the number of treasury shares to be tendered in payment or exchange in the context of a merger, de-merger or contribution may not represent more than 5% of the share capital, and
  - that when shares are bought back to encourage liquidity under the conditions defined in the General Regulations of the French Financial Markets Authority (*Autorité des Marchés Financiers)*, the number of shares taken into account in the calculation of the 10% limit is the number of shares purchased, less the number of shares sold during the authorization period.

The Combined Shareholders' Meeting gives full powers to the Board of Directors (including the power of delegation subject to applicable law) to:

- decide and implement this authorization,
- place any and all buy and sell orders and enter into any and all agreements, in accordance with applicable regulations,
- carry out any and all filings and other formalities, in particular the keeping of registers of share purchases and sales, and generally do whatever is necessary.

The Board of Directors will detail in its annual report to the Combined Shareholders' Meeting all transactions carried out under this authorization, which is given for a period of 18 months as from the date of this Shareholders' Meeting and supersedes the authorization given in the ninth resolution adopted by the Combined Shareholders' Meeting of May 24, 2012.

6.2 RESOLUTIONS PRESENTED AT THE EXTRAORDINARY SHAREHOLDERS' MEETING

Ninth resolution

Authorization to the Board of Directors, for a period of twenty-four months, to cancel shares acquired by the Company under the share buyback programs

In accordance with the provisions of Article L. 225-209 of the French Commercial Code, the Combined Shareholders' Meeting – voting in accordance with quorum and majority rules for Extraordinary Shareholders' Meetings, and after having read the Board of Directors' report and the Statutory Auditors' special report – authorizes the Board of Directors to cancel, on one or several occasions at its sole discretion, all or some of the Cap Gemini shares held by the Company pursuant to Article 225-209, provided that the aggregate number of shares cancelled in any given period of 24 months does not exceed 10% of the Company's share capital adjusted for any transactions performed after the date of this Combined Shareholders' Meeting and to reduce the share capital accordingly.

The Combined Shareholders' Meeting gives full powers to the Board of Directors to use the authorization given in this resolution, deduct from additional paid-in capital or any distributable reserves the difference between the purchase price of the cancelled shares and their par value, allocate the portion of the legal reserve that becomes available as a result of the capital reduction, amend the bylaws and 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 May 24, 2012.

Tenth resolution

Authorization to be given to the Board of Directors, for a period of eighteen months, to allocate performance shares, existing or to be issued, to employees and corporate officers of the Company and its French and non-French subsidiaries, up to a maximum of 1% of the Company's share capital (with, in the case of shares to be issued, the waiver by shareholders of their pre-emptive subscription rights in favor of the beneficiaries of the allocations)

In accordance with Articles L. 225-197-1 *et seq.* of the French Commercial Code, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Extraordinary Shareholders' Meetings, and after having read the Board of Directors' report and the Statutory Auditors' special report:

1. authorizes the Board of Directors - subject to the achievement of the performance targets defined in paragraph 4 of the present resolution and for a number of shares with a par value of €8 not exceeding 1% of the share capital at the date of the decision (this maximum number of shares being referred to hereafter by the letter "N") - to allocate shares of the Company (existing or to be issued), to employees and corporate officers of the Company and its French and non-French subsidiaries,
2. resolves that up to a maximum of 10% of "N", these performance shares may also be allocated, in accordance with applicable laws, to the Chairman and Chief Executive Officer and the Deputy Chief Executive Officers of the Company, it being specified that in this case, the Board of Directors will, in accordance with applicable laws, decide the portion of shares that must be held by each individual until the end of his/her term of office;
3. resolves that these performance shares will only vest at the end of a vesting period (the "Vesting Period"):
   a) of at least two years, in which case the beneficiary will be required to hold the shares for an additional minimum period of two years from the date on which they vest, or,
   b) of at least four years, in which case there will be no minimum holding requirement.

   The Board of Directors may decide between the above two options and apply them alternately or concurrently, depending on regulatory provisions in force in the country of residence of the beneficiaries. However, the shares will vest before the expiry of the above periods and with no minimum holding period in the event of the death or incapacity of the beneficiary, corresponding to a Category 2 or 3 disability in France, as defined in Article L. 341-4 of the French Social Security Code (*Code de la Sécurité Sociale*),
4. resolves that the exact number of shares vesting to beneficiaries at the end of the Vesting Period, compared with the total number of shares ("Initial Allocation") indicated in the allocation notice sent to beneficiaries will be equal to:
   i) for half, the number of shares of the Initial Allocation, multiplied by the percentage of achievement of the chosen external performance target, it being specified that:
      - unless the Board of Directors subsequently makes a duly reasoned decision to the contrary, the performance target to be met in order for the shares to vest will be the performance

of the Cap Gemini share measured over a minimum two-year period compared to the average performance, measured over the same period, of a basket of at least five shares of listed companies operating in the same sector as the Group in a minimum of five countries in which the Group is firmly established (France, the United States, India, etc.),

- this relative performance will be measured by comparing the stock market performance of the Cap Gemini share with the average share price performance of the companies comprising the basket over the same period, such that:
  - the number of shares that will ultimately vest:
    - will be equal to 50% of the Initial Allocation of shares if the relative performance of the Cap Gemini share is at least equal to 110% of the basket,
    - will vary between 30% and 50% of the Initial Allocation if the relative performance of the Cap Gemini share is between 100% and 110% of the average performance of the basket, with an additional 2% of shares vesting for each tenth of a point between these limits,
    - will be equal to 30% of the Initial Allocation of shares if the relative performance of the Cap Gemini share is equal to 100% of the basket,
    - will vary between 20% and 30% of the Initial Allocation if the relative performance of the Cap Gemini share is between 90% and 100% of the average performance of the basket, with an additional 1% of shares vesting for each tenth of a point between these limits,
  - no shares will vest in respect of this half of the Initial Allocation of shares subject to this external performance condition, if, over the period used as the reference for the calculation, the performance of the Cap Gemini share is less than 90% of the average performance of the basket of securities over the same period,

ii) for half, the number of shares of the Initial Allocation, multiplied by the percentage of achievement of the chosen internal performance target, it being specified that:

- unless the Board of Directors subsequently makes a duly reasoned decision to the contrary, the performance target to be met in order for the shares to vest will be the amount of audited and published organic free cash flow for the three-year cumulative period from January 1, 2013 to December 31, 2015, excluding Group payments to make up the shortfall on its defined benefit pension funds,
- no shares will vest in respect of this half of the Initial Allocation of shares subject to this internal performance condition, if the cumulative organic cash flow for the three fiscal years is less than €850 million,
- the number of shares that will ultimately vest will be equal to 50% of the Initial Allocation if the cumulative organic cash flow for the three fiscal years is at least €1.1 billion and will vary on a straight-line basis between nil and half of the Initial Allocation for a cumulative organic free cash flow between these two limits; it being understood that organic free cash flow is defined as cash flow from operations less acquisitions (net of disposals) of intangible assets and property, plant and equipment, adjusted for flows relating to the net interest cost (as presented in the consolidated statement of cash flows),

5. resolves that by exception, and for an amount not exceeding 15% of "N", shares may be allocated to employees of the Company and its French (within the meaning, particularly, of Article L. 225-197-6, paragraph 1, of the French Commercial Code) and foreign subsidiaries, excluding members of the general management team (the Executive Committee) without performance conditions,

6. takes due note that this authorization involves the waiver by shareholders of their pre-emptive subscription rights in favor of beneficiaries of performance shares if the allocation concerns shares to be issued,

7. gives powers to the Board of Directors to implement this authorization (including the power of delegation subject to applicable law), and in particular to:

- set the share allocation date,
- draw up one or more list(s) of beneficiaries and the number of shares allocated to each beneficiary,
- decide, in the event that transactions are carried out before the shares vest that affect the Company's issued capital, whether to adjust the number of the shares allocated in order to protect the rights of the beneficiaries and, if so, define the terms and conditions of such adjustment,
- perform, where the allocations concern shares to be issued, the necessary share capital increases by capitalization of reserves and/or additional paid-in capital of the Company when the shares ultimately vest, set the dates from which shares bear dividend rights, deduct from reserves and/or additional paid-in capital of the Company the amounts necessary to increase the legal reserve to 10% of the new share capital amount following these share capital increases and amend the bylaws accordingly,
- carry out all formalities and, more generally, to do whatever is necessary.

This authorization is granted for a period of 18 months as from the date of this Shareholders' Meeting and supersedes the authorization given in the nineteenth resolution adopted by the Combined Shareholders' Meeting of May 24, 2012.

Eleventh resolution

Powers to carry out formalities

The Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings, authorizes the bearer of a copy or extract of the minutes of this meeting to execute all filing, publication and other formalities required under French law.

6.3 STATUTORY AUDITORS' REPORTS

Statutory Auditors' report on the cancellation of shares bought back by the Company Combined Shareholders' Meeting of May 23, 2013 – Ninth resolution

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in accordance with Article L. 225-209 of the French Commercial Code (*Code de commerce*) relating to the cancellation of shares bought back by the Company, we hereby present our report with our comments on the reasons for and terms of the proposed capital decrease.

Shareholders are asked to grant the Board of Directors for a 24-month period commencing the date of this Shareholders' Meeting, full powers to cancel the shares acquired under the Company's share buyback program pursuant to the provisions of the aforementioned article, provided that the aggregate number of shares cancelled in any given 24-month period does not exceed 10% of the Company's share capital.

We performed the procedures we considered necessary with regard to the professional standards of the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to such transactions. These procedures consisted in verifying that the reasons for and terms of the proposed capital decrease, which does not undermine shareholder equality, comply with applicable legal provisions.

We have no comments to make on the reasons for and terms and conditions of the proposed capital reduction.

The Statutory Auditors

Neuilly-sur-Seine, April 8, 2013

PricewaterhouseCoopers Audit

Paris La Défense, April 8, 2013

KPMG Audit
Division of KPMG S.A.

Serge Villepelet
Partner

Edouard Sattler
Partner

Jean-Luc Decornoy
Partner

Jacques Pierre
Partner

Statutory Auditors' report on the authorization to grant free shares (existing or to be issued) to employees and corporate officers
Combined Shareholders' Meeting of May 23, 2013 – Tenth resolution

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in accordance with Article L.225-197-1 of the French Commercial Code (*Code de commerce*), we hereby present our report on the authorization to grant free shares (existing or to be issued) to employees and corporate officers of the Company and its French and non-French subsidiaries, as submitted to you for approval.

Based on its report, the Board of Directors is asking for authorization, for an 18-month period, to perform free grants of existing shares or shares to be issued.

The Board of Directors is responsible for preparing a report on this transaction which it wishes to perform. Our role is to express our comments, if any, on the information presented on the proposed transaction.

The Board of Directors' report states that the grant of existing shares or shares to be issued to employees of Cap Gemini S.A. and its French and foreign subsidiaries, will be subject to the achievement of performance targets and a maximum number of shares with a par value of €8 not exceeding 1.5% of the share capital. It also states that the grant of shares to corporate officers of Cap Gemini S.A. will be limited to 10% of the aforementioned amount.

We performed the procedures we considered necessary with regard to the professional standards of the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to such transactions. These procedures primarily consisted in verifying that the proposed terms and conditions presented in the Board of Directors' report comply with applicable legal provisions.

We have no comments to make on the information presented in the Board of Directors' report on the proposed authorization to grant free shares.

The Statutory Auditors

Neuilly-sur-Seine, April 8, 2013	Paris La Défense, April 8, 2013
PricewaterhouseCoopers Audit	KPMG Audit Division of KPMG S.A.

Serge Villepelet	Edouard Sattler	Jean-Luc Decornoy	Jacques Pierre
Partner	Partner	Partner	Partner

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7.1 LEGAL INFORMATION

7.1.1 Corporate name and head office

Corporate name: Cap Gemini

Head office: 11, rue de Tilsitt, 75017 Paris

7.1.2 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).

7.1.3 Date of incorporation and term

To prepare and facilitate the IPO on the Paris stock exchange of Cap Gemini Sogeti (incorporated in 1967) a new company, Cap Gemini, grouping together all investments representing the operating activities of the Group was incorporated on September 17, 1984. This company was registered with the Companies and Trade Registry on October 4, 1984.

The Company was set up for a period of ninety-nine years from the date of its registration with the Paris Companies & Trade Registry. It may be wound up in advance or have its term extended by decision of the Extraordinary Shareholders' Meeting.

7.1.4 Corporate purpose (Article 3 of the bylaws)

The Company's purpose is to assist companies in France and abroad in managing and developing their businesses by providing them with the benefit of its knowledge of their industry, its know-how in the area of business process engineering and re-engineering, and its expertise in the area of information technologies.

To fulfill this purpose, the Company carries out on behalf of clients, either directly, or through its subsidiaries or affiliates *, one or more of the following activities, on an individual or integrated basis:

MANAGEMENT CONSULTING

Working closely with clients, the Company provides change management assistance to companies by helping them to redefine or redirect their strategy, change their product and service lines, re-engineer their structures and business processes, restore staff motivation and achieve other changes. To this end, the Company uses all the possibilities offered by the latest information technologies whenever appropriate.

INFORMATION SYSTEMS DEVELOPMENT

The Company designs and installs information systems. Its services include the development of customized software, the installation of software applications available on the market or developed internally, the integration of systems incorporating hardware, communication systems, customized software, software packages and other components. The Company also supports clients' IT projects by providing consulting, project management, training and assistance services.

OUTSOURCING

The Company manages all or part of its clients' IT resources on their behalf. Where requested by clients, the Company may perform all or part of this service using its own hardware, telecommunications systems and other equipment.

The Company may also manage the IT-based services offered to its clients' own clientele. In addition, it may work in partnership with clients within a structure conducting all or some of these activities.

* *Including Technical Assistance/Local Professional Services performed under the Sogeti tradename and representing the Group's fourth business.*

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.

7.1.5 Incorporation details

The Company is registered with the Paris Companies & Trade Registry *(Registre du Commerce et des Sociétés)* under number 330 703 844. Its APE business identifier is 7010Z.

7.1.6 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.

7.1.7 Fiscal year

The Company's fiscal year commences on January 1 and ends on December 31.

7.1.8 Appropriation and distribution of income

The Shareholders' Meeting has sole discretionary powers to decide on the appropriation of distributable income, as defined by French company law. Consequently, the Shareholders' Meeting may decide to appropriate all or part of distributable income to revenue reserves, special reserves or retained earnings, or to distribute all or part of the amount to shareholders.

The Shareholders' Meeting also decides the terms and conditions of payment of dividends. In particular, shareholders may be offered a stock dividend alternative, in which case the related dividends will be paid in the form of new shares credited as fully paid, in compliance with applicable laws and regulations. The above provisions also apply to the distribution of interim dividends, subject to compliance with French corporate law.

In addition, the Shareholders' Meeting may decide to distribute a dividend out of distributable reserves, subject to compliance with French corporate law.

7.1.9 Shareholders' Meetings

The right to participate in Shareholders' Meetings is evidenced by an entry in the name of the shareholder (or of the intermediary acting on his/her behalf if domiciled outside France) in the Company's share register or in the register of bearer shares held by the applicable authorized intermediary. Such entries must be recorded by 12:00 a.m. (Paris time) on the third working day preceding the Meeting and any related notices must be filed at one of the addresses indicated in the notice of meeting. In the case of bearer shares, the authorized intermediary shall provide a participation certificate.

Shareholders may participate in Shareholders' Meetings in person, by proxy or by casting a remote vote in accordance with the terms and conditions set by applicable regulations.

Shareholders who have informed the Company that they wish to participate in a Meeting in person, remotely or by proxy may not alter their method of participation. However, attendance at a Meeting by a shareholder in person shall cancel any votes cast by proxy or remotely.

To be taken into account, remote votes or proxy forms must be received by the Company at least three days prior to the date of the Meeting. If the Board of Directors so decides when convening the Meeting, shareholders voting by proxy or remotely may participate in voting using any telecommunication or teletransmission means, including the internet, in accordance with the conditions set out in applicable regulations at the time of use. Where an electronic form is submitted, the shareholder's signature may take the form of a secure signature or a reliable identification procedure guaranteeing the link with the related action and potentially consisting of a user identification and password. Where applicable, this decision of the Board of Directors shall be communicated in the notice of meeting published in BALO (French Journal of Mandatory Legal Announcements).

Where a shareholder has given proxy to a third party and has also voted remotely, if there is any difference in the two votes, the remote vote will be taken into account and the proxy ignored.

If the Board of Directors so decides when convening the Meeting, shareholders may participate and vote at the Meeting using any telecommunication or teletransmission means enabling their identification, including the internet, in accordance with the conditions set out in applicable regulations at the time of use. Where applicable, this decision of the Board of Directors shall be communicated in the notice of meeting published in BALO (French Journal of Mandatory Legal Announcements).

7.1.10 Disclosure thresholds

The Extraordinary Shareholders' Meeting of April 25, 2002 added specific disclosure obligations to the Company's bylaws. The bylaws now state that shareholders are required to notify the Company if their interest in the Company's share capital or voting rights is increased to above or reduced to below 1% or any multiple thereof. In the event of failure to comply with these disclosure rules, at the request of one or several shareholders with combined holdings representing at least 1% of the Company's share capital or voting rights, the undisclosed shares will be stripped of voting rights. This sanction will apply for all Shareholders' Meetings for a period of two years from the date on which the failure to disclose is rectified. Such request and the decision of the Shareholders' Meeting must be recorded in the minutes of the Meeting.

7.1.11 Shareholder identification

The Company is authorized to obtain details of identifiable holders of bearer shares.

The Extraordinary Shareholders' Meeting of April 25, 2002 added a new article to the Company's bylaws according to which the Company may request from the share transaction clearing organization, the name, address, nationality and year of birth for an individual or the name, address and date of registration for a company, of any holders of shares and securities granting access, immediately or in the future, to shares carrying voting rights at Shareholders' Meetings. The Company may also obtain details of how many shares are held by each shareholder and any applicable restrictions on these shares.

7.1.12 Voting rights

Shares carry voting rights based on the proportion of capital represented. All shares have the same par value and they therefore all carry one vote per share.

No shares carry double voting rights.

All registered and bearer shares carry one vote per share.

7.1.13 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.

7.2 GROUP MANAGEMENT STRUCTURE

The Group management structure comprises:

- a Group Management Board (GMB) with 6 members:

Paul Hermelin	Chairman and Chief Executive Officer
Aiman Ezzat	Group Chief Financial Officer
Aymar de Lencquesaing	Human resources / Operations in India
Patrick Nicolet	Infrastructure Services / Supervision of Latin America
Salil Parekh	Application Services One / Supervision of Sogeti
Olivier Sevillia	Application Services Two / Supervision of Capgemini Consulting, Prosodie and BPO

- an Executive Committee comprising the GMB and 10 additional members:

Pierre-Yves Cros (1)	Development
Hubert Giraud	Business Process Outsourcing (BPO)
Philippe Grangeon	Marketing and Communications
François Hucher	Production / Method and Support
Aruna Jayanthi	India
Jean-Baptiste Massignon	General Secretary
Paul Nannetti	Global sales and portfolio
John Brahim	Apps – Continental Europe
Xavier Hochet (2)	Consulting
Luc-François Salvador	Local Professional Services (Sogeti)

(1) Replacing Cyril Garcia from April 11, 2013
(2) Replacing Pierre -Yves Cros from April 11, 2013

- and Group directors reporting directly to the Chairman and Chief Executive Officer

Philippe Christelle	Internal Audit
Lanny Cohen	Large Accounts – United States
Navin Goel	Large Accounts – Latin America
Christine Hodgson	Large Accounts – United Kingdom
Michael Schulte	Large Accounts – Germany

7.3 PERSONS RESPONSIBLE FOR THE INFORMATION

7.3.1 Person responsible for financial information

Aiman EZZAT

Chief Financial Officer

11, rue de Tilsitt, 75017 PARIS

Tel.: +33 (0)1 47 54 50 00

7.3.2 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, Cedex

represented by Serge VILLEPELET

First appointed at the Ordinary Shareholders' Meeting of May 24, 1996.

Current term expires at the close of the Ordinary Shareholders' Meeting held to approve the 2013 financial statements.

KPMG S.A.

Member of the *Compagnie régionale des Commissaires aux Comptes de Versailles*

Immeuble le Palatin, 3, cours du Triangle, 92939 Paris La Défense Cedex,

represented by Jean-Luc DECORNOY

First appointed at the Ordinary Shareholders' Meeting of April 25, 2002.

Current term expires at the close of the Ordinary Shareholders' Meeting held to approve the 2013 financial statements.

SUBSTITUTE STATUTORY AUDITORS:

Etienne BORIS

63, rue de Villiers, 92208 Neuilly-sur-Seine, Cedex

Substitute for PricewaterhouseCoopers Audit

Appointed at the Ordinary Shareholders' Meeting of April 17, 2008.

Term of office expires at the close of the Ordinary Shareholders' Meeting held to approve the 2013 financial statements.

Bertrand VIALATTE

1, cours Valmy, 92923 Paris la Défense Cedex

Substitute for KPMG S.A.,

Appointed at the Ordinary Shareholders' Meeting of April 17, 2008.

Term of office expires at the close of the Ordinary Shareholders' Meeting held to approve the 2013 financial statements.

FEES PAID BY THE GROUP TO THE STATUTORY AUDITORS AND MEMBERS OF THEIR NETWORKS

In thousands of euros VAT excluded	KPMG				PwC			
	Amount		%		Amount		%	
	2012	2011	2012	2011	2012	2011	2012	2011
Audit								
Statutory audit, certification of the consolidated and seperate financial statements	2 845	2 239	68%	73%	3 112	3 040	63%	55%
- Issuer	*482*	*348*	*11%*	*11%*	*572*	*441*	*12%*	*8%*
- Fully-consolidated subsidiaries	*2 363*	*1 891*	*57%*	*62%*	*2 540*	*2 599*	*51%*	*47%*
Other services directly related to the statutory audit engagement (1)	135	86	3%	3%	354	806	7%	15%
- Issuer	*29*	-	-	-	*29*	*293*	*1%*	*5%*
- Fully-consolidated subsidiaries	*106*	*86*	*3%*	*3%*	*325*	*513*	*6%*	*9%*
Sub-total	**2 980**	**2 325**	**72%**	**76%**	**3 466**	**3 847**	**70%**	**70%**
Other services								
Legal, tax and employee-related advisory services	151	246	3%	8%	91	210	2%	4%
Other (2)	1 035	491	25%	16%	1 398	1 460	28%	26%
Sub-total	**1 186**	**737**	**28%**	**24%**	**1 489**	**1 670**	**30%**	**30%**
TOTAL	**4 166**	**3 062**	**100%**	**100%**	**4 955**	**5 517**	**100%**	**100%**

(1) Fees presented in other services directly related to the statutory audit engagement mainly consist of buyer due diligence procedures,

(2) The majority of these fees concern assignments performed at the request of our customers pursuant to the standard ISAE 34-02 and concern the audit of applications and/or processes outsourced to the Group.

7.3.3 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 2012 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 information provided in the Management Report listed in chapter 8, section 8.3 gives a fair description of the material events, results and financial position of the Company and all the other companies included in the scope of consolidation, as well as a description of the main risks and contingencies with which the Company may be confronted.

I obtained a statement from the Statutory Auditors at the end of their engagement affirming that they have read the whole of the registration document and examined the information in respect of the financial position and the historical accounts contained therein.

The statement from the Statutory Auditors is not qualified and does not contain any observations”.

Paris, April 22, 2013

Paul Hermelin,

Chairman and Chief Executive Officer

Cross-reference tables

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N/A: Not applicable

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N/A: Not applicable

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