Capgemini
CONSULTING.TECHNOLOGY.OUTSOURCING

2013 REGISTRATION DOCUMENT
ANNUAL FINANCIAL REPORT

People matter, results count.

Contents

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Capgemini
CONSULTING.TECHNOLOGY.OUTSOURCING

Registration Document 2013
ANNUAL FINANCIAL REPORT

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 3th 2014, 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, 2012:

- 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 22, 2013 under no. D.13-0402 (pages 232 to 233 and 106 to 173, 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 22, 2013 under no. D.13-0402 (pages 174 to 194 and 195, respectively);
- the Statutory Auditors' special report on regulated agreements and commitments, set out in the registration document filed on April 22, 2013 under no. D.13-0402 (page 197).

2. 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).

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, Honorary Chairman and Vice-Chairman

Paul HERMELIN, Chairman and Chief Executive Officer

Daniel BERNARD

Anne BOUVEROT

Yann DELABRIÈRE

Laurence DORS

Phil LASKAWY

Ruud van OMMEREN

Terry OZAN

Pierre PRINGUET

Bruno ROGER

Lucia SINAPI-THOMAS

STATUTORY AUDITORS

PricewaterhouseCoopers Audit

Represented by Françoise GARNIER

KPMG S.A.

Represented by Jacques PIERRE

Financial highlights

CONSOLIDATED FINANCIAL STATEMENTS

in millions of euros	2009	2010	2011 *	2012 *	2013
Revenues	**8,371**	**8,697**	**9,693**	**10,264**	**10,092**
Operating expenses	(7,759)	(8,089)	(8,950)	(9,435)	(9,235)
Operating margin **	**612**	**608**	**743**	**829**	**857**
% of revenues	*7.3%*	*7.0%*	*7.7%*	*8.1%*	*8.5%*
Amortization of intangible assets recognized in business combinations	(17)	(21)	(25)	(37)	(30)
Operating margin after amortization of intangible assets recognized in business combinations **	**595**	**587**	**718**	**792**	**827**
% of revenues	*7.1%*	*6.8%*	*7.4%*	*7.7%*	*8.2%*
Operating profit	**333**	**489**	**600**	**606**	**720**
% of revenues	*4.0%*	*5.6%*	*6.2%*	*5.9%*	*7.1%*
Profit for the year attributable to owners of the Company	**178**	**280**	**394**	**353**	**442**
% of revenues	*2.1%*	*3.2%*	*4.1%*	*3.4%*	*4.4%*
Earnings per share					
Number of shares at December 31	*154,177,396*	*155,770,362*	*155,770,362*	*161,770,362*	*160,317,818*
Earnings per share at December 31 *(in euros)*	1.16	1.80	2.53	2.18	2.76
Dividends per share for the year *(in euros)*	0.80	1.00	1.00	1.00	***1.10
GOODWILL AT DECEMBER 31	**2,750**	**3,201**	**3,768**	**3,702**	**3,601**
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY AT DECEMBER 31	**4,213**	**4,314**	**4,239**	**4,482**	**4,458**
NET CASH AND CASH EQUIVALENTS AT DECEMBER 31	**1,269**	**1,063**	**454**	**872**	**678**
ORGANIC FREE CASH FLOW AT DECEMBER 31	**396**	**359**	**164**	******496**	*******455**
Average number of employees	**90,238**	**97,571**	**114,354**	**121,829**	**128,126**
Number of employees at December 31	**90,516**	**108,698**	**119,707**	**125,110**	**131,430**

* *Figures have been adjusted for the restatements presented in Note 1 - Accounting policies, following application of IAS 19, revised,*

** *Effective from January 1, 2013, the operating margin is presented before amortization of intangible assets recognized in business combinations. Comparative periods have been adjusted to reflect this change in presentation,*

*** *Subject to approval by the Combined Shareholders' Meeting of May 7, 2014,*

**** *After anticipated payments from clients of around €100 million,*

***** *Before the €235 million exceptional contribution to a UK pension fund.*

Presentation of the Company and its activities

1

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 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 arm. 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 the 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 Cap Gemini 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 CAC 40 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. Creation of a subsidiary specializing in local services and taking over the SOGETI name.
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 (5,500 employees) in Brazil. 23rd "Rencontres" in Barcelona (Spain) around the theme of "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.
2013	Passing of Michel Jalabert, a Cap Gemini S.A. Board Member and one of the key figures in the Group's history since 1976 and of Odette Bernard-Colombat, the Group's longest-serving employee and Serge Kampf's personal assistant for over fifty years. 24th "Rencontres" in San Francisco: the top 450 Capgemini managers gather, joined for the first time by some of the Group's biggest technology partners, thereby confirming the Group's position as a major player in the "Champions League" of its industry. Launch of Digital Customer Experience, a new global service line.

SEVEN VALUES AT THE HEART OF THE GROUP

Seven values permeate Capgemini's corporate fabric, from the time of their inception by Mr. Serge Kampf, founder of the Group, Honorary Chairman and Vice-Chairman of the Board of Directors, to the present day. These values inspire and mould our corporate culture and professional conduct. They motivate us as a Group and as individuals. Intangible by nature, they are fleshed out in our actions as an ethical and responsible company. They form the basis of Capgemini's reputation.

Honesty signifies loyalty, integrity, uprightness, a complete refusal to use any underhanded method to help win business or gain any kind of advantage. Neither growth nor profit nor independence have any real worth unless they are won through complete honesty and probity. And everyone in the Group knows that any lack of openness and integrity in our business dealings will be penalized at once.

Boldness, which implies a flair for entrepreneurship and a desire to take considered risks and show commitment (naturally linked to a firm determination to uphold one's commitments). This is the very soul of competitiveness: firmness in making decisions or in forcing their implementation, an acceptance periodically to challenge one's orientations and the status quo. Boldness also needs to be combined with a certain level of prudence and a particular clear sightedness, without which a bold manager is, in reality, merely dangerously reckless.

Trust, meaning the willingness to empower both individuals and teams; to have decisions made as close as possible to the point where they will be put into practice. Trust also means giving priority, within the company, to real openness toward other people and the widest possible sharing of ideas and information.

Freedom, which means independence in thought, judgment and deeds, and entrepreneurial spirit, creativity. It also means tolerance, respect for others, for different cultures and customs: an essential quality in an international group.

Team spirit, meaning solidarity, friendship, fidelity, generosity, fairness in sharing the benefits of collective work; accepting responsibilities and an instinctive willingness to support common efforts when the storm is raging.

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

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

These values are embodied in Capgemini's brand promise: "People matter, results count". We believe that our clients' success does not depend on technology only, but also on the women and men who give that technology life and who make all the difference. Our approach thus enables companies and organizations to respond faster to market trends, to adapt and to improve their performance.

Truly multicultural, Capgemini works on the basis of its trademark "Collaborative Business Experience™", which gives priority to ability to listen, flexibility, agility and creativity – essential qualities to ensure the success of our clients.

1.2 The Group's activities

With operations in more than 40 countries, the Capgemini Group is dedicated to helping its clients enhance their performance and sharpen their competitive edge. It does so by offering them a range of skills grouped around four major businesses.

Capgemini's solutions are designed to enable its clients to meet industry-specific challenges. It works closely with technology partners at the cutting edge of innovation in major trends such as: Cloud, Big Data and mobility.

FOUR MAJOR BUSINESSES AND A RANGE OF SKILLS

- Consulting Services (Capgemini Consulting): 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 client's IT system (or that of a group of clients) and/or business activities (Business Process Outsourcing, BPO).

Through these four businesses, Capgemini offers its clients a range of skills in a variety of fields, such as digital transformation and digital customer experience, Cloud, Big Data, mobility, testing, cybersecurity, application management.

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® (make the best use of everyone's expertise wherever they are based, whether onshore or offshore), which standardizes its processes while bringing them more into line with CMMI (an international reference model 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, intelligent data management, mobility and testing) by incorporating new service models based on intellectual property and geared toward specific sectors such as energy and retail.

SIX SECTORS OF ACTIVITY

Thanks to its sector-specific expertise, the Group speaks the same language as its clients, 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;
- "Energy, utilities and chemicals": 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, intelligent data management and adapting to new digital means of interacting with end-users;
- "Manufacturing and life-science": this sector 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 clients solutions that will allow them to make substantial savings in terms of managing their IT systems and their main functions;
- "Consumer products & retail, distribution and transportation": many companies in this sector are facing similar productivity requirements. Capgemini offers them a technological framework with Cloud at its heart, plus the level of expertise necessary to develop e-commerce platforms that combine speed and flexibility;
- "Telecommunications, media and entertainment": 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.

STRATEGIC 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, Capgemini 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. Capgemini's independence gives it the freedom to choose and work with those partners which best match the needs and expectations of its clients.

The Group works with three broad groups of partners:

- traditional partners: EMC^2, HP, IBM, Microsoft, ORACLE and SAP;
- the «new champions» in high-growth sectors such as the Cloud, Big Data and mobility: salesforce.com, Amazon, NetSuite, Pivotal, VMware, Cloudera, Teradata, SAS, etc.;
- partners portfolio such as Adobe, Box, CA, Cisco, Drupal, Google, Informatica, Intel and Pegasystems, etc. (the full list can be found at capgemini.com/partner-portfolio).

A STRATEGY OF FOCUSED PARTNERSHIPS

In 2013, Capgemini decided to collaborate with fewer very innovative firms in high-growth sectors. This focused strategy allows the Group to invest more energy and resources in each of these partnerships, thereby getting the best return out of them.

For example, the Group signed an exclusive agreement with the American company VMware, the world leader in virtualization software, to develop its «Cloud Service Orchestration». This next-generation platform allows firms to simplify and improve the management of their cloud services, which are streamlined across their many service providers.

The Group also formed a strategic partnership with Pivotal, a software developer specializing in Big Data and next-generation cloud development platforms. Created in 2012, and made up of EMC^2 and VMware entities, Pivotal has since grown in leaps and bounds.

In October, Capgemini signed a new global agreement with Cloudera, a leader in enterprise data management. The Group will thus combine its expertise in Business Information Management with Cloudera's comprehensive Big Data platform.

STRENGTHENED CO-INNOVATION

In 2013, Capgemini strengthened the synergies of its various partnerships by developing and launching new solutions together. This allowed the Group and its partners to vastly increase their capacity for innovation and the visibility of their respective brands. Their combined technology expertise and in-depth knowledge of their clients' specific industry challenges enables them to offer a range of increasingly attractive products.

In partnership with Microsoft, Capgemini launched SkySight, a new worldwide cloud services offering. The Group worked with SAP to design Extreme Applications to process large volumes of data in real time.

Capgemini partnered with Pivotal to co-develop Business Data Lake, a Big Data service offering that enables firms to efficiently analyze massive amounts of data in real time.

In collaboration with IBM, the Group created All Channel Experience, a set of retail-specific solutions that will enable retailers to offer their clients a consistent consumer experience across all contact points (e.g. points of sale, websites, smartphone and tablet).

The Group's strategy of working much closer together with its key technology partners played a crucial part in sealing several major deals in 2013.

CAPGEMINI, A KEY PLAYER IN ITS FIELD ACKNOWLEDGED BY ITS PARTNERS

In 2013, Capgemini's technology partners acknowledged it as one of the main international leaders in information technology. In April, the Group received the world's largest software developers as part of its 24th Rencontres, one of the year's highlights which brought together the Group's leading managers. The event was held in the United States for the first time, in the heart of Silicon Valley, focusing on the theme of innovation. The heads of major technology players were present, such as Steve Ballmer (Microsoft), Marc Benioff (salesforce.com), Joe Tucci (EMC^2), Pat Gelsinger (VMware) and Paul Maritz (Pivotal). Managers from Amazon, Cloudera and SAP also attended the event.

Moreover, Capgemini's partners honored the Group with several awards, including:

- the SAP® Pinnacle award, which named the Group Mobile Co-Innovation Partner of the Year;
- two awards from Pegasystems: one for business transformation in insurance, and the other for the quality of its studies and analyses in manufacturing;

- the HP AllianceOne Mission-Critical Computing Partner of the Year award (related to critical information and clients' continuous operations);
- recognition by VMware as its Partner of the Year for Capgemini's consulting and integration services.

FUNCTIONAL 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 or SBUs) and is based on global service lines.

OPERATIONAL UNITS

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

- Capgemini Consulting is the brand which distinguishes the Group's consulting activities, in the fields of strategy and transformation;
- Sogeti is the brand which identifies the entity in charge of local professional technology services;
- Infrastructure Services handles the design, implementation, outsourcing and maintenance of its clients' IT infrastructures;
- the Group's system integration and application maintenance capacities are divided geographically between two SBUs, Application Services One and Application Services Two;
- Business Process Outsourcing (BPO) is responsible for services relating to the outsourcing of functions and processes on behalf of companies and organizations;
- LatAm (Latin America) brings together the Group's Latin American operations and covers the Application Services and Infrastructure Services businesses, in particular its Brazilian subsidiary.

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

GLOBAL SERVICE LINES

The multi-sectoral and multi-business offers available from Capgemini are divided into five global service lines:

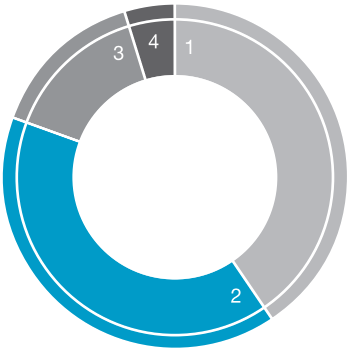
- Business Information Management (BIM): Capgemini's solutions optimize the way a company's data is managed throughout its life cycle and exploit its potential value to the full;
- Testing Services: the expertise and industrial solutions of Capgemini and Sogeti combine to offer software testing and quality assurance services, with the emphasis on mobile and social applications;
- Mobility services: the Group offers several means of strengthening and optimizing its clients' access to their services through smartphones, tablets and other mobile terminals;
- SkySight: launched in 2013, this platform enables the management, acquisition and development of cloud computing services;
- Digital Customer Experience: this comprehensive service allows firms to define their digital strategy and adopt customized platforms and solutions so as to transform the way in which they interact with their clients.

THE RIGHTSHORE® MODEL, A SPRINGBOARD TO GROWTH IN 2013

Rightshore®, the global production model mentioned in the "Four major businesses" section of this document, is a growth driver for Capgemini. It played an important role in securing several major contracts in 2013 (see "Major contracts signed by Capgemini in 2013" section). To provide application services to Norway Post, for example, the Group will draw on the combined expertise of its production centers in Oslo (Norway), Helsingborg (Sweden) and Mumbai (India). The same is true for Sandvik, the Swedish engineering group, part of whose financial process will be migrated to Capgemini BPO centers in Brazil, Poland, China and India. The Rightshore® model is also made up of several new global service offerings launched by Capgemini in 2013 (see "New global service offerings launched by the Group" section), for instance SkySight and Digital Customer Experience.

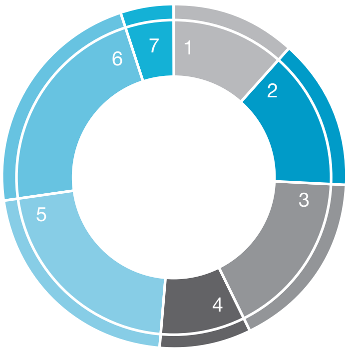
REVENUE FOR 2013 (BY BUSINESS, SECTOR AND REGION)

BREAKDOWN OF REVENUE BY BUSINESS



1 - Technology Services	**40.6%**
2 - Outsourcing Services	**40.1%**
3 - Local Professional Services	**14.8%**
4 - Consulting Services	**4.5%**

BREAKDOWN OF REVENUE BY SECTOR



1 - Energy, Utilities and Chemicals	**11.8%**
2 - Consumer Products & Retail, Distribution and Transportation	**14.1%**
3 - Manufacturing and Life-science	**17.1%**
4 - Telecom, Media & Entertainment	**8.4%**
5 - Financial services	**21.5%**
6 - Public Sector	**22.1%**
7 - Others	**5%**

BREAKDOWN OF REVENUE BY COUNTRY OR REGION

1 - Benelux	**10.7%**
2 - France	**21.7%**
3 - United Kingdom and Ireland	**19.9%**
4 - North America	**20.5%**
5 - Rest of Europe	**18.2%**
6 - Asia-Pacific and Latin America	**9%**

1.3 Main Group subsidiaries and simplified organization chart

The Group performs its business activities mainly through 115 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, 2013 (page 181) and is present in more than 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 finally the Asia-Pacific/Latin America region: India, China, Singapore, Hong Kong, Australia/Mexico, Brazil, Argentina, Chile, etc.

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 makes the trademarks and methodologies it owns available to its subsidiaries, notably "Deliver", and receives royalties in this respect.

Cap Gemini S.A. holds:

- the entire capital of an inter-company service company, 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.

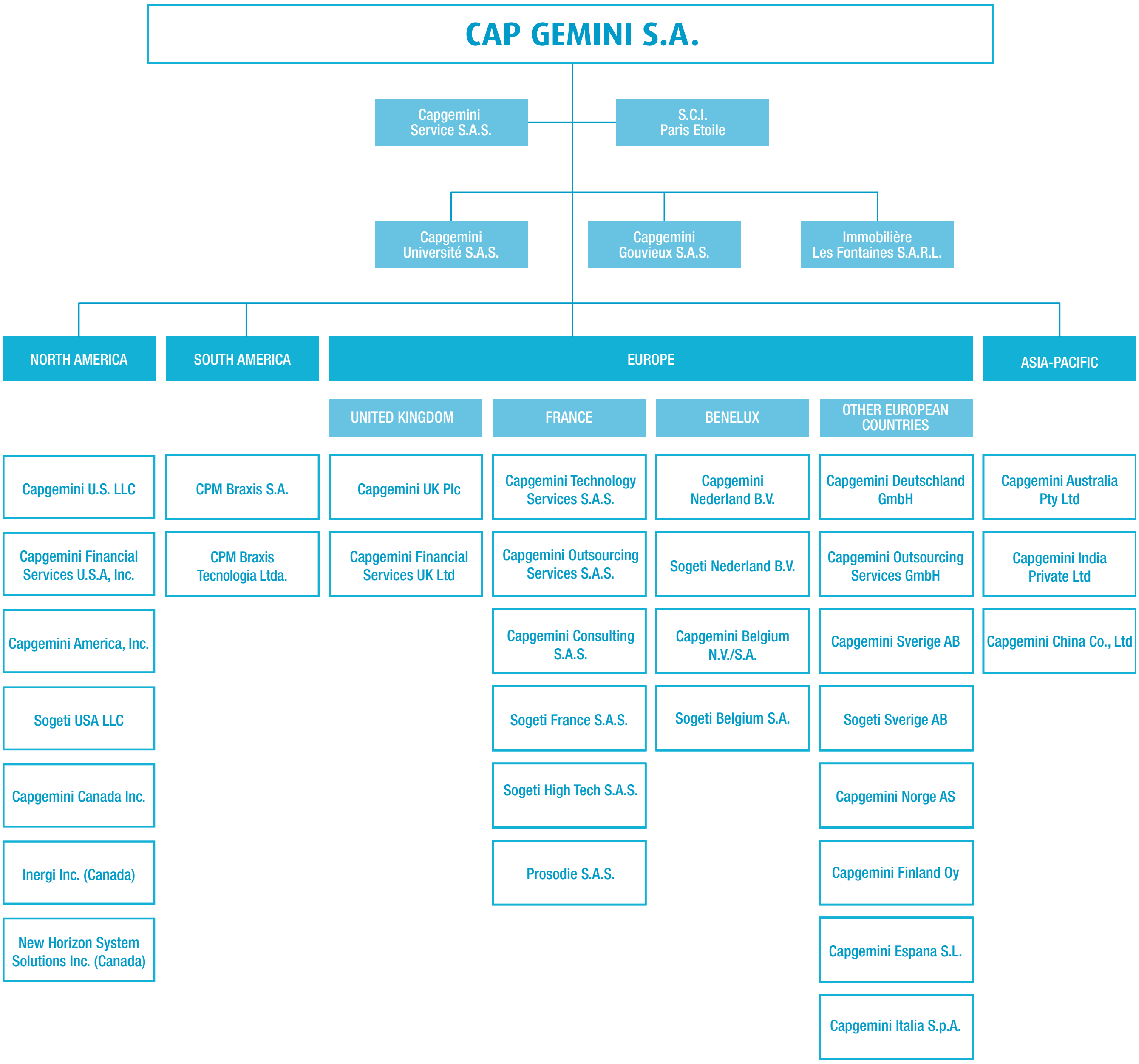
Finally, it is Group policy not to own its business premises. The vast majority of Group subsidiaries rent their business premises from third-party lessors. There is no relationship between these lessors and the Group and its senior executive management.

The sole real estate assets owned by the Group are:

- a building owned 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 international training center in Gouvieux, located 40km (25 miles) north of Paris, owned by a real estate limited liability company, "Immobilière Les Fontaines", which holds a real estate lease contract; and
- approximately one-third of the office space used by the Group in India.

1

The organization chart of the main operating subsidiaries (reporting revenues in excess of €50 million) and the Group's support and resource subsidiaries, directly or indirectly wholly-owned by Cap Gemini S.A., with the exception of CPM Braxis group (held 53.92%), is presented below:



1.4 The market and competitive environment

Capgemini is active in the professional IT services market as defined by Gartner, the American IT consulting firm. The Group was ranked sixth global player in a market worth €582 billion in 2013. It jumps to fifth place when excluding Japan, in which it regained a marginal market share with a small, targeted acquisition in 2012.

North America and Western Europe are the first and second largest global markets for professional IT services, representing respectively 43% and 29% of the worldwide market. Then comes Japan, with 11% of the market, the Asia-Pacific region with 10% and Latin America with 4%.

Capgemini now operates in all these regions. North America has contributed the greatest share of the Group's revenue since 2012. Capgemini is considered to be the second largest industry player in Western Europe and leads the market in France and the Netherlands. On a global level, its market share was around 1.7% in 2013, and 4.7% in Western Europe. The five competitors of the Group worldwide are IBM (6%), Accenture (3.4%), HP (3.0%), Fujitsu (2.3%) and CSC (1.7%).

Gartner has divided the industry into three major segments:

- Consulting;
- Development and integration;
- Systems management (outsourcing) and Business Process Outsourcing (BPO).

The global market share of the Group in the various segments is as follows:

- Consulting : 1.1 %
- Development and integration : 2.7 %
- Outsourcing & BPO : 1.3 %

▶ THE CONSULTING MARKET

The worldwide consulting market is worth nearly €70 billion in total and Capgemini is ranked tenth overall. Rooted for the most part in Europe, the Group has strong market positions in France and the United Kingdom. Out of these three segments, consulting is the most sensitive to economic fluctuations.

▶ THE DEVELOPMENT AND INTEGRATION MARKET

The worldwide development and integration market is estimated to be worth around €180 billion. Here, the Group ranks as the ninth largest player in the world, and the second largest in Western Europe. The market is fairly volatile, especially for local professional services, which work on the basis of short cycles (and contracts). System integration services work on the basis of somewhat longer time frames.

Unlike in the systems management and Business Process Outsourcing, Capgemini's clients in the consulting market and the development and integration market incur mainly short-term investment expenses, thereby giving those markets their cyclical nature.

▶ THE SYSTEMS AND BUSINESS PROCESS OUTSOURCING (BPO) MARKET

This market consists for the most part of longer-term maintenance and operations contracts and cycles, which make it more resilient. The estimated value of the system management market was around €210 billion in 2013, and the Group is considered to be the ninth largest global player in this field. The estimated value of the Business Process Outsourcing market is around €110 billion, and Capgemini enjoys a solid position with regard to finance and accounting services.

THE COMPETITION

The Capgemini Group's competitors fall into three categories: global North American and Western European players, Indian players and players operating mostly on a regional basis.

The global North American and Western European players include two IT giants, IBM and HP. Their presence in other IT markets, such as hardware and software, provides them with a broader overall market base for their customer relations. They are followed by pure players, who provide IT services only, such as Accenture, CSC (Computer Sciences Corporation) and CGI (following the acquisition of Logica in 2012). Capgemini forms part 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, which are starting to expand beyond their borders.

Indian players have experienced the most growth during the last few years. The largest among them, such as TCS (Tata Consultancy Services), Infosys, Wipro, Cognizant and HCL, represent a very serious competitive threat to the global North American and Western European players. Having established themselves in English-speaking countries, they are now moving into other regions and making targeted acquisitions in continental Europe to strengthen their local presence (small- and medium-scale acquisitions, such as Alti acquired by TCS in France).

In the third category, players are numerous due to the accessibility of the IT services market. Nonetheless, these players do not have the geographical coverage or product depth of global players. The leading mostly regional players in Europe are Atos, T-Systems, Indra and Steria, while North America has Lockheed Martin, SAIC (Science Applications International Corporation), Deloitte and Xerox.

MARKETS TRENDS

Following the emergence of the internet, the spectacular development of offshore services, which began in the early 2000s, has driven a major structural change in the IT services market. New shifts then appeared with the Cloud, the onset of new markets around Big Data and the accelerated transformation of digital use, which went hand-in-hand with the explosion in mobility and the emergence of social media.

Indian service companies have taken a share of the North American market by virtue of their skilled workforce at competitive wages, allowing them to set competitive prices. Accordingly, they have grown rapidly, especially in the most accessible segments (applications development and maintenance, remote infrastructure management, Business Process Outsourcing) and in English-speaking countries (USA, UK, Canada and others). Today, they are steadily extending their expertise into more complex segments (software package installation, managed services and transformation of the applications landscape) and non-English-speaking countries (mainly the Nordic countries, and then the Netherlands, Germany and France). To counter this trend, all players - in particular those with global reach, such as Capgemini - have greatly increased their presence in India. The Group hence enjoys a workforce of more than 45,000 team members in India and is also active in Poland and Vietnam, and increased its people in Morocco by 32% in 2013. By adapting its production model, the Group has been able to markedly increase the contribution of its offshore teams to client projects, restore its margins and lower its prices in order to stay competitive. Indian players have responded by strengthening their local presence. 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. Accordingly, the growth in offshore services might slow down in more mature regions, such as North America, while accelerating in continental Europe.

The main players in this sector are also developing more and more high value added offers based 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 has made a firm commitment to the development of such solutions.

The Cloud phenomenon, which reflects the on request shared use of services and infrastructures between several public users, was initiated by major players such as Amazon, Google and Microsoft. It picked up speed as IT consumption through various terminals became pervasive (computers, smartphones and tablets). The so-called Snowden Affair in 2013 (revelations of large-scale eavesdropping on global communications by the American National Security Agency, or NSA) has certainly increased the security demands of Capgemini's clients, but it has not slowed their migration towards the Cloud. 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 of using IT resources.

The generation of data also continues to accelerate around the world, both on the part of consumers using various forms of equipment (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 ground-breaking projects designed to harness more of the value represented by their consumers. It's official: Big Data has arrived. Arriving alongside the revolution in consumption triggered by mobile device, this trend is here to last in our market for several years.

The growth of mobile use has accelerated in recent years and taken off faster than many had expected. The shift from computers to tablets or even smartphones with multiple uses is revolutionizing commerce and many internal business processes. It allows Capgemini to play a major role in shaping and facilitating the digital transformation occurring in all of its markets.

1.5 2013: a year of acceleration

In 2013, Capgemini entered a new stage in its history, joining the elite in its industry and taking its place in the IT "Champions League".

It has achieved this by stepping up the transformation of its activities in every field, for instance by launching new global service offerings that help its clients get ahead and stay ahead. It has embraced a strategy of increasingly focused partnerships, working with the most innovative technology providers in high-growth areas (Cloud, Big Data, mobility and social media).

It has strengthened its expertise in its various fields. It has hired over 30,000 new employees for the fourth consecutive year. It has successfully and rapidly established itself in high-growth regions such as Latin America and Asia-Pacific. It has raised its competitiveness by taking the industrialization of its production methods to new levels.

This has produced solid and better than expected performance in an increasingly competitive market. Revenue for the Group thus amounted to €10.1 billion in 2013, with organic growth of 0.9%. These results were reflected in the share price, which gained 49.5% in 2013. Accordingly, Capgemini enjoys greater capacity to invest and innovate with a view to helping its clients master and benefit from great technological breakthroughs.

MAJOR CONTRACTS SIGNED BY CAPGEMINI IN 2013

The year 2013 was marked by an increased number of major contracts signed by Capgemini across all of its businesses. Some examples follow below (for a more comprehensive list, see section 4.1.1. of this document).

United States Department of Homeland Security

The United States federal government signed a major seven-year framework agreement with Capgemini. The Group is one of six large IT and communication firms selected under the "EAGLE II" contract (Enterprise Acquisition Gateway for Leading Edge Solutions II). The contract is intended to provide a wide range of independent verification and validation services to the United States Department of Homeland Security.

E.ON Elnät AB, European energy producer and supplier

Capgemini signed a five-year contract with E.ON Elnät AB, a European energy producer and supplier based in Germany. The Group will provide a range of services related to the management of smart meters for the energy supplier's gas and electricity networks in Sweden. The contract is worth several tens of millions of euros. It will allow E.ON to streamline its information systems and better manage its providers.

GrDF, the leading supplier of natural gas in France

Capgemini signed two three-year contracts worth €23 million in total with GrDF. The Group will implement the IT system for the new smart meters that will be installed across all 11 million French households supplied by gas by 2022, representing the most extensive roll-out of gas meters in the world.

Kadaster, the Netherlands' Cadastre, Land Registry and Mapping Agency

Kadaster has outsourced the management of its workplace services, office automation and data center to Capgemini. This infrastructure service contract will last for six years and is worth an estimated €100 million. It will enable Kadaster to improve the quality of its services and create innovative services.

Norway Post

Norway Post, which has worked with Capgemini for ten years, recently outsourced the development and management of service applications to the Group. Capgemini is proud to support Norway Post in its modernization strategy. The €34 million contract will last until 2019.

Sandvik, a Swedish engineering group (construction tools and equipment)

Sandvik chose Capgemini to manage part of its financial and accounting services. The Group will be tasked with harmonizing and optimizing those services in more than 29 countries where Sandvik operates. The five-year contract is worth several million euros.

SCUBI*, a consortium of three US states

The US States of North Carolina, South Carolina and Georgia have outsourced the development and implementation of their unemployment insurance IT benefits system to Capgemini. Worth over €40 million, this contract promotes Capgemini's expertise in this field, and in particular its dedicated solution named AcUIty: specially designed to manage large data flows, this solution will enable the States' unemployment and insurance bodies to collect better quality information more quickly.

* *Southeast Consortium Unemployment Insurance Benefits Initiative.*

ZIVIT, the German tax administration's IT department

Capgemini signed three framework agreements with ZIVIT (Zentrum für Informationsverarbeitung und Informationstechnik). These three-year contracts aim to improve the management and structure of the IT infrastructure, together with the development and maintenance of administrative processes for the German tax administration and its entities.

THE GROUP'S NEW SERVICE OFFERING

Spearheaded by the digital transformation, in particular cloud services, the Group substantially increased its offers portfolio in 2013. Several solutions were launched, both sector-specific and cross-sector, many of which were developed with the Group's key technology partners and are available worldwide. Based on the latest technological developments, these offers are supported by major advertising and marketing campaigns. To continue to boost its offers portfolio and design growth-generating programs, Capgemini keeps a constant watch on promising innovations.

Digital Customer Experience (DCX), Capgemini's latest global offering

In February 2014, Capgemini launched a comprehensive offering that allows firms from all sectors to digitize their customer experiences, enabling them to meet their customers' expectations for fluid, multichannel interaction and near-immediate response. DCX combines Capgemini Consulting's digital transformation expertise with the Group's know-how in application services. This solution drew on Capgemini's experience in large-scale projects, such as the digital transformation program the Group successfully carried out for Hydro-Québec, a large electricity supplier in Canada.

Business Data Lake: a new, innovative Big Data solution

Business Data Lake is the first joint innovation between Capgemini and Pivotal, an American software publisher, Big Data specialist and the Group's newest strategic partner. This solution enables firms to process the mounting tide of data flooding their systems in an optimized, analytical fashion. It transforms the way companies use information by allowing several employees to create their personalized view regardless of the nature of the data. Accordingly, this fast system provides relevant analyses to a community of users and enables the information to be integrated directly into business processes in real time.

Global Engineering Services, transforming the design and engineering processes

The development of digital technologies and cloud environments has radically altered the way in which firms approach the design and development of their products. This new offering from Capgemini and its subsidiary Sogeti helps companies to adapt to these changes, simplify their processes and operations management, and improve their marketing go-to-market. This new solution is aimed at transport, industrial and energy firms in particular.

THREE MAJOR OFFERINGS IN THE CLOUD

SkySight, a new global offering to orchestrate the Cloud

With SkySight, developed in partnership with Microsoft, Capgemini and its subsidiary Sogeti are offering the first platform designed for the management, acquisition and development of cloud services. SkySight gives the Group's clients access to a broad range of ready-to-use cloud solution services with tangible benefits: rapid set-up and use, integration into existing services, protection of data integrity, reduced time-to-market, reduced costs through pay-per-use. SkySight allows firms of any size to harness the power of the Cloud however they wish through private, public or hybrid environnement.

Business Cloud Orchestration Solutions to step up the shift to the Cloud

In January 2014, Capgemini and VMware jointly launched a new set of solutions to ease firms into the Cloud and help them use it to their advantage. In particular, the solutions make it possible to simplify the management of cloud services and untangle the complexity created by so many suppliers and operators. By strengthening the operational efficiency of their IT systems, clients will also be able to increase their quality of service.

Mobile Secure, a cloud management offering for mobile devices

With Mobile Secure, company employees can use their own mobile devices to access corporate applications. Capgemini launched this new cloud-based solution in partnership with SAP and Amazon Web Services (AWS). It provides a secure and flexible environment to firms of all sizes to manage the use of personal mobile devices in the business context.

A TALENTED WORKFORCE

Capgemini's 131,000 employees share a multicultural, collaborative and entrepreneurial culture which has defined the company since its inception. The Group strives to foster this culture by recruiting the best talent from across the globe. It develops its employees' ability to anticipate, adapt and innovate throughout their careers. Thereby, Capgemini strives the right solution at the right time to each of its clients, in a constantly changing environment.

ATTRACTING AND PROMOTING THE BEST

In 2013, Capgemini hired more than 32,000 employees all over the world. This high number of new employees, exceeding 30,000 for the fourth year in a row, bears witness to the Group's dynamism and allows it to sustain its expansion into high-growth and more mature markets.

Of these new employees in 2013, close to 45% were college hires from top engineering and business schools. Moreover, Capgemini's workforce in India has seen vibrant and steady growth for several years now, and reached the 47,000 threshold at the end of 2013 with 15,520 new hires over the year.

Cagemini is always looking to open doors to the most promising talent. In 2013, the Group launched its internal promotion program, "Promote first, hire second", giving many employees the opportunity to shine.

NEXT-GENERATION CAREER-PATH

Capgemini seeks to develop its employees' knowledge and skills, with two goals in mind:

- better meeting the new problems facing its clients, such as globalization, technological breakthroughs, digitization and the speeding up of processes;
- keeping in tune with the aspirations of candidates and employees (especially members of "Generation Y"), who place a high value on multicultural work environments, mobility, continuous learning and creativity.

Accordingly, the Group has established standard learning frameworks in each of its businesses to support employees at every stage of their career in the company. As such, Capgemini's clients can count on consistent levels of excellence across the globe and on continuously updated skill sets. The Group provided an average of 20,000 learning hours every day in 2013, 40% of which were delivered online.

Managers actively encourage their employees to invest in their career paths, not only as a means of personal development, but also as one of the Group's strategic performance drivers. The annual internal Group Employee Survey, which recorded its highest ever rate of participation in 2013 (78%), is a key instrument for managers to understand and further develop employee commitment to further learning.

CAPGEMINI UNIVERSITY: FOCUSING ON CUSTOMER CHALLENGES

With over 110,000 people trained at Capgemini University in 2013, the Group is putting the best professionals in the market to serve its clients.

In 2013, the University strengthened its contribution to Capgemini's performance and competitiveness, in particular by:

- *forming synergies with the Group's major businesses to standardize high levels of expertise throughout the world. Accordingly, the amount of learning hours spent on cross-sector material (not specific to one function or sector) increased by 50.9%;*
- *giving priority to the major issues facing clients, such as the development of Big Data, Cloud, digital transformation, and new business models. These topics now form part of every Business Week event held at the Group international training center "Les Fontaines", north of Paris.*

DIVERSITY, ONE OF THE GROUP'S GROWTH DRIVERS

Capgemini is convinced that the diversity of its employees gives it a real competitive edge. The Group strives to foster and develop a wide variety of profiles, experience and cultures. It focuses in particular on achieving gender equality in the workplace through its Women@Capgemini program. Based on the principle of equal opportunity, the program revolves around four axes: recruitment, retention and development of women, the employability of women and changing corporate mentalities.

The Group has also strengthened its policy of giving more opportunities to employees with disabilities. India is a notable example: in 2013, Capgemini received several awards there, including the Helen Keller Prize, which recognizes individuals and organizations that lead the way with regard to integration and the fight against discrimination.

SOCIAL DIALOG AT THE HEART OF CAPGEMINI'S CORPORATE CULTURE

The Group is expanding rapidly throughout the world. It is vital to constantly maintain an open and frank dialog at all times.

This is the role of the IWC (International Works Council): made up of employees representatives worldwide, it brings employee questions and concerns to the attention of Group Management. The IWC talks openly with top managers on the Group's choices and priorities.

In 2013, the IWC stressed the need to reinforce the employability of team members given the many current transformations.

ETHICS, A DEEPLY ROOTED CULTURE

The Group is firmly committed to cultivating an ethical culture and to sowing the seeds of that culture in countries where it is growing very rapidly and where mindsets with regard to ethics may differ. Faced with this challenge, the Group tries to promote responsibility and awareness. Accordingly, all new employees must commit in writing to respect the company's Code of Business Ethics. Staff also have access to a whistleblowing procedure, with appropriate measures taken once the facts alleged have been established.

In 2013, 73% of employees attended e-learning sessions on the company's Code of Business Ethics, 62% on the Anti-corruption Policy and 39% on the Competition Laws Policy. Furthermore, over 26 "business ethics workshops" were set up throughout the world, allowing executive committees from the Group's various entities to work on specific cases study and reflect together on their everyday practices.

INNOVATION

CAPGEMINI KEEPS ABREAST OF ALL INNOVATIONS IN 2013

Four major technological trends continued to make headlines in 2013: social media, mobility, Big Data and Cloud. To help its clients make the most of these developments, Capgemini is running its innovation engine at full throttle. Below are some key examples:

First of all, the Group launched a new global service line called Digital Customer Experience (DCX), a comprehensive solution that allows firms to define their digital strategy and adopt customized solutions to transform their customer interaction methods. DCX aims at fostering closer interaction with customers, stand out from the competition and generate growth.

In the area of mobility, Capgemini launched a new offer in partnership with SAP and Amazon Web Services: Mobile Secure enables firms to manage their pool of mobile devices securely, while allowing their employees to access corporate applications from their personal devices.

AT THE FOREFRONT OF BIG DATA AND CLOUD

Capgemini's revenue from Big Data services grew by 16% in 2013. Over 9,000 specialized employees across the Group now help clients get the most out of Big Data. Capgemini signed major contracts in this field with large firms such as the European Space Agency, Network Rail (UK), Siemens (Germany) and T-Mobile (North America). Capgemini Consulting also set up several data analysis solutions for a leading car manufacturer, aimed for example at planning vehicle repurchases more efficiently, with a quantifiable effect on customer relations, customer loyalty and marketing effectiveness.

The Group also stepped up its resources and offerings to support its clients' transition into the public, private and hybrid Cloud. In particular, it formed a new Cloud business entity. The Group also has a market-leading cloud architecture to orchestrate the various services provided to its clients.

In all these areas, Capgemini is developing innovative proprietary solutions that offer tangible benefits to its clients, such as swift implementation, reliability and controlled costs. In 2013, the Group launched Ready2Series, its "in-house" range of products and services.

INTERNATIONAL

In order to support their growth, Capgemini's clients need a reference technology partner able to mobilize its expertise and resources across the globe. With operations in more than 40 countries, we once more expanded the international scale of our business capacity, production methods and range of offerings in 2013. We have an intimate knowledge of the local markets in which we work, and build a close and direct relationship with every client.

AN EFFECTIVE AND FLEXIBLE SALES FORCE

Capgemini has developed a strong and focused sales and marketing force and production team to create tighter relationships with its clients. For instance, the heads of the various businesses form business coordination committees, or Country Boards, in the Group's main markets. They have the dual role of bringing high-speed, high-performance solutions to clients and of spearheading Capgemini's business development by gaining market share. In 2013, the number of orders received from the fifty or so major clients managed by the Country Boards grew by 6%.

ACCELERATED DEVELOPMENT IN HIGH-GROWTH COUNTRIES

Capgemini's revenue from the Asia-Pacific and Latin American regions grew organically by 12% in 2013. The Group is developing its resources in these strategic regions for its clients and strengthening its position in dynamic local markets.

In Asia-Pacific: Capgemini experienced strong growth in Australia in 2013, with revenue up by 16% compared with 2012. With 1,000 employees in Australia backed up by a dedicated team of 1,100 offshore employees (mostly in India), the country attests to the effectiveness of the Rightshore® model. Capgemini also continues to expand in China, with over 2,300 employees in the country and a range of complete service offerings for its clients.

In Latin America: during the past three years, Capgemini greatly increased its activities in the region, which posted the strongest growth of the Group in 2013. Two major financial services companies hold a stake in CPM Braxis, the Capgemini affiliate in Brazil: Bradesco and Caixa, which are the country's second- and fourth-largest banks, respectively. Both are also major clients of Capgemini and enabled the Group to strengthen its position in the financial services industry in 2013. The Group leads the pack in Brazil and is one of the top three IT players in this sector in Latin America.

AN EVER-EXPANDING OFFER PORTFOLIO

Capgemini continued where it left off in 2012, transforming its range of offers with the dual objective of helping its clients stay head and providing them with competitive products and services to gain market share. To this end, it has assembled innovative strategic offerings around major technological changes, such as customer experience, Cloud, mobility, Big Data, social media, etc. These strategic offerings accounted for nearly 33% of Capgemini's orders in 2013, versus 28% in 2012. Two examples are listed below:

A unique library of best BPO practices

In 2013, Capgemini continued to add to its Global Process Model, a library of best practices for support processes. A global leader in BPO, Capgemini drew on its twenty-year experience across all business sectors to build this tool. The library enables the Group's clients to determine their position in terms of a broad benchmark with respect to key topics (e.g. the efficiency and management cost of their financial flows).

A solution offering the right product to the right client

The “Demand-driven supply chain” is a solution designed for manufacturers and retailers of consumer products. It allows them to offer their customers the right product in the right place at the right time. All supply chain operations are centered on consumer behavior, allowing manufacturers and retailers to make decisions according to actual purchases. Accordingly, they can replenish their stocks and manage their inventories more efficiently, thereby increasing their sales. Major retailers like Burberry, Limited Brands, Hema, Lowe’s and American Greetings use this solution.

A FULL RANGE OF OFFERINGS FOR THE FINANCIAL INDUSTRY

Capgemini forges partnerships with many leading Financial Services institutions. Accordingly, the Group was selected to join forces with a high profile global bank as its global strategic partner in 2013. Moreover, the Group also supported several major banks in transforming their core businesses. With regard to Payment Methods and Cards, Capgemini launched several Mobile Payment platforms for its clients and helped them to meet regulatory requirements (in particular the Single Euro Payments Area/ SEPA standard, scheduled to come into force in 2014). The Group concluded a large-scale project for a major British bank, which consisted of issuing payment cards aimed at promoting customer loyalty.

COMPETITIVENESS

Today, competition permeates the global marketplace and our clients operate in increasingly competitive markets. Needless to say, it is no different for Capgemini! The Group is competing with dynamic players from its home markets and booming Indian companies. To come out tops — along with our clients — we stepped up our investments in three areas in 2013. First, our ability to combine onshore, nearshore and offshore resources into a customized service at the best price. Second, a global competitiveness approach that goes beyond cost to offer the highest quality and most cutting-edge innovation. Third, we have developed specific competitiveness solutions for each of Capgemini’s businesses and every one of our clients’ sectors of activity.

APPLICATION SERVICES: A NEXT-GENERATION PLATFORM

To enhance its competitiveness and that of its clients, Capgemini adopts and adapts the best factory methods and processes used in manufacturing, i.e. production lines, specialization and standardized production methods. The best example of this approach is its Next Generation Application Management platform, which was launched in 2013.

The different components of this platform have transformed the manner in which the Group develops, manages and performs the maintenance of application systems for its clients. In particular, Capgemini has established Industrialized Managed Service Centers (IMSC). Instead of being dedicated to a single client, teams specialize in a particular technology and serve several clients. All teams now work together within these IMSCs, resulting in greater effectiveness due to increased interaction and more innovation for clients.

STATOIL CHOOSES CAPGEMINI TO TRANSFORM ITS APPLICATION PORTFOLIO

Statoil is a large Norwegian oil and gas company. In January 2014, it extended its partnership with Capgemini through a major contract that could last for ten years. The Group will be tasked with managing and transforming Statoil’s IT application portfolio with the aim of supporting its international expansion and promoting an outcomes-based culture. To this end, Capgemini will combine the expertise of its teams in Norway and India. In the eyes of Statoil, the Group’s next-generation applications management platform is a key advantage.

IT INFRASTRUCTURE: STANDARDIZED EFFICIENCY

With new technological developments such as Big Data, Capgemini's clients are looking for IT infrastructures with an ever-increasing capacity to manage and store their data. To meet their needs while increasing its competitiveness, the Group has profoundly transformed the way it manages its infrastructures by launching a sweeping standardization program. Whereas it used to have five service providers in this area, all using several different technologies, the Group since concluded a major agreement with EMC², the US-based software and storage specialist, which was renewed and enlarged in 2013. EMC² now manages 80% of Capgemini's storage capacity with only two technologies. A single team based in India oversees the management of these infrastructures. Tangible client benefits include reduced costs and greater availability and stability of services thanks to a simpler environment.

INTELLECTUAL PROPERTY: GIVING OUR CLIENTS THE LEADING EDGE

Creating new solutions often entails investing heavily in high value-added services. To protect these investments and cushion their cost, Capgemini frequently secures the related intellectual property and subsequently offers the same services to other clients. These clients thus have access to tried and tested solutions at a reduced cost.

This is what happened in the case of SCUBI, the Southeast Consortium Unemployment Insurance Benefits Initiative which brings together the unemployment-insurance managers of three US States: North Carolina, South Carolina and Georgia. In 2013, the members of SCUBI asked the Group to design and implement their unemployment-insurance IT benefits system. Capgemini was able to adapt and promote a similar solution it had already implemented for the State of Nevada. This solution was based on in-house, proprietary software that had been created for the insurance and tax industry.

CAPGEMINI, A COMPANY SET APART BY ITS MAJOR CLIENTS AND BY ANALYSTS

In 2013, Capgemini received numerous awards and signs of recognition from its clients, independent bodies and analysts.

AWARDS RECEIVED FROM MAJOR CLIENTS

Several major clients named Capgemini one of their strategic long-term partner in 2013 and early 2014, for example:

- AkzoNobel, a Dutch supplier of specialized chemical products;
- Bouygues Telecom, a French telecoms company offering fixed and mobile telephony, television, internet and cloud services;
- Caixa, the fourth-largest bank in Brazil;
- China Resources, a Chinese conglomerate with activities in consumer goods, electricity, real estate, cement, gas, healthcare and finance;
- Daimler, one of the biggest producer of premium cars;
- Hema, a Dutch retail chain;
- Unilever, an Anglo-Dutch supplier of food, personal hygiene and household maintenance products.

RECOGNITION FROM ANALYSTS

- Capgemini Consulting was recognized No. 1 in the digital transformation market by Kennedy, an American consultancy specializing in IT and management research.
- Capgemini was named a leader in Asia among global business intelligence service providers by Forrester Research, an independent market research company specializing in the impact of technology on business.
- Gartner, an American information technology research and advisory company, gave the highest score to Capgemini's Business Intelligence services in its "MarketScope Western Europe" report.
- Capgemini was positioned as a leader of IT services in the European energy supply market by IDC MarketScape, a provider of market intelligence and advisory services for the information technology market.
- IDC MarketScape ranked Capgemini a consulting leader in the public sector in the United States and worldwide.
- Brandon Hall, a human resources & development research and analyst firm, awarded two prizes to Capgemini University.

CAPGEMINI, ONE OF THE "WORLD'S MOST ETHICAL COMPANIES"

The Group appeared in the 2013 World's Most Ethical Companies ranking compiled by the Ethisphere Institute, an internationally recognized specialist in corporate ethics, which every year takes a close, hard look at companies in over 100 countries across 36 industries. This recognition underlines Capgemini's unceasing efforts to strengthen its ethical practices wherever it is active. In March 2014, Capgemini has been honored with this award for the second time.

CAPGEMINI ANALYZES CHANGES IN INDUSTRIES AND TECHNOLOGY

"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 broad spectrum 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 decision-makers pursue the most effective strategy to meet the challenges of a rapidly changing world. Below is a list of the studies published in 2013 in chronological order.

E-Government Benchmark: a survey on the use of online public services conducted in 32 countries with 28,000 internet users.

World Quality Report: a report analyzing major trends related to application quality and testing within companies throughout the world. It is jointly published by Capgemini, Sogeti (a subsidiary of Capgemini) and HP.

European Energy Markets Observatory: an annual report published by Capgemini. It covers the 27 countries of the European Union, Norway and Switzerland.

No More Secrets With Big Data Analytics: a study offering keys to understanding the Big Data revolution, anticipating future changes and adapting strategy to a company's potential. It is published by Sogeti and its trend lab, VINT.

World Wealth Report: 17th edition, jointly published by Capgemini and Royal Bank of Canada Wealth Management.

Embracing digital technology, a new strategic imperative: a survey conducted by Capgemini Consulting and MIT Sloan Management Review involving over 1,500 managers and employees in 106 countries.

Cars online: 14th edition of Capgemini's annual world report on the automotive industry. It provides a detailed analysis of consumer vehicle purchasing and usage trends.

World Insurance Report: an overview of the insurance market, published for the 6th year by Capgemini and Efma (a non-profit financial marketing association representing over 80% of the largest financial institutions in 130 countries).

World Retail Banking Report: 10th edition, published by Capgemini and Efma. The Customer Experience Index (CEI) measures customer satisfaction according to the three factors most important to customers: distribution channels, transactions and products.

World Payment Report: annual report on the amounts and methods of payment across the world. It is jointly published by Capgemini and Royal Bank of Scotland.

Third Party Logistics study: 18th annual study on the state of logistics outsourcing worldwide. It is jointly published by Capgemini, PennState University, Panalpina (a Swiss international logistics and transport firm), Korn Ferry international (a recruiting firm) and eyefortransport (business intelligence in the fields of transport, logistics and the general supply chain).

Supply chain study: international study on the changes affecting supply chain management and the challenges facing companies in this sector. Published in partnership with Oracle, it is based on the accounts of 600 supply chain managers in manufacturing, high technology and retail.

Internet of Business Opportunities: a report on the major trends underlying the internet of things and the opportunities it provides. Published by Sogeti, the study defines five courses of action for firms to seize these opportunities.

The fine art of mobile testing: a paper that analyzes why most companies are behind in terms of mobile applications testing. Published by Sogeti (a subsidiary of Capgemini), this "perspective" also suggests how companies can make up lost ground.

Future Value Chain 2022: a report on two major trends — the digital revolution and resource scarcity — and their consequences for the consumer products and retail sectors. It is published by Capgemini and the Consumer Goods Forum.

The Supply Chain Impact Survey: a survey conducted in the United States involving 1,000 consumers and 150 supply chain managers working for large consumer goods and retail firms. It underlines how firms in these sectors are struggling to handle peak demand in real time, at the risk of losing customers.

1.6 The Group's investment policy, financing policy and market risks

INVESTMENT POLICY

In 2013, against a backdrop of economic and financial uncertainty, the major players in the IT services sector once again adopted an extremely prudent approach to external growth, particularly in Europe.

IT services companies performed few major acquisitions and 2013 saw the return to the market of investment funds seeking acquisitions to invest their cash assets.

These funds were at the origin of the year's major transactions, which sought to buyout and privatize listed companies. Of note are the purchase by Silverlake and Michael Dell of the US listed company, Dell, and the buyout by the Blackstone fund of the Chinese company, Pactera.

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

Several projects were studied, particularly in the United States, but were rejected as the valuations remained too high, while others have significant realization potential for the opening months of 2014.

Capgemini will continue its external growth policy in 2014 driven by the goal of always satisfying the Group's ambitions in terms of geographical coverage, the development of the technology portfolio and the strengthening of its presence in certain key sectors such as energy or financial services.

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

The 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 €575 million in June 2009; euro bond issue performed in November 2011 for €500 million; issue of ORNANE bonds redeemable in cash and or in new shares and/or in existing shares for €400 million in October 2013 - 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 (€1,715 million at December 31, 2013), 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 13% of total contractual cash flows at December 31, 2013.

FINANCIAL RATING

The Group's ability to access financial and banking markets and the cost of accessing such markets depends at least in part on the credit rating attributed by the rating agency Standard & Poor's: in July 2013, the latter upgraded Capgemini's long-term credit rating to BBB (stable outlook), from its previous rating of BBB - (stable outlook).

MARKET RISKS

Detailed information concerning currency risk, interest rate risk, equity risk, liquidity risk and credit risk is provided in Notes 9, 15, 17 and 19 to Capgemini's consolidated financial statements in this Registration Document.

1.7 Risk analysis

IDENTIFICATION OF RISKS

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

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

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

The Internal audit function independently assesses the effectiveness of these internal control procedures given that, irrespective of how well they are drafted and how stringently they are applied, these procedures can only provide reasonable assurance - and not an absolute guarantee – against all risks. 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 and financial 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. It also reviews projects comprising an "export" component or establishing a presence in a new country.

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 50% 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 on social media (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 as 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, building employee loyalty and the level of employee commitment are presented in the Chapter "Capgemini, its values, employees and Corporate Social Responsibility", Section 3.2 "Our people, a key Group asset" (pages 79 et seq.).

INFORMATION SYSTEMS

The systems underlying the publication of 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 155).

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 3.4 Engaging with stakeholders, Our suppliers and business partners, page 110).

The bankruptcy of a supplier, 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 are 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 36% 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 152).

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 other regulations.

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 laws and regulations, which are constantly changing, exposes the Group to a risk of infringement of such laws 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 170).

FINANCIAL RISKS

Detailed information concerning these risks is provided in Notes 9, 15, 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 as well as call options on its own shares and enters into derivatives in its own shares.

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 November 2011 bond issue and the ORNANE convertible bond issue performed in 2013.

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 India, but also in Poland and Latin America, 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 more generally the financial markets, as well as inflation rates 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, as well as the performance of the management policy defined by the trustees, implementation of which can in certain cases by delegated. 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 timeframe of the Group's pension commitments.

INSURANCE

The Group Insurance Department reports to the Group Finance Department and is responsible for all non-life insurance issues. The management and coordination of life and health insurance/"employee benefits" is overseen by a joint governance body representing the Finance Department and the Group Human Resource Department.

The Group risk management and insurance policy encompasses the assessment, prevention and transfer of all or part of the risks relating to individuals, its assets and those assets and equipment under its responsibility. The Group's insurance policy for transferring risks to the insurance market is to adjust insurance coverage to the maximum replacement value of assets to be insured, 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 legislation and specific risks in each country and the emergence of new 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 insurance plan is very important to clients and 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. This coverage comprises several lines contracted with highly reputed leading insurance companies. The terms and conditions of this program, including coverage limits, are periodically reviewed and adjusted to reflect changes in risk exposure, due particularly to legislation, the Group's activities, new countries where Capgemini operates and changes in client contracts, as well as the position on insurance and reinsurance markets.

The €30 million primary layer of this program is reinsured through a consolidated reinsurance subsidiary and 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 450 sites with an average surface area of 2,700 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 9,000 people in a number of different buildings. Client and 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.

ASSISTANCE TO PERSONS

The Group uses specialist companies to train and assist its employees throughout the world. Personal security, travel assistance and repatriation coverage for employees working outside their home countries, is managed centrally at Group level via global insurance policies.

OTHER RISKS

Crime and fidelity coverage (especially for information systems) is managed centrally at Group level via a global insurance policy. All other risks – including motor vehicle, goods transport and employer liability for accidents in the workplace – 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

2.1 Organization and activities of the Board of Directors

Mr. Paul Hermelin prepared the report of the Chairman of the Board of Directors on the composition of the Board and the preparation and organization of its activities and on internal control and risk management procedures implemented by the Company pursuant to:

- the provisions of Article L 225-37, paragraph 6 of the French Commercial Code *(Code de commerce) ;*
- the recommendations set out in the "Corporate Governance Code" issued jointly by AFEP and MEDEF (French private business associations) in December 2008 (recommendations immediately adopted by our Board of Directors as a benchmark) ;
- as well as the rules of good governance, adopted, applied and complied with continuously by the Capgemini Group since the closing of its first fiscal year on December 31, 1968 (i.e. for more than 45 years!).

2.1.1 HISTORY AND COMPOSITION OF THE BOARD OF DIRECTORS

The story of this (nearly) half-century is a relatively simple one, and can be split into four major periods:

- **period one (1967-1996): 29 years of independence**

  Sogeti – the parent and several times grand-parent company of the current Group – was created in Grenoble on October 1, 1967 as a "traditional" limited liability company, managed nearly 30 years by the same Chairman and Chief Executive Officer, Serge Kampf, its founder and the uncontested leader of a brilliant team of managers that he formed around him and never ceased to promote. Fully conscious that the Group - if it were to attain the increasingly ambitious objectives that he set each year – could not restrict much longer its financial capacities to those of its founding Chairman, Serge Kampf finally accepted in January 1996 under friendly pressure from the two other "main" shareholders (CGIP, a partner since 1988 and Daimler Benz, shareholder since 1991):

  - to propose to the Combined Shareholders' Meeting of May 24, 1996 the merger-absorption within Cap Gemini of the two holding companies that had until then enabled him to retain majority control,
  - to participate (personally in the amount of FRF 300 million) in a share capital increase of FRF 2.1 billion, with the balance subscribed in equal parts (FRF 900 million) by Daimler and CGIP,
  - and finally, to transfer the head office from Grenoble to Paris.
  - In May 2006, at the end of this initial period, the Group had 25,000 employees (7,000 in France, nearly 4,000 in the United States, some 12,000 in the triangle formed by the UK, Benelux and the Nordic countries and around 2,000 across approximately 10 other countries) – a 625-fold increase on its initial headcount! - and reported annual revenues of approximately FRF 13 billion (€2 billion), i.e. "per capita" revenues of around FRF 520,000 (€80,000).

- **period two (1996-2002): a changing shareholding structure**

  On May 24, 1996, as announced in January to key Group managers, Serge Kampf presented his proposals to the Shareholders' Meeting which adopted them with a large majority. Just after, a two-tier structure – more familiar to the German shareholder than the French *société anonyme* – was introduced for a four-year period, with Serge Kampf as Chairman of the Management Board and Klaus Mangold (Daimler-Benz) as Chairman of the Supervisory Board. One year later, following Daimler-Benz's decision to refocus on its core businesses (a decision confirmed soon after by the spectacular takeover of Chrysler), this latter was replaced by Ernest-Antoine Seillière, Chairman of CGIP (now the principal shareholder of the Group, with 30% of the share capital). At the end of this four-year period, the Shareholders' Meeting of May 23, 2000 called to approve the 1999 financial statements decided not to renew this two-tier governance structure and to reinstate Serge Kampf in his duties of Chairman and Chief Executive Officer and to create at his request a position of General Manager, which had never really existed within the Group. The first holder of this position was Geoff Unwin, already considered to be the Group's number 2 within the Management Board. In December 2001, after a difficult year whose disappointing results only confirmed the threat of recession hanging over the global economy, the Group had 55,000 employees and reported annual revenues of around €7 billion, i.e. "per capita" revenues of approximately €125,000, more than 50% above that of the first period but merely the reflection of the incorporation in our headcount in May 2000 of 16,643 consultants from Ernst & Young. Taking note of the decision made – and confirmed – by Geoff Unwin to retire in the near future, the Board of Directors decided, at the recommendation of its Chairman, to appoint as his replacement Paul Hermelin, who became Group General Manager alongside Serge Kampf, Chairman and Chief Executive Officer, on January 1, 2002.

- **period three (2002-2012): a well-prepared succession**

  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 he considered the best qualified to succeed him one day (he also informed CGIP of this choice in a planning letter dated December 1999, "just in case"). This two-man team operated efficiently and in harmony for 10 years, although this was due more to the relationship of trust, friendship and mutual respect between the two individuals than what the NRE 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. Despite the heavy storm which battered the Group during the first four years of this period, the Group invested considerable sums in major restructuring operations (accepted and even encouraged by a Board of Directors, once again very active), the most obvious outcome of which was the reinvigoration of all Group companies: for example, at the end of

2011 the Group had 120,000 employees (compared with 55,000 employees 10 years previously) and reported revenues of €10 billion compared with €7 billion in 2001, i.e. a fall in "per capita" revenues to €81,000 – practically the same as 15 years previously – but a reflection of the international spread of the Group's activities and employees since 2013, accelerated by the acquisition in October 2006 of KANBAY, with its 5,000 Indian employees.

- **period four (2012 to this day): the transfer of power**

  On April 4, 2012, as he had already implied two years previously on the renewal of his term of office, Serge Kampf informed directors that "after having enjoyed the benefits of separation for 10 years" he had decided to place this office back in the hands of the Board of Directors while recommending a return at this time to the "standard" method of governance (that of a company in which the duties of Chairman and Chief Executive Officer are exercised by the same individual, thereby removing at the same time the risk of conflict between the holders of these two functions when they are separated) and the appointment as Chairman and Chief Executive Officer of the current Chief Executive Officer, Paul Hermelin, who had widely demonstrated, throughout a "probationary period" of a rather exceptional length, his ability to hold this role. The Board followed these recommendations and solemnly conferred on Serge Kampf the title of "Honorary Chairman" and function of Vice-Chairman. The Board informed the Shareholders' Meeting of May 24, 2012 of this change, which gave a standing ovation in honor of the immense contribution of Serge Kampf to the development and reputation of the Company. Fiscal year 2013 was therefore the first time since the creation of the Company, that it was not chaired in whole or in part by Mr. Serge Kampf. This fourth period, which commenced one year ago, will last at least four more years if this Shareholders' Meeting accepts to renew the terms of office of Paul Hermelin and Serge Kampf which expire today and if the new Board of Directors confirms Paul Hermelin's position as Chairman and Chief Executive Officer.

COMPOSITION OF THE BOARD OF DIRECTORS

While giving the impression of great stability, the composition of the Board has changed significantly over time. For example, in 2002, at the end of the Shareholders' Meeting, it comprised 11 directors and 2 non-voting directors, all of whom were men. Of this team – and taking account of the announced withdrawal of Ruud van Ommeren and Terry Ozan – there remains only four individuals today: Serge Kampf, Bruno Roger, Paul Hermelin and Phil Laskawy (in order of length of service). The directors who have left the Board include Christian Blanc, Ernest-Antoine Seillière (who was Vice-Chairman), Chris van Breugel, Guy de Wouters, Pierre Hessler, Geoff Unwin,… and especially Michel Jalabert, Serge Kampf's long-term companion and "boss" in Bull in the 1960s and a shareholder in Sogeti from its creation. Michel Jalabert joined the Group in 1976 and was for nearly 30 years a member (with Daniel Setbon and a few others) of the Chairman's inner circle. He was elected director by Shareholders' Meeting in May 2000. Michel Jalabert died last year (on March 13) and all present wish once again to pay tribute to his exceptional contribution to the development of the Group.

In the meantime, a number of individuals have joined and left the Board: Marcel Roulet (non-voting director from 2005 to 2009), Thierry de Montbrial (2005-2013) and Bernard Liautaud (2009-2013). At the beginning of the Shareholders' Meeting of May 7, 2014, the Board comprises 12 directors, 3 of whom are women (there are no non-voting directors since the decision by the Shareholders' Meeting in May 2012 not to renew the terms of office of Pierre Hessler and Geoff Unwin as non-voting directors). These 12 directors include:

- eight directors (two-thirds!) whose terms of office expire at the end of this Shareholders' Meeting:
  - Laurence Dors and Serge Kampf, Bruno Roger, Paul Hermelin, Phil Laskawy and Yann Delabrière, appointed or reappointed by the Ordinary Shareholders' Meeting in May 2010 and for whom the Board recommends the renewal of their terms of office for a further period of 4 years;
  - Ruud van Ommeren and Terry Ozan who have both decided for personal reasons, not to request the renewal of their terms of office;
- Daniel Bernard and Pierre Pringuet, Board members since 2005 and 2009, respectively, whose terms of office were renewed for 4 years by the Combined Shareholders' Meeting of May 23, 2013 and which will therefore expire the day of the Combined Shareholders' Meeting called to approve the 2016 financial statements;
- Anne Bouverot coopted by the Board of Directors' meeting of October 8, 2013 to replace Bernard Liautaud (who resigned) for the remaining term of office of the latter, that is until the Combined Shareholders' Meeting called to approve the 2016 financial statements, whose cooptation is presented to the Shareholders' Meeting for vote;
- and finally Lucia Sinapi-Thomas, elected as a Board member, by the Combined Shareholders' Meeting of May 24, 2012 to represent employee shareholders, and whose four year term of office will therefore expire in the Spring of 2016, the day of the Combined Shareholders' Meeting called to approve the 2015 financial statements.

THE RENEWAL OF THE BOARD OF DIRECTORS

Throughout recent years, the Board of Directors' composition has changed on four converging fronts: reduction of the total membership (the number of members including non-voting directors having been reduced from sixteen to twelve, while pursuant to Article L. 225-23 of the French Commercial Code, the Board added an employee shareholder representative), rejuvenation (average age lowered to 65), increased female presence (proportion of women increased to 25%), and internationalization (30% of directors conducting their main activity outside of France).

To pursue its renewal, the Board of Directors called on two headhunting firms specializing in the search for directors, a global general practice and a firm operating exclusively in North America and specialized in the selection of female directors. These two firms worked on the basis of terms of reference detailing the skill sets and experience sought, prepared by the Board of Directors on the recommendation of the Ethics & Governance Committee.

Their proposals were examined with the triple aim of ensuring independence, diversity and consistency in the Board's composition and to avoid any conflict of interest with clients, partners or competitors, and lastly to enhance the Board's deliberations with the contribution of individuals with significant experience and complementary careers in the knowledge and use of the most advanced technologies.

On the Chairman and Chief Executive Officer's invitation, the persons selected were received by the members of the Ethics & Governance Committee, who selected the two candidates that the Board of Directors recommends to the Shareholders' Meeting today for appointment as directors: Caroline Watteeuw-Carlisle and Xavier Musca.

2.1.2 OTHER OFFICES AND DUTIES EXERCISED BY MEMBERS OF THE BOARD OF DIRECTORS

SERGE KAMPF

Date of birth:
October 13, 1934

Nationality: French

First appointment:
2000

Expiry of term of office:
2014

Number of shares held as of Dec 31, 2013:
4,650,000

Offices held in 2013 and current offices

Principal office

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:

- S.C.I. PARIS ETOILE

Other offices held during the last five years outside the Group

Member of the *Académie des Sports*

PAUL HERMELIN

Date of birth:
April 30, 1952

Nationality: French

First appointment:
2000

Expiry of term of office:
2014

Number of shares held as of Dec 31, 2013:
227,048

Offices held in 2013 and current offices

Principal office

Chairman and Chief Executive Officer of:

- CAP GEMINI S.A.

Other offices

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) (UNTIL APRIL 30, 2013)

Member of the Supervisory Board of:

- CAPGEMINI N.V.

Director of :

- AXA (since April 30, 2013)

DANIEL BERNARD

Date of birth:
February 18, 1946

Nationality: French

First appointment:
2005

Expiry of term of office:
2017

Number of shares held as of Dec 31, 2013:
150

Offices held in 2013 and current offices

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:

- LA FONDATION HEC

Senior Advisor of:

- TOWERBROOK CAPITAL PARTNERS, L.P.

ANNE BOUVEROT

Date of birth: March 21, 1966
Nationality: French
First appointment: 2013
Expiry of term of office: 2017
Number of shares held*: 1,000

** Acquired by Anne Bouverot after December 31, 2013*

Offices held in 2013 and current offices

Principal office

Chief Executive Officer and member of the Board of Directors of:
- GSM Association (Switzerland)

Other offices

Director of:
- GSMA LTD (U.S.A.)
- EDENRED

Other offices held during the last five years outside the Group

Vice-President for Mobile Services of:
- FRANCE TELECOM ORANGE Group (2009-2011)

Member of the Scientific Committee of:
- FRANCE TELECOM ORANGE

Director of:
- GROUPAMA S.A.
- ORANGE S.A.

YANN DELABRIERE

Date of birth: December 19, 1950
Nationality: French
First appointment: 2004
Expiry of term of office: 2014
Number of shares held as of Dec 31, 2013: 2,550

Offices held in 2013 and current offices

Principal office

Chairman and Chief Executive Officer of:
- FAURECIA

Other offices

Director of:
- SOCIETE GENERALE

LAURENCE DORS

Date of birth: March 16, 1956
Nationality: French
First appointment: 2010
Expiry of term of office: 2014
Number of shares held as of Dec 31, 2013: 100

Offices held in 2013 and current offices

Principal office

Senior Partner of:
- ANTHENOR PARTNERS

Other offices

Director of:
- CREDIT AGRICOLE S.A.
- EGIS S.A.
- INHESJ (FRENCH NATIONAL INSTITUTE FOR ADVANCED STUDIES IN SECURITY AND JUSTICE)
- IFA (FRENCH INSTITUTE OF DIRECTORS)

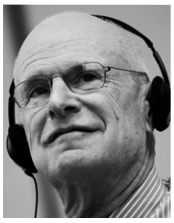
Member of:
- IHEAL (INSTITUTE OF LATIN AMERICAN STUDIES STRATEGIC POLICY COMMITTEE)

Other offices held during the last five years outside the Group

Senior executive Vice-president
Member of the Executive Committee of:
- DASSAULT SYSTEMES

Corporate Secretary
Member of the Executive Committee of:
- RENAULT GROUP

PHIL LASKAWY



Date of birth: March 31, 1941
Nationality: American
First appointment: 2002
Expiry of term of office: 2014
Number of shares held as of Dec 31, 2013: 7,600

Offices held in 2013 and current offices

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

Other offices held during the last five years outside the Group

Director of:
- DISCOVER FINANCIAL SERVICES

RUUD VAN OMMEREN

Date of birth: September 11, 1936

Nationality: Dutch

First appointment: 2000

Expiry of term of office: 2014

Number of shares held as of Dec 31, 2013: 100

Offices held in 2013 and current offices

Principal office

Director of:
- CAP GEMINI S.A.

Other offices

Member of the Supervisory Board of:
- WILLEM VAN RIJN B.V.

Other offices held during the last five years outside the Group

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

Nationality: American

First appointment: 2000

Expiry of term of office: 2014

Number of shares held as of Dec 31, 2013: 11,799

Offices held in 2013 and current offices

Principal office

Director of:
- CAP GEMINI S.A.

Other offices

Director of:
- COHESANT INC.
- TFS FINANCIAL CORPORATION
- STATE INDUSTRIAL PRODUCTS

Other offices held during the last five years outside the Group

Director of:
- NOTEWORTHY MEDICAL SYSTEMS, INC.

PIERRE PRINGUET

Date of birth: January 31, 1950

Nationality: French

First appointment: 2009

Expiry of term of office: 2017

Number of shares held as of Dec 31, 2013: 1,700

Offices held in 2013 and current offices

Principal office

Vice-Chairman of the Board of Directors and Chief Executive Officer of:
- PERNOD RICARD GROUP

Other offices

Director of:
- ILIAD S.A.

Other offices held during the last five years outside the Group

Joint Chief Executive Officer and then sole Managing Director of:
- PERNOD RICARD GROUP

BRUNO ROGER

Date of birth: August 6, 1933

Nationality: French

First appointment: 2000

Expiry of term of office: 2014

Number of shares held as of Dec 31, 2013: 100

Offices held in 2013 and current offices

Principal office

Chairman of:
- LAZARD FRERES S.A.S.
- LAZARD FRERES BANQUE
- COMPAGNIE FINANCIERE LAZARD FRERES SAS

Other offices

Chairman of:
- GLOBAL INVESTMENT BANKING de LAZARD

Managing Partner of:
- LAZARD FRERES
- MAISON LAZARD ET CIE

Member of the Deputy Chairman Committee of:
- LAZARD FRERES GROUP

Other offices held during the last five years outside the Group

Chairman and Chief Executive Officer of:
- LAZARD FRERES BANQUE

Non-voting director:
- EURAZEO

LUCIA SINAPI-THOMAS

Date of birth:
January 19, 1964

Nationality: French

First appointment:
2012

Expiry of term of office:
2016

Number of shares held as of Dec 31, 2013:
6,614

Offices held in 2013 and current offices

Principal office

Deputy Chief Financial Officer of:

- CAP GEMINI S.A.

Other offices

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)

Director of:

- Bureau VERITAS

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 133,000 employees and thousands of managers across the globe, given Capgemini's business as a service provider. The Board makes 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.

The minutes of the work of the Ethics & Governance Committee (see below) describe in detail the corporate actions undertaken in 2013 by the Ethics & Compliance Department and the implementation of the Code of Business Ethics. Each of the directors signed this Code, evidencing their commitment and 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. This timetable may be amended during the year in response to unforeseen circumstances or at the request of more than one director. In 2013, the Board met six times (three times during the first six-months and three times during the second six-months), with an average attendance rate of 91%. In 2013, most of the directors participated in the "*Rencontres*" conference held from April 14-17 in San Francisco therefore demonstrating their availability for the Group and their desire to help master its development challenges. Individual attendance rates of members at Board and Committee meetings were as follows:

Name	Board of Directors	%	Ethics & Governance	%	Strategy & Investment	%	Audit Committee	%	Selection & Compensation	%
Number of meetings	6		4		2		6		6	
Serge KAMPF	6	100%	4	100%						
Paul HERMELIN	6	100%			2	100%				
Daniel BERNARD	6	100%	3	75%	2	100%				
Anne BOUVEROT	2	100%			1	100%				
Yann DELABRIERE	6	100%					6	100%		
Laurence DORS	6	100%			2	100%				
Phil LASKAWY	4	67%					4	67%		
Ruud van OMMEREN	6	100%							6	100%
Terry OZAN	6	100%							6	100%
Pierre PRINGUET	4	67%					6	100%	6	100%
Bruno ROGER	6	100%	2	50%	2	100%				
Lucia SINAPI-THOMAS	6	100%							6	100%

The Notice of Meeting, 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.

In accordance with the Board's Internal Rules of Operation, preparatory documentation is sent to directors a week before the meeting.

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, as well as the last known consensus. In addition, important press releases (signature of major contracts, alliances, etc.) issued by the Company together with financial analysts' studies of Cap Gemini or the sector are regularly brought to the attention of directors.

Since 2012, documents relating to the Board of Directors as well as the above-mentioned information are communicated by a secure platform accessible solely by Board members using an individual password. This platform – unlike other market tools – is hosted on a server belonging to the Group and located in the European Union.

The agenda of Board of Directors' meetings is defined not only to provide directors with an overview of the Group's position, but also to observe the Group's general governance rules, which, pursuant to prevailing texts and to the Board's Internal Rules of Operation, presuppose that Board members will make decisions on specific topics. Thus, in addition to approving the 2012 annual financial statements and the 2013 half-year financial statements and convening the Combined Shareholders' Meeting of May 23, 2013, the Board of Directors was required to make decisions throughout the year on various transactions relating to the active management of the Group's balance sheet and liquidities (authorization to buy back or cancel shares, or issue ORNANE bonds) and external growth projects.

The Board also carried out an in-depth review of the Group's position in certain geographic areas and was informed, where necessary, of changes in the organization of the Group's management team or its business units.

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) Internal Rules of Operation (see 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 8 of its 12 members (Messrs. Daniel Bernard, Bernard Liautaud, Mrs. Anne Bouverot [1], Messrs. Yann Delabrière, Phil Laskawy, Ruud van Ommeren, Terry Ozan, Pierre Pringuet and Mrs. Laurence Dors) may be considered independent directors until the Combined Shareholders' Meeting called to approve the 2013 financial statements.

(1) Anne Bouverot was coopted to replace Bernard Liautaud on October 8, 2013.

Under the "Comply or Explain" rule provided for in Article L. 225-37 of the French Commercial Code and stipulated in Article 25.1 of the revised AFEP-MEDEF Corporate Governance Code for listed companies issued in June 2013, the Company considers that its practices comply with the recommendations of the AFEP-MEDEF Code. However, the Company has deviated from certain provisions for the reasons explained in the following table or will ensure compliance therewith after the 2014 Combined Shareholders' Meeting.

Composition of the Board of Directors: guiding principles	
Article 6.3: "Each Board should consider what would be the desirable balance within its composition and within that of the Board Committees it has established."	The planned renewal of the Board of Directors at the 2014 Combined Shareholders' Meeting will be followed by a redefinition of the roles and composition of the various Board Committees. This redefinition will not only be based on the governance principles set out in the revised AFEP-MEDEF Corporate Governance Code issued in June 2013, but will also seek a better distribution of the workload between directors. Thus, each Committee will have four members.
Article 6.5: "When the Board has decided to confer special tasks upon a director that relate to governance or shareholder relations, in particular by appointing him/her as Lead Independent Director or Vice-Chairman, these tasks and the resources and prerogatives to which he or she has access must be described in the Internal Rules of Operation."	Cap Gemini has chosen to reflect its unique history in the composition of the Board of Directors' Ethics & Governance Committee. Cap Gemini was managed from 1967 to 2002 and chaired from 2002 to 2012 by its founder, Mr. Serge Kampf, who is now Honorary Chairman and Vice-Chairman of the Board of Directors. The Board of Directors, desirous to maintain the company's values which ensure its unity and set it apart from the competition and also to ensure the continuity of the Company, which presupposes experienced management true to these values, appointed Mr. Serge Kampf Vice-Chairman of the Board of Directors. This conscious and voluntary governance choice made by the Board of Directors as a whole, enabled a harmonious transition between the only two Chairmen of the Board that the Group has known since its creation in 1967. In its meeting of March 5, 2014, the Board of Directors therefore considered it essential that the terms of office as director of Messrs. Kampf and Hermelin be renewed together, thereby enabling, if the Shareholders' Meeting follows this recommendation, the renewal of their respective functions as Vice-Chairman and Chairman of the Board of Directors at the end of this meeting. In order to demonstrate the balanced nature of the Group's governance, the Board also wished the Ethics & Governance Committee to be chaired by a Lead Independent Director as defined by the AFEP-MEDEF Code. To ensure the special role of this director is clear to all stakeholders and in particular shareholders and other directors, it was decided to classify this individual, through the Internal Rules of Operation, as Lead Independent Director. The Board of Directors has already decided that the following responsibilities will be entrusted to the Lead Independent Director: ■ chairing the meetings of the Board of Directors in the absence of executive or in-house directors; ■ steering the annual assessment of the organization and activities of the Board; ■ steering the three-year external assessment; ■ reviewing each year the independence of directors and assessing and dealing with any conflicts of interest; ■ holding regular discussions with independent directors enabling them to accomplish their duties under the best possible conditions. If the Board of Directors meeting held after the 2014 Combined Shareholders' Meeting in the composition resulting from the planned renewals and appointments validates this choice, Mr. Daniel Bernard will be appointed Lead Independent Director. He has already been appointed Chairman of the Ethics & Governance Committee (see below). The Board of Directors will amend its Internal Rules of Operation at this same meeting.

Employee representation	
	Cap Gemini S.A. does not fall within the scope of the law on mandatory employee representation on Boards of Directors. It has no employees and, as such, is not required to have a works council. However, attentive to the aim of the legislator and given the key importance of human capital to the Company's business model and the need for employees to support the changes within the Group, the Board of Directors' meeting of March 5, 2014 wished to provide for the participation of the Secretary of the European Group Committee at Board of Directors' meetings in an advisory capacity. This representative will have access to the same information as the directors and will be governed by the Board of Directors Internal Rules of Operation which will provide for the means of his/her participation.
Independent directors	
Article 9.2: "Independent directors should account for half the members of the Board in widely-held corporations without controlling shareholders… Directors representing employee shareholders and directors representing employees are not taken into account when determining these percentages." Article 9.4: "The evaluation of how significant the relationship is with the company or its group must be debated by the Board and the criteria that lead to the evaluation must be explicitly stated in the reference document: Not to have been a director for more than twelve years"	Until now, the Cap Gemini Board of Directors has considered that a director's independence was not strictly correlated to his years in office. His ability to assert his opinions and his freedom of expression with the Chairman and Chief Executive Officer and the other directors is confirmed over time. Nevertheless, the Board of Directors has decided to adopt the recommendations of the AFEP-MEDEF Corporate Governance Code when assessing director independence as from the 2014 Shareholders' Meeting: under this criterion, a director is no longer independent upon expiry of the term during which he will have been in office for more than 12 years. This assessment will be effective as from the presentation by the Board of Directors to shareholders of directors eligible for renewal or first-time appointment at the 2014 Combined Shareholders' Meeting. The Board therefore decided to propose two new directors to replace two directors whose terms of office will expire. Thus, if the Shareholders' Meeting follows the recommendations of the Board of Directors, the latter will be comprised nearly two-thirds of independent members, excluding the director representing employee shareholders.
Board assessments	
Article 10.4: "It is recommended that the non-executive directors meet periodically without the executive or "in-house" directors. The internal rules of operation of the Board of Directors must provide for such a meeting once a year, at which time the evaluation of the Chairman's, Chief Executive Officer's and Deputy Chief Executive's respective performance shall be carried out, and the participants shall reflect on the future of the company's executive management."	At the end of its triennial assessment, the Board of Directors decided that a relevant provision would be added to its Internal Rules of Operation and be applicable as from the 2014 Combined Shareholders' Meeting. The meetings will be chaired by the Lead Independent Director (see above). It is specified that the Board of Directors already determines the compensation of the Chairman and Chief Executive Officer in the latter's absence. This compensation includes a variable portion determined according to his annual performance as proposed by the Selection & Compensation Committee and the Board of Directors.
Duration of directors' terms of office	
Article 14: "Terms should be staggered so as to avoid replacement of the entire body and to favor a smooth replacement of directors."	After having deliberated and at the recommendation of the Ethics & Governance Committee, the Board of Directors considered it was appropriate to put off this measure until a future Shareholders' Meeting after the new directors proposed to the 2014 Combined Shareholders' Meeting have taken office. The Board of Directors in its composition resulting from the decisions of this Shareholders' Meeting will be asked to deliberate on this point.
Audit committee	
Article 16.2.1: "The time available for reviewing the accounts should be sufficient (no less than two days before review by the Board)."	The Capgemini Group practice is to provide directors with the information required for the preparation of the Board or Committee meetings four to five days prior to such meetings. Audit Committee meetings are always convened two days prior to the Board meeting. However, should one of its members be unavailable, the Committee meeting must be postponed to the eve of the Board meeting.

Ethics & Governance Committee	
Article 17.1: "When the appointments or nominations committee is separate from the compensation committee, the recommendations relating to the latter's membership and mode of operation are also applicable to it…" Article 18.1: "The committee should not include any executive directors, and should have a majority of independent directors. It should be chaired by a Lead Independent Director.	Cap Gemini has always complied with the rule according to which the Selection & Compensation Committee has a majority of independent directors. In Cap Gemini, it is the Ethics & Governance Committee that is responsible for selecting candidates for the Board of Directors. The planned renewal of the Board of Directors at the 2014 Combined Shareholders' Meeting will be followed by a redefinition of the roles and composition of the various Board Committees that will be renewed in accordance with the governance principles set out in the revised AFEP-MEDEF Corporate Governance Code issued in June 2013. In particular, it is planned that the Ethics & Governance Committee will comprise a majority of independent directors and will be chaired by the Lead Independent Director after the 2014 Combined Shareholders' Meeting called to approve the renewal of the Board of Directors. In addition, it will be explicitly provided that this Committee is responsible for ensuring the succession of the executive corporate officer(s).
Employment contract of the Chairman and chief executive officer	
Article 22: "when an employee is appointed as executive director, it is recommended to terminate his or her employment contract with the company or with a company affiliated to the group..."	The employment contract of the Chairman and Chief Executive Officer will be terminated when he will be legally entitled to retire, which will occur in 2014 when he will be entitled to a full-rate pension in accordance with French employment law.
Stock options and performance shares	
Article 23.2.4: "it is necessary to ensure that grants (shares and stock options) are made at the same calendar periods, e.g. after the publication of the financial statements for the previous financial year, and probably each year, in order to limit any windfall effects."	Cap Gemini no longer grants stock options. The Company considers that this provision is not relevant to performance shares, which are only definitively granted after two (French resident beneficiaries) or four (foreign resident beneficiaries) years, without mentioning a holding requirement of four years for French resident beneficiaries
■ the performance shares granted to executive directors are conditional upon the acquisition of a defined quantity of shares once the shares granted are available	Cap Gemini does not consider this measure to be necessary as Mr. Paul Hermelin already holds a number of shares representing around five years' salary.

THE BOARD OF DIRECTORS ASSESSMENT PROCEDURE

Again within the framework of these best governance practices, the Board has performed on three occasions (in 2005, 2008 and 2011) an external assessment of its operations and the impact of its decisions.

Considering that the 2014 Combined Shareholders' Meeting should examine the renewal or approval of nearly three-quarters of its members and the compliance of its operations and organization with the recommendations of the AFEP-MEDEF Corporate Governance Code within a context of a "unified" chairmanship, in 2013, the Board of Directors, at the proposal of the Chairman and Chief Executive Officer, decided to bring forward by one year the external assessment initially scheduled for 2014. In order for the Board to be independently informed about this assessment, it was decided to place the assessment under the aegis of an independent member of the Ethics & Governance Committee, thus guaranteeing the confidentiality of the opinions expressed, the objectivity of the analyses and the impartiality of the assessor's recommendations. The Board also ensured that the assessor had the necessary time to fulfil his assignment, which took place from July to December 2013.

For the sake of independence and to prevent any conflict of interest, the decision was made to hire a firm which does not work on behalf of the Group with regard to Directors recruitment.

For this assessment, each director was presented with a detailed questionnaire validated upfront by the appointed Lead Independent Director. 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 2013 self-assessment, carried out by Jean-Philippe Saint-Geours, a partner with "Leaders Trust International" – the questionnaire was divided into five sections:

- understanding of the Group's businesses, its management and its competitors;
- strategy;
- the Board of Directors' activities;
- risk management;
- the composition of the Board of Directors and Board members' compensation;
- compliance with the new Corporate Governance Code.

Each of these sections contained numerous questions with the option of adding specific comments. In addition, each of the four Specialized Committees received a specific questionnaire. An analysis of the information collected from the questionnaires and the one-on-one interviews was summarized in a report presented by the appraiser to the Board on December 4, 2013, 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 two 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 and carries out its duties;
- further improvements could be achieved in certain areas, particularly the coordination of Committee and Board activities.

In terms of progress achieved since 2011, all directors noted and appreciated the efforts of the Chairman 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. Although the reduction in the number of members has weakened the Board in terms of specific expertise or experience, it has contributed to more in-depth presentations and discussions between directors;
- with regards to understanding the Group's businesses and competitive position, the level of information provided has considerably improved: the set-up – in accordance with the wishes expressed at the last Board of Directors' assessment – of a management scoreboard designed to monitor the Group's transformation enables directors to steadily follow the implementation of the Group's strategic priorities – defined in 2010 and validated at the Board's strategic seminar – in terms of offerings, resources and changes in its business model; the San Francisco "*Rencontres*" conference, focusing on the technological environment of the Silicon Valley, and in particular, "Cloud" pioneers, enabled attending directors to assess how the Group takes into account such innovations in its offering portfolio and production methods and prepares for the repercussions on the recurrence of its revenues and profitability;
- with regards to strategic planning and external growth outlook, the directors considered that the Board is properly involved and express a generally positive opinion on the usefulness of the Strategy & Investment Committee in order to prepare and hold these discussions;
- improvements in the organization of the Board's activities continued and are appreciated: discussions are conducted in a rigorous manner, with an enhanced balance between financial and strategic or organizational presentations. The regular participation of the Chief Financial Officer and line managers provide the Board members with a broad and direct overview of the Group's management, and the minutes clearly reveal each member's contribution to the discussions and highlight the decisions effectively made by the Board;
- the Audit Committee and its Chairman inspire great trust in all Board members;
- a large majority of Board members considers the changes in the Board's composition to be satisfactory. The triple initiative regarding member renewal, a greater proportion of female directors and internationalization should be pursued while making sure that the Board remains a collegial body.

The Board of Directors had asked the assessor to propose improvements either resulting from observed best practices or resulting from his assessment of Board members' expectations. These proposals mainly focused on three topics: the development of the ability of directors to contribute to the Group's strategic coordination, the coordination of the Board's Committees with the Board and the composition of the Board of Directors and its renewal. Regarding the proper understanding and management of the Group's strategic challenges by all directors, the decision was made to hold an annual Board of Directors' meeting fully devoted to strategy. This meeting will be organized around presentations from Group senior executives. Likewise, the "*Rencontres*" conferences will be formally added to the Board of Directors' agenda to enable the greatest number possible of directors to participate if they so wish.

Three decisions were made regarding the Board's Committees:

- firstly, to improve coordination of work between the Committees and the Board of Directors, the Chairmen of the Committees were asked to formalize their activities to enable a more fluid exchange with other members. Accordingly, the agendas and the minutes of each of the Committees will henceforth be accessible to all directors. This is particularly required for the topics covered by the Strategy & Investment Committee;
- secondly, the composition of the Committees will be reviewed to guarantee sound compliance with the recommendations of the AFEP-MEDEF Corporate Governance Code and improve workload allocation between directors. Hence, each Committee will have four members whereas until recently the Audit and Ethics & Governance Committees had three members, the Selection & Compensation Committee four and the Strategy & Investment Committee five;
- thirdly, the respective roles of the Selection & Compensation and Ethics & Governance Committees have been clarified. To enable the Ethics & Governance Committee to fully assume its role in appointing executive corporate officers and preparing for their succession, this Committee must be able to meet and assess the Group's key talents even it is not responsible for their appointment to operational roles or their compensation, areas which remain under the core responsibility of the Selection & Compensation Committee.

While preparing for a Shareholders' Meeting that will rule on the expiry of eight director terms of office and ratify a co-option, the Board of Directors approved the guiding principles governing the changes in its composition:

- firstly, it requires the strict application of the independence criteria resulting from the AFEP-MEDEF Corporate Governance Code. This stipulates that, in "widely-held corporations without controlling shareholders" such as Cap Gemini SA, independent directors should account for half the members of the Board, bearing in mind that "directors representing employee shareholders (…) are not taken into account in order to determine these percentages." The same code also considers that, with regard to directors' terms of office, a director remains independent until the expiry of the term during which he will have been in office for more than twelve years;
- secondly, it was decided that the members of the Board of Directors will meet annually in the absence of the Chairman and Chief Executive Officer to discuss and determine his compensation;
- thirdly, it was decided to increase from 100 to 1,000 the minimum number of shares that each director is asked to hold. This obligation must be satisfied before the Combined Shareholders' Meeting called to approve the 2013 financial statements;
- finally, a change in the allocation rules for attendance fees paid to directors was recommended from fiscal year 2014, given the increasing workload incumbent on Committee Chairmen and in order to encourage good attendance at Board meetings.

2.1.4 ROLE AND COMPOSITION OF THE FOUR SPECIALIZED BOARD COMMITTEES

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 effectiveness 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 three directors: **Yann Delabrière (Chairman), Phil Laskawy** and **Pierre Pringuet,** regretting the death of **Mr. Michel Jalabert** on March 13, 2013. 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 Mr. Phil Laskawy was the Chairman and Chief Executive Officer of Ernst & Young from 1994 to 2001.

The Committee met six times in 2013 and the average attendance rate was 80% (taking into account Mr. Jalabert's death at the beginning of the year).

The individual attendance rate of each Audit Committee member was as follows:

Yann Delabrière	100%
Phil Laskawy	67%
Pierre Pringuet	100%

The Committee reviewed the company and consolidated financial statements for the year ended December 31, 2012 and the consolidated financial statements for the half-year ended June 30, 2013.

It focused in particular on the accounting treatment of events with a material impact on the annual or half-year financial statements.

With respect to the annual financial statements, the Committee reviewed the assumptions used to perform impairment tests on goodwill, the values of deferred tax assets and the change in the amounts of the Group's pension commitments as well as financial requirements for its UK plans. It also ensured itself that a certain number of major contracts had been properly performed.

At mid-year, the Committee reviewed, in particular, the application of IAS 19 revised relating to employee benefits, and the impact of restatements on the 2011 and 2012 financial statements as well as the reallocation of production center margins to the regions which are responsible for customer contracts.

The Committee interviewed:

- **Philippe Christelle**, Internal Audit Director, questioning him on working methods, planning, areas of intervention, the findings of audits carried out during the year and any avenues for further improvement;
- **François Hucher**, Technical Director in charge of production and support services, 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;
- finally **Jean-Baptiste Massignon**, the General Secretary of the Group also in charge of risk management in the pre-sales phase, questioning him on the way in which major commercial proposals are analyzed before filing and on strategic partnership offerings and framework agreements (customer and supplier) with specific characteristics and therefore subject to the approval of the Group Review Board.

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

Finally, the Committee reviewed the file regarding the renewal of the Statutory Auditors' mandate that will be submitted for approval at the Shareholders' Meeting.

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 Chairman and Chief Executive Officer. Finally, the Committee reviews the various schemes enabling employees to share in Group profits (performance share grants, Group savings schemes, etc.) and proposes to the Board of Directors the incentive instruments it considers appropriate and capable of being implemented in all (or certain) Capgemini Group companies.

The Selection & Compensation Committee currently has four directors (after the death of Mr. Michel Jalabert in March 2013): **Ruud van Ommeren** (Chairman), **Terry Ozan and Pierre Pringuet** and **Lucia Sinapi-Thomas**.

The Committee met six times in 2013, with an average attendance rate of 93% (taking into account Mr. Jalabert's death at the beginning of the year).

The individual attendance rate of each of the Committee members was the following:

Ruud Van Ommeren	100%
Terry Ozan	100%
Pierre Pringuet	100%
Lucia Sinapi-Thomas	100%

In accordance with the Committee's remit, it ensured throughout 2013 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 Chairman and Chief Executive Officer 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 beneficiaries and the proposed allocation between them of performance shares to the Board of Directors for agreement on February 20, 2013.

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. 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, Mr. Serge Kampf wished Mr. Paul Hermelin to be a regular guest in accordance with the recommendation set forth in the AFEP-MEDEF Corporate Governance Code.

This Committee met four times in 2013, with an attendance rate of 83%.

The individual attendance rates of each Committee member were as follows:

Serge Kampf	100%
Daniel Bernard	75%
Bruno Roger	50%

The Committee interviewed:

- **Philippe Christelle**, the Internal Audit Director, who presented a special report concluding that the ethical framework within which the Group has decided to operate, is, overall, correctly understood and followed throughout the Group. The internal audits identified some instances of non-compliance (most often involuntary of course) and recommendations were made to further improve compliance with Group ethical rules and principles in the future;
- **Hervé Canneva**, the Chief Ethics & 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 anti-trust 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 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 (more than 96,000 employees followed the ethics charter course, 83,000 followed the anti-corruption course and more than 52,000 followed the anti-trust course). In 2013, to facilitate the assimilation of the ethics program by local management, the Chief Ethics & Compliance Officer conducted 29 Business Ethics Workshops in most of the countries where Capgemini is present. 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 highlighted that Capgemini had been recognized as "One of the World's Most Ethical Companies" in 2013 and 2014 by the American Institute, Ethisphere, thereby affirming our ethical responsibility culture towards our clients.

Following the death of Michel Jalabert in March 2013, the Committee discussed whether or not he should be replaced and proposed to the Board of Directors that he not be replaced to comply with the goal of reducing the number of directors. This same reason was put forward when the Committee proposed that the Board of Directors not replace Thierry de Montbrial, who did not request that his term of office be renewed at the Combined Shareholders' Meeting of May 23, 2013. The Committee proposed Anne Bouverot to replace Bernard Liautaud, when the latter indicated that he intended to resign as a director in October 2013.

In 2013, the Committee managed the external assessment of the Board of Directors conducted by Jean-Philippe Saint-Geours. The Committee defined the principles, the objectives and supervised the project. 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:

- 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 five directors: **Daniel Bernard (Chairman), Anne Bouverot, Laurence Dors, Paul Hermelin and Bruno Roger**.

This Committee met two times in 2013, with an attendance rate of 100%. One of its major tasks this year was to prepare the discussions and activities of the San Francisco "*Rencontres*" conference from April 14 to 17, 2013, to which directors were invited. It was the opportunity to have a relatively complete overview of the Group's strategy and meet not only our major technological partners but also our start-ups.

The other major themes discussed by the Committee to prepare the work of the Board were:

- strategic plan transformation projects;
- monitoring of acquisitions currently underway or being studied and external growth possibilities;
- the impact of "cloud" on service activities;
- the digitalization of the client relationship.

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. 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. 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.

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

In compensation for the time spent participating in Board and Committee meetings, 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. On this basis, the Board of Directors decided:

- to allocate a fixed sum of €15,000 per year to each director, plus €15,000 per year to the Chairmen of the specialized Committees and €30,000 per year to the Chairman of the Board;
- to pay a fixed amount of €3,000 for each attendance at a meeting of the Board and €3,000 for each attendance at a meeting of one of the four specialized Committees (this second payment could be reduced to €1,500 from 2014). These fixed amounts 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 amount of these attendance fees is calculated in two parts: at the end of the first half-year and at the year end.

Attendance fees calculated and paid to directors in respect of fiscal year 2013 totaled €535,500 (€297,000 for the first-half and €238,500 for the second-half), representing only 67% of the ceiling authorized by the Combined Shareholders' Meeting. It should be noted that Messrs. Serge Kampf and Paul Hermelin have waived their right to collect attendance fees since 2009; these attendance fees would have totaled €69,000 for Paul Hermelin and €60,000 for Serge Kampf in respect of 2013.

A breakdown of compensation paid in respect of fiscal year 2013 to the executive corporate officer is presented in section 2.3.2.

The 2013 compensation of Paul Hermelin, Chairman and Chief Executive Officer is presented at page 54 of this Registration Document.

A breakdown of attendance fees paid to other directors in respect of 2013 is presented in the section of the Management Report entitled "Attendance fees and other compensation received by corporate officers" page 58.

2.1.6 DECLARATIONS CONCERNING THE GROUP'S 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;
- arrangements or agreements with the principal shareholders, customers or suppliers pursuant to which one of the members of the Board of Directors was selected;
- restrictions accepted by the members of the Board of Directors on the sale of their investment in the share capital of Cap Gemini (other than the obligation for Paul Hermelin to hold his performance shares detailed in Section 2.3.1);
- 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.

As far as the Company is aware, there are no family ties between members of the Board of Directors.

REGULATED AGREEMENTS WITH RELATED PARTIES

No agreements falling within the scope of Article L. 225-38 of the French Commercial Code were authorized by the Board of Directors in the year ended December 31, 2013.

LOANS AND GUARANTEES GRANTED TO DIRECTORS AND MANAGERS OF THE COMPANY

None.

2.1.7 COMPONENTS LIKELY TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFERING

No components are subject to the provisions of Article L. 225-100-3 of the French Commercial Code (components likely to have an impact in the event of a public offering).

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 148 companies, which are listed on pages 181 et seq. of this Registration Document (after removing dormant companies and companies in the course of dissolution).

ORGANIZATIONAL STRUCTURE

One of the founding principles underlying the creation of the 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 necessary means enabling them to react rapidly to market requirements, to provide consistent responses to changes in demand and to implement the 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 manager to remain in close contact with clients, to know employees well and to tightly manage the projects he entrusts to them.

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

There are 7 strategic business units:

- 4 global strategic business units:
  - Consulting Services,
  - Infrastructure Services, i.e., the design, installation and maintenance of client IT infrastructures,
  - B.P.O. (Business Process Outsourcing),
  - Local Professional Services, provided by the SOGETI sub-group and its subsidiaries,
- 2 systems integration and applicative maintenance strategic business units (Application Services) in the following regions and countries:
  - AppsOne: North America, the United Kingdom, the Asia-Pacific region, and the global responsibility for the Financial Services sector,
  - AppsTwo: France, Benelux, the Nordic countries, Germany, Central Europe and Southern Europe,
- the Group's operations in Latin American (including the joint venture in Brazil) encompassing the Application Services and Infrastructure Services businesses,
- in addition to these 7 Strategic Business Units, there is Prosodie.

These basic 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 finally the Asia/Pacific and Latin America (LatAm) region: India, China, Singapore, Hong-Kong, Australia, etc. / Mexico, Brazil, Argentina, Chile, etc.

GROUP MANAGEMENT

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

- The Group Management Board (GMB), whose role is to facilitate the carrying out of Group operations and implementing the necessary steps with respect thereto. The GMB defines the broad strategies and actions to be submitted to the Executive Committee for approval and ensures their implementation by the major business units. As of December 31, 2013, the GMB was comprised of Mr. Paul Hermelin and five individuals (1):
  - Mr. Salil Parekh, responsible for the general management of the Apps 1 strategic business unit and operating control of Sogeti,
  - Mr. Olivier Sévillia, responsible for the general management of the Apps 2 strategic business unit and operating control of Capgemini Consulting, Prosodie and BPO,
  - Mr. Patrick Nicolet, responsible for the general management of the Infrastructures Services strategic business unit and operating control in Latin America,
  - Mr. Aiman Ezzat, Group Chief Financial Officer,
  - Mr. Hubert Giraud, joined it, and from January 1, 2014 took over as Human Resources and Development Director to replace Mr. Aymar de Lencquesaing.

(1) Mr. Aymar de Lencquesaing left the Group on June 30, 2013

- The Executive Committee, whose role is to assist Group Management define broad strategies concerning the Group's operating structure, the choice of priorities, production rules and organization and the implementation conditions for human resources 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 Technologies and Intellectual Property Director,
  - the Director of our operations in India,
  - the Executive President of the Asia-Pacific area,
  - the Directors of the above-mentioned strategic units,
  - the Deputy Director of the AppsTwo Unit;

representing a total of 18 persons.

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.

Starting in 2014, an Investment Committee, chaired by the Chief Financial Officer, has been set up to review and provide advice with respect to projects requiring investment, including those involving real estate or investment in technologies.

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 **Mr. 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 Human Resources Management and Development Department

After acting as interim head during the second half of 2013, **Mr. Hubert Giraud** was entrusted with full responsibility for this department at the beginning of 2014. Mr. Giraud is now in charge of managing the Group's Human Resources policy with the principal aim of developing the skills and productivity of the Group's employees. His role is to coordinate local initiatives so that they reflect our on-going commitment to performance, encourage a new generation of managers and set up diversified and complementary career paths. Aided by **Mr. Jeremy Roffe-Vidal**, Human Resources Director, he is responsible for modernizing and simplifying HR management tools as well as the HR policies rolled out by the Group's subsidiaries, particularly with respect to the retention of high potential managers and their career orientation.

The General Secretary

Since September 1, 2012, this position is occupied by **Mr. 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 (**Mrs. 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 (**Mrs. Marie-Christine Perocheau**);
- the Ethics & Compliance Department whose primary task is promoting and ensuring compliance by all Group entities and all Group employees with a corporate culture and, first and foremost, a duty of honesty (**Mr. Hervé Canneva**);
- corporate secretarial services for Capgemini Service (**Mr. Antoine Audi**), 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 (**Mr. François Chevrier**). The companies managing the real estate assets owned by the Group in France and the company managing the Fontaines domain in Gouvieux also report to the Corporate Secretarial Services;
- Management of the control process for risks presented by certain business proposals also falls within his remit. These proposals are considered from a technical, financial and legal aspect. Based on volume criteria or the nature of commitments, differentiated according to the country concerned, decisions are taken at Group level by the Group Review Board chaired by the Chairman and Chief Executive Officer.

The Global Sales and Portfolio Department

Headed by **Mr. 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 (**Mr. Charlie Li**);
- the stimulation and promotion of Group offerings in the following sectors: Utilities/Distribution & Consumer Goods/Automobile Industry/Telecommunications/Taxation and Social Security, initiatives managed – as from 2014 – centrally by **Mr. Perry**

Stoneman but entrusted, in the name and on behalf of the Group, to operating entities;

- the definition and standardization of sales support processes.

Capgemini India

Mrs. Aruna Jayanthi is CEO of Capgemini India. She is responsible for the development and performance of production centers based in India that employ some 49,000 workers to serve the Group's various businesses and countries. She contributes to the sale of contracts that are carried out, in part or in full, in India, and oversees their completion and delivery.

In addition, since January 2014, Mrs. Jayanthi has chaired the Swedish Country Board that coordinates the business activities in this country.

Technology Department

This department, run by **Mr. Lanny Cohen** since July 1, 2013, manages technology directors for all of the Group's businesses and coordinates the work for all proprietary solutions making up the Group's intellectual property. It conducts and develops the technological dialogue with the Group's major strategic partners and is committed to placing their innovations and the Group's solutions at the core of the Group's offer and service portfolio.

Development Department

This department, managed by **Mr. Pierre-Yves Cros**, deals with all issues related to Strategy, as well as acquisitions and divestments. It is primarily tasked with fostering deliberations on strategic issues by Group Management, the Board of Directors, its Chairman and the Strategy & Investment Committee. As such, it summarizes and develops the Group's internal and external strategy. To this end, it maintains close relations with leading firms specializing in analyzing the market trends therein. The department oversees compliance with the Group's internal transformation program and monitors, in conjunction with the Technologies Department, the emergence of innovative potential partners that could contribute to the Group's organic growth. It examines acquisitions and divestments in close conjunction with the Finance Department.

The Production/Methods and Support Department

Headed by **Mr. 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.

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. It is headed by **Mr. 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.

The Internal Audit Department

Headed by **Mr. Philippe Christelle**, this department reports directly to the Chairman and 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 2013 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) or persons related to him performed the following transactions:
  - purchase of 2,508 shares on March 8, 2013 at a unit price of €38.93,
  - sale of 52,562 shares on May 21, 2013 at a unit price of €40.10,
  - sale of 100,000 shares on September 23, 2013 at a unit price of €45.38,
  - sale of 50,000 shares on September 23, 2013 at a unit price of €45.38,
  - sale of 47,438 shares on October 18, 2013 at a unit price of €47.49.

- Paul Hermelin (Chairman and Chief Executive Officer) performed the following transactions:
  - sale of 10,000 BSAAR warrants on July 29, 2013 at a unit price of €10.39,
  - sale of 9,687 BSAAR warrants on August 1, 2013 at a unit price of €10.36,
- Terry Ozan, director, sold 12,301 shares on February 22, 2013 at a unit price of €37.20;
- Lucia Sinapi-Thomas, director, performed the following transactions:
  - sale of 7,000 BSAAR warrants on July 30, 2013 at a unit price of €10.50,
  - sale of 6,000 BSAAR warrants on November 11, 2013 at a unit price of €15.35.

2.3 Compensation of Corporate Officers

2.3.1 CHAIRMAN AND CHIEF EXECUTIVE OFFICER COMPENSATION POLICY

The procedures for setting the compensation of the Chairman and Chief Executive Officer comply with the recommendations of the revised AFEP/MEDEF code issued in June 2013. Compensation components were determined in accordance with the recommendations of this code, whether fixed or variable compensation, the grant of equity instruments or supplementary pension benefits.

In addition to complying with "market" rules and in line with past Group practice, the Chairman and Chief Executive Officer is not entitled to termination benefits, is not covered by a non-compete clause and receives no benefits in kind. In addition, he has waived his right to receive attendance fees since fiscal year 2009.

These principles are regularly reviewed and discussed by the Selection & Compensation Committee which submits a report on its work and its resulting proposals to the Board of Directors for approval.

The Selection & Compensation Committee refers in particular to comparative studies to ensure the consistency of both compensation structure and calculation methods with market practice. The Committee's recommendations take account of executive management compensation levels and components in CAC 40 companies as well as observed practice in leading French and foreign Group competitors in the IT services and consulting sector. Compensation publication practice varies significantly between the countries and legal structures of competitors, in particular in the case of partnerships. CAC 40 companies are therefore the most relevant benchmark and the most transparent, but additional analyses take account of the international and competitive aspects of the sector in which the company operates.

When comparing with French companies of comparable ambition and size, the Selection & Compensation Committee closely reviews the AFEP-MEDEF annual report on the application of governance rules and the AMF annual report on corporate governance and management compensation in listed companies. It ensures that Cap Gemini meets the highest CAC 40 standards with respect to the clarity and consistency of methods applied. The Group also participated in 2013 in a comparative study by an international firm of leading French companies. These comparisons show that Paul Hermelin's global compensation is close to the median compensation for CAC 40 companies, and is of an adequate level compared with comparable sector compensation in France and abroad. The Group also ensures that the respective proportions of fixed and variable components and share grants valued in accordance with IFRS are balanced and in line with market practices. The fixed component is still determined in accordance with a major rule specific to the Group, which requires the same principles to be applied to the Chief Executive Officer's compensation as applied to that of key operating managers. One of the historical rules of the Group is that the remuneration of the vast majority of managers comprises a fixed component equal to 60% of the total and a variable component equal to 40% of the total but subject to collective and individual objectives.

The Selection & Compensation Committee also monitors the main practices of its international competitors. Compensation practices in North America and India are structurally and culturally different from those applied in European companies. Observing their practices nonetheless provides relevant information on the nature of the market and compensation levels. In American companies such as CSC, Accenture and IBM, total compensation includes a substantial proportion of long-term share-based compensation.

PROCEDURES FOR SETTING THE FIXED AND VARIABLE COMPENSATION

The procedures for setting Paul Hermelin's compensation in respect of fiscal year Y are adopted by the Board of Directors' meeting in Y held to approve the financial statements of fiscal year Y-1. As indicated above, this compensation comprises – as does that of all key managers of the Group – fixed compensation paid in 12 monthly installments equal to 60% of the total theoretical amount if objectives are achieved and variable compensation equal to 40% of this total theoretical amount.

The Board of Directors therefore approves at the beginning of the year for the year in progress:

- the theoretical fixed and variable compensation components. The theoretical variable component is in turn split into two parts: V1 tied to Group performance indicators and consolidated results and V2 based on individual objectives set by the Board of Directors. Each item comprising the variable component may vary between 0% and a ceiling of 200% of the theoretical amount;
- the internal performance indicators included in the calculation of the V1 component and the weighting applied to each indicator. The level of attainment of these indicators is determined based on a comparison of actual audited and budgeted Group

consolidated results (the indicators adopted are tied to growth, profitability and cash generation);

- the individual performance objectives underlying V2 compensation. The strategic and operating objectives for 2013 fall into two main categories "Role of the Chairman and Organization" and "Sustainable performance of the Group". The Board of Directors ensured the objectives were based on objective and directly measurable items and, in part, clearly tied to the roll out of the Group's strategy through multi-year objectives, approved by the Board of Directors when preparing the 3-year strategic plan. These objectives cover in particular the Company's three strategic priorities (portfolio evolution, pyramid management and industrialization improvement).

The V1 component varies in line with a formula that accelerates actual performance upwards and downwards such that:

- the V1 component is nil if the weighted performance is less than or equal to 70%;
- the V1 component can reach twice the theoretical amount if performance is greater than or equal to 130%;

varying on a straight-line basis between these two limits.

The level of attainment of objectives and the amount of the variable compensation component are decided pursuant to the recommendation of the Selection & Compensation Committee by the Board of Directors meeting in Y+1 to approve the financial statements of fiscal year Y. The Committee meets on several occasions before the Board of Directors' meeting to appraise the percentage attainment by Paul Hermelin of his objectives.

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

CAP GEMINI SHARE-BASED INCENTIVE POLICY PROCEDURES

The Group stopped granting stock options in 2009 and now grants shares in accordance with the following principles:

- share grants are not systematic: Paul Hermelin received performance shares in 2009, 2012 and 2013 but was not granted any shares in 2010 or 2011;
- performance shares are granted subject to the same conditions of presence and performance as applicable to other Group beneficiaries and all shares are subject to performance conditions;
- the performance conditions are ambitious, as demonstrated by the first two share grants which had a vesting rate of 50% and 68.5% respectively, of the number of shares initially granted;
- the conditions include internal and external performance conditions in accordance with the AMF recommendation;
- the number of shares granted to executive corporate officers pursuant to the resolutions presented to shareholder vote is limited (maximum of 10% of shares available for grant set in the last resolution voted on May 23, 2013). The performance shares granted to Paul Hermelin in 2012 therefore represented 2.06% of the total amount authorized by the Combined Shareholders Meeting of May 24, 2012 and 4.9% of the total amount granted to all beneficiaries. These percentages are 2.06% and 4.1% respectively for 2013;
- Paul Hermelin is required to hold all vested performance shares received under the 2009 and 2012 plans until the later of:
  - the end of the mandatory two-year holding period (2009 plan), extended to four years (2012 plan), and
  - the expiry of his term as corporate officer.

  In accordance with the AFEP/MEDEF Code, the Board of Directors decided that vested performance shares representing at least 50% of shares must be retained, where the amount of shares held represents less than twice the theoretical annual salary. Once this threshold is reached, the obligation to retain performance shares will only apply to one third of shares vested;
- share hedging transactions are prohibited before the end of the mandatory holding period.

2.3.2 2013 COMPENSATION OF PAUL HERMELIN, CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Gross amounts	Total 2011 (Reminder)	Compensation in respect of 2012			Compensation in respect of 2013		
Paul Hermelin: Chief Executive Officer then Chairman as of May 24th 2012		**Paid in 2012**	**Paid in 2013**	**Total 2012**	**Paid in 2013**	**Paid in 2014**	**Total 2013**
Gross fixed compensation	1,320,000	1,320,000	-	1,320,000	1,452,000	-	1,452,000
Yearly Variable compensation	864,000	-	929,100	929,100	-	1,150,900	1,150,900
Multi year variable compensation	-	-	-	-	-	-	-
Exceptional compensation	-	-	-	-	-	-	-
Attendance fees	-	-	-	-	-	-	-
Benefits in kind*	3,600	3,600	-	3,600	3,600	-	3,600
TOTAL	**2,187,600**	**1,323,600**	**929,100**	**2,252,700**	**1,455,600**	**1,150,900**	**2,606,500**
Value of multi year variable compensation granted during the year							
Value of options granted during the year	-	-	-	-	-	-	-
Value of performance shares granted during the year	-	808,866	-	808,866	905,785	-	905,785
TOTAL	**2,187,600**	**2,132,466**	**929,100**	**3,061,566**	**2,361,385**	**1,150,900**	**3,512,285**

* *Paul Hermelin did not receive any benefits in kind in 2013, with the sole exception of contributions paid by the Company for his unemployment insurance underwritten by the "Garantie Sociale des Chefs d'Entreprise" of €3,600.*

Pursuant to the revised AFEP MEDEF Code issued in June 2013 with which Capgemini complies, the compensation of executive corporate officers due or awarded in respect of the year then ended of each executive corporate officer must be presented to the Shareholders' Meeting for an advisory vote. The following table summarizes the 2013 compensation components subject to shareholder advisory vote pursuant to the "say on pay" policy.

COMPONENTS OF COMPENSATION DUE OR AWARDED IN RESPECT OF FISCAL YEAR 2013 TO MR. PAUL HERMELIN, CHAIRMAN AND CHIEF EXECUTIVE OFFICER, SUBJECT TO SHAREHOLDER ADVISORY VOTE

	Amount or accounting value subject to vote	Presentation
Fixed compensation	**€1,452,000 (paid in 2013)**	The gross fixed compensation of €1,452,000 for fiscal year 2013 was approved by the Board of Directors on February 20, 2013 at the recommendation of the Selection & Compensation Committee. This amount was increased 10% to reflect the change in Mr. Hermelin's role who became Chairman and Chief Executive Officer at the end of the Combined Shareholders' Meeting of May 24, 2012, the extension of his responsibilities and changes in and the internationalization of the Group since 2008, when his compensation was last modified. This increase is in line with the recommendations of the AFEP/MEDEF Code which state that changes to fixed compensation should be performed at relatively long intervals and it is on this basis that the 2014 compensation remains unchanged. The annualized increase in his theoretical compensation over the period is +1.9%. In addition, this compensation falls within the average for CAC 40 executives.
Annual variable compensation	**€1,150,900 (paid in 2014)**	During the Board of Directors' meeting of February 19, 2014, the Board, based on the audited and approved accounts and at the recommendation of the Selection & Compensation Committee, assessed the amount of Mr. Paul Hermelin's variable compensation for fiscal year 2013. The V1 component was calculated in accordance with quantifiable criteria and the following respective weightings, all relating to the financial results: 1) % attainment of the revenue objective: 30% weighting; 2) % attainment of the operating margin rate: 30% weighting; 3) % attainment of pre-tax net profit: 20% weighting; 4) cumulated Free Cash Flow over the period 2012/2013: 20% weighting. Objectives 1, 2 and 3) were calculated with respect to the budget objectives approved by the Board of Directors' meeting of February 20, 2013 and objective 4) was assessed with respect to the range presented to the market at the beginning of the year. The attainment rates for these four objectives were 97.42%, 90.21%, 92.51% and 122.71%, respectively, giving total V1 compensation of €473,300. The six qualitative objectives determining the V2 component fell into two main categories of three objectives "Role of the Chairman and Organization" (40%) and "Sustainable performance of the Group" (60%). For the first category concerning the steady improvement in the Group's governance and the activities of the Board of Directors and the Group Management Board, the Selection & Compensation Committee focused particularly on the appraisal of the Board of Directors activities undertaken by an external consultant. For the second category of objectives, the Committee based its recommendations as far as possible on objective items and particularly **I)** the Group 2015 strategic transformation management report, a quantitative tool comprising key transformation indicators approved by the Board of Directors in its 3-year plan and comprising an annualized market plan; **II**) the realization of the ambitious optimization of the balance sheet financial structure. The Board highlighted in this respect the transactions performed during the year impacting the financial structure of the Group, with in particular the early redemption of the OCEANE bonds and the ORNANE bond issue acclaimed by the market and the €235 million contribution in the first half of the year to finance the funding shortfall on a UK pension fund; and **III)** measurement of his personal involvement in the development of relations with the Group's key strategic clients and partners, measured by the frequency of client visits and the success of the Group "Rencontres" conference in San Francisco, with the massive presence of the Group's major partners. The Board validated the Committee's assessment of the analysis and level of attainment of these six objectives and set the amount of V2 compensation at €677,600 accordingly. In summary, the variable compensation approved by the Board for 2013 is €1,150,900, i.e. 79% of his fixed compensation for the same year and 118.9% of his theoretical variable compensation. Total fixed and variable compensation for 2013 is therefore €2,602,900, i.e. 107.75% of the theoretical compensation.

	Amount or accounting value subject to vote	Presentation
		The variable compensation due in respect of a given year is calculated based on the audited accounts approved by the Board at the beginning of Y+1 and is generally paid at the end of the first quarter of Y+1, or in the present case in March 2014
Deferred variable compensation	**N/A**	There is no deferred variable compensation.
Multi-year variable compensation	**N/A**	There is no multi-year variable compensation mechanism.
Exceptional compensation	**N/A**	No exceptional compensation was paid.
Stock options, performance shares or any other form of long-term compensation	**Performance shares €905,785 (accounting value)**	50,000 shares granted subject to performance and presence conditions
		The vesting of performance shares is contingent on the realization of both an external performance condition and an internal performance condition. The external performance conditions accounts for 50% of the grant and is based on the comparative performance of the Cap Gemini share over a two year period against the average performance of a basket of 9 comparable companies in the same business sector and from at least 5 countries (Accenture/CSC/Atos/Tieto/Steria/CGI Group/Infosys/Sopra and Cognizant). Accordingly, no shares vest if the relative performance of the Cap Gemini share is less than 90% of the performance of the basket of comparable companies, while 100% of shares vest only if this relative performance is at 110% or above. The internal performance condition accounts for 50% of the grant and is based on Organic Free Cash Flow (OFCF) over the three-year period from 2012 to 2014. The minimum amount necessary for shares to vest is €750 million. Above this threshold, shares vest progressively on a straight-line basis, with the maximum grant requiring OFCF of €1 billion or more. The number of shares that may vest to the executive corporate officer may not exceed 0.03% of the share capital. Authorized by the Combined Shareholders' Meeting of May 24, 2012.
		Nineteenth resolution
		Grant authorized by the Board of Directors on February 20, 2013
	Stock-options	n/a
	Other long-term compensation	No long-term compensation components were granted
Attendance fees	**Voluntary waiver**	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 2013 (as both Serge Kampf and he did for the last four years).
Valuation of benefits in kind	**€3,600 Contributions paid**	Unemployment insurance contributions paid on behalf of Paul Hermelin.

COMPENSATION COMPONENTS THAT WERE PRESENTED TO THE SHAREHOLDERS' MEETING FOR VOTE PURSUANT TO THE REGULATED AGREEMENTS AND COMMITMENTS PROCEDURE.

	Amount subject to vote	Presentation
Termination payments	**€0**	**No entitlement to termination payments.**
Non-compete indemnities	**N/A**	**No non-compete indemnities**
Supplementary pension benefits	**€0**	**No amount due in respect of the year** Mr. Paul Hermelin is a member of the supplementary collective defined benefit pension scheme set-up in 2006, under the same conditions applicable to other employee members. 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. In order to receive benefits under this scheme it is necessary to be with the Group at the time of retirement and benefits are proportional to length of service (minimum of 10 years required and a maximum of 30 years). Benefits are based on reference earnings equal to the average of the three best years from among the ten years preceding retirement. In addition, this supplementary pension is subject to cumulative limits such that the pension amount cannot exceed 40% of reference earnings or 50% of reference earnings, including pensions received under other pension schemes. These limits are cumulative. Therefore, in order to receive the maximum pension amount, beneficiaries must have between 25 and 30 years' service depending on the circumstances, reflecting the progressive acquisition of entitlement, which remains well below the threshold set by the AFEP-MEDEF code. Based on the number of years membership of the scheme on retirement, corporate officers could expect a replacement rate of between 39% and 40% of reference earnings. The cost of one year's service for all corporate officers is estimated at €1.2 million for 2013. Active scheme Date of the Board of Directors' decision: December 13, 2006 Presented to the Combined Shareholders' Meeting of April 26, 2007 (Fourth resolution)

EMPLOYMENT CONTRACT OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

With regards to Paul Hermelin, the Board reminds readers that his employment contract has been 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 it was decided in 2009, pursuant to 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 (21 years at March 1, 2014) 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). In keeping with this measure, Paul Hermelin made a commitment to the Board of Directors to waive his employment contract on reaching the age at which he may legally exercise his right to retire. Accordingly, Paul Hermelin informed the Board of Directors on February 19, 2014 of the procedure launched to validate his career, which could lead to him waiving his employment contract before the end of 2014.

Executive corporate officers: employment contracts and deferred compensation	Employment contract	Supplementary pension scheme (see above)	Indemnities or benefits following appointment, termination or change in function	Indemnities in respect of non compete clause
Paul Hermelin - Chief Executive Officer up to May 24, 2012 and Chairman and Chief Executive Officer thereafter	Yes (suspended) Waived in 2014	Yes	No	No

2.3.3 2014 COMPENSATION OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Board decided, pursuant to the recommendation of the Selection & Compensation Committee, to leave Mr. Hermelin's theoretical compensation unchanged for 2014 at €2,420,000. The Board also set the procedure for calculating the variable component of Mr. Paul Hermelin's compensation, defining the performance indicators underlying the V1 calculation, as well as the personal objectives adopted for the V2 component for fiscal year 2014.

Accordingly, the operating indicators adopted for 2014 V1 compensation are:

- revenue growth;
- operating margin rate;
- net income before tax;
- free cash-flow.

The six personal objectives adopted for 2014 V2 compensation have been assigned an individual specific weight. They relate to the operational management of the Group in 2014, the implementation and fine tuning of the Group strategy, talent management and Group governance. The Selection & Compensation Committee has formalized these objectives in such a way as they can be clearly evaluated on objective grounds and the Board shared the same imperative when finalizing the six objectives.

2.3.4 ATTENDANCE FEES AND OTHER COMPENSATION RECEIVED BY CORPORATE OFFICERS

In compensation for the time spent participating in Board and Committee meetings, 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. On this basis, the Board of Directors decided:

- to allocate a fixed sum of €15,000 per year to each director, plus €15,000 per year to the Chairmen of the specialized Committees and €30,000 per year to the Chairman of the Board;
- to pay a fixed amount of €3,000 for each attendance at a meeting of the Board and €3,000 for each attendance at a meeting of one of the four specialized Committees (this second payment could be reduced to €1,500 from 2014). These fixed amounts 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 amount of these attendance fees is calculated in two parts: at the end of the first half-year and at the year end.

Attendance fees calculated and paid to directors in respect of fiscal year 2013 totaled €535,500 (€297,000 for the first-half and €238,500 for the second-hald) representing only 67% of the ceiling authorized by the Combined Shareholders' Meeting. After deduction of French and foreign withholding tax, a net amount of €352,815 was paid in respect of 2013.

It should be noted that Serge Kampf and Paul Hermelin have waived their right to collect attendance fees since 2009; these attendance fees would have totaled €69,000 for Paul Hermelin and €60,000 for Serge Kampf in respect of 2013.

Attendance fees due in respect of one fiscal year and paid during another fiscal year are detailed below:

(in euros)	Amount due in respect of 2012	Amount due in respect of 2013	Gross amount paid in 2012	Gross amount paid in 2013
Serge KAMPF	0	0	0	0
Daniel BERNARD	60,000	55,500	60,000	54,000
Anne BOUVEROT*	0	12,750	0	0
Yann DELABRIERE	69,000	66,000	69,000	66,000
Laurence DORS	48,000	39,000	51,000	39,000
Paul HERMELIN	0	0	0	0
Michel JALABERT	54,000	0	57,000	28,500
Phil LASKAWY*	51,000	39,000	48,000	39,000
Bernard LIAUTAUD*	60,000	27,750	63,000	48,000
Thierry de MONTBRIAL	48,000	19,500	54,000	39,000
Ruud van OMMEREN*	69,000	66,000	69,000	69,000
Terry OZAN*	48,000	51,000	54,000	48,000
Pierre PRINGUET	72,000	63,000	72,000	69,000
Bruno ROGER	60,000	45,000	63,000	51,000
Lucia SINAPI-THOMAS	28,500	51,000	3,000	54,000
TOTAL	**667,500**	**535,500**	**663,000**	**604,500**
Non-voting directors*	***43,000***			
TOTAL	**710,500**			

* *As required by law, the Company deducted withholding tax on the amounts paid to these non-resident beneficiaries. A 36.5% deduction at source for income tax and CSG/CRDS social security contributions was also applied to amounts paid to beneficiaries resident in France,*

** *The terms of office of the non-voting directors were not renewed by the Combined Shareholders' Meeting of May 24, 2012.*

The 12 non-executive directors did not receive any compensation other than attendance fees, with the exception of Serge Kampf, founder and executive corporate officer of the Group for 45 years and Lucia Sinapi-Thomas, the director representing employee shareholders, who 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.

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. until May 24, 2012 – and still exercises, several other duties within the Group: accordingly he is Chairman (since its creation in 1993) of Capgemini Service, an intercompany 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 46 years (i.e. since the creation in 1968 of this company, the Group's first subsidiary), Director of Capgemini North America Inc. (USA) and sole partner of S.C.I. Paris Étoile. He received total compensation of €960,000 in respect of these duties in 2013.

2.3.5 STOCK SUBSCRIPTION OPTIONS, STOCK PURCHASE OPTIONS AND PERFORMANCE SHARES

The following tables present a breakdown of stock options and performance shares granted to, exercised by or vested to executive corporate officers during 2013 and historical information on stock options and performance shares granted:

It should be noted that:

- Mr. Serge Kampf has never been awarded (and has never requested) any stock options or performance shares;
- stock options have not been granted to group executives and managers since 2009;
- no performance shares vested to Paul Hermelin in 2013 as he was not granted any performance shares in 2011.

Stock options granted during the year to each executive corporate officer by Cap Gemini S.A. and/or any other Group company	Plan date and number	Number and type (purchase or subscription) of options granted during the year	Value of options using the method adopted in the consolidated financial statements s	Strike price	Exercise period
Paul HERMELIN	n/a	n/a	n/a	n/a	n/a
Stock options exercised during the year by each executive corporate officer	**Plan date and number**	**Number of options exercised during the year**		**Strike price**	**Exercise period**
Paul HERMELIN	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 s	Potential vesting date	Potential availability date	Performance conditions
Paul HERMELIN	4th plan of 02/20/2013	50,000	905,785	03/01/2015	Later of the end of his term of office and 03/01/2019	A detailed description of the conditions is presented in the consolidated financial statements (note 9 page 144) et seq. of this Registration Document
Performance shares vested to executive corporate officer	**Plan date and number**	**Number of shares vested during the year**	**Vesting conditions**	**year of grant**		
Paul HERMELIN	n/a	n/a	n/a	n/a		

HISTORICAL INFORMATION CONCERNING STOCK OPTIONS GRANTED TO CORPORATE OFFICERS

The Group has not granted any stock options since 2008 and the last grant performed on June 1, 2008 expired in 2013.

Date of Shareholders' Meeting	05/12/2005	05/12/2005	05/12/2005	05/12/2005	05/12/2005
Grant date	10/01/2005	10/01/2006	04/01/2007	10/01/2007	06/01/2008
Plan number	6th plan	6th plan	6th plan	6th plan	6th plan
Total number of shares granted	*1,915,500*	*2,067,000*	*400,000*	*1,932,500*	*219,000*
o/w granted to Serge Kampf	*(nil)*	*(nil)*	*(nil)*	*(nil)*	*(nil)*
o/w granted to Paul Hermelin*	*50,000*	*50,000*	*(nil)*	*(nil)*	*(nil)*
o/w granted to the ten employees receiving the greatest number of shares	109,000	200,000	86,000	114,000	60,000
Start of exercise period	10/01/2006	10/01/2007	04/01/2008	10/01/2008	06/01/2009
Expiry date	09/30/2010	09/30/2011	04/01/2012	10/01/2012	06/01/2013
Subscription price (in euros)	30	43	55	44	40.5
Exercise conditions	10% after 1 year, 30% after 2 years, 60% after 3 years and 100% after 4 years				

* *Complete historical information on stock options granted is provided on pages144 and 196 of the Registration Document.*

HISTORICAL INFORMATION CONCERNING PERFORMANCE SHARES

Plan number	2009 Plan	2010 Plan	2012 Plan	2013 Plan
Date of Shareholders' Meeting	04/17/2008	04/30/2009	05/24/2012	05/24/2012
Grant date	03/05/2009	10/01/2010	12/12/2012	02/20/2013
Number of performance shares initially granted	1,148,250	1,555,000	1,003,500	1,209,100
o/w granted to Serge Kampf	*(nil)*	*(nil)*	*(nil)*	*(nil)*
o/w granted to Paul Hermelin*	*50,000*	*(nil)*	*50,000*	*50,000*
Number of shares vested	485,750	350,509	n/a	n/a
o/w to Paul Hermelin*	*25,000*	*(néant)*	n/a	n/a
Cumulative number of shares cancelled or expired	662,500	620,436	22,000	30,800
Number of shares available for grant at the end of 2013	*Expired*	584,055	981,500	1,178,300
o/w to Paul Hermelin*		(nil)	50,000	50,000
Vesting date-France	03/05/2011	10/01/2012	01/01/2015	03/01/2015
Vesting date-outside France	03/05/2013	10/01/2014	01/01/2017	03/01/2017
End of holding period-France	03/05/2013	10/01/2014	01/01/2019	03/01/2019
End of holding period-outside France	03/05/2013	10/01/2014	01/01/2017	03/01/2017
Share price at grant date (in €)	23.3	37.16	33.15	36.53

* *Complete historical information on performance shares or free shares granted is provided on pages 144 to 148 of the Registration Document.*

HISTORICAL INFORMATION CONCERNING STOCK OPTIONS AND PERFORMANCE SHARES GRANTED TO THE TEN EMPLOYEES (NON-CORPORATE OFFICERS)

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

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

Performance shares granted/vested to the ten employees (non corporate officers) having received the greatest number of shares	Total number of shares vested/ granted	Plan number
Performance shares granted during the year by Cap Gemini S.A. to the ten employees of all eligible companies having received the greatest number of shares	150,000	4th Performance share plan
Performance shares (held previously on Cap Gemini S.A.) to the ten Group employees holding the greatest number of vested shares	45,000	1st 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 2013.

Among these measures, the following may be highlighted:

- the roll-out of a global application for human resource management, providing real time access to information and focusing the Group on systems, procedures and expectations defined centrally;
- the roll-out of a Group credit management tool in the main regions;
- the ongoing roll-out of the single integration management system in Benelux;
- the consolidation of shared service centers within a globalized structure.

All 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. These 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 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 27 auditors, representing 11 different nationalities and covering 91% 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 with ten 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 2013, the Internal Audit Department performed:

- 59 audits of units belonging to all Group Strategic Business Units, with each audit involving on average of 39 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;
- 1 special assignment for Group Management;
- 2 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 & 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:
  - 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.

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 133,000 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 distributed 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 are asked to undertake to comply with the principles explained in these two policies and follow an e-learning training course thereon. In 2013, the Ethics & Compliance Director presented around the world, over 29 three-hour workshops on business ethics, raising the awareness of more than 560 executive officers and senior managers. These workshops, which were partly based on case studies, illustrate the importance of the "tone at the top" in terms of ethics and insist on the exemplary behavior required of each manager.

The Group decided many years ago to only employ individuals and have commercial relations in those countries satisfying a certain number of criteria concerning work ethics and legal and physical security in the conduct of business, as well as tax compliance.

Since 2011, the Group has implemented a solution for measuring and monitoring conversations on Group brands on social media. Internal social media are also monitored in order to best respond to employee comments. Finally, in order to strengthen governance rules covering the activities of Group employees on internal and external social media, a social media code of conduct was also drafted and is freely available on the Group website.

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 133,000 employees. This survey is an appraisal tool and action plans are established based on identified results.

Furthermore, a human resources management information system (SAP) is being rolled-out globally 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

The Group has 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 the Chapter, Capgemini, its value, employees and corporate social responsibility (Section 3.3 The Group and the Environment, page 99 et seq). 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 recycling 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.

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 and the retention of a high liquid asset levels.

FINANCIAL RISK MANAGEMENT

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 decision concerning share buybacks (outside the liquidity agreement, implementation of which is delegated and subject to a resource ceiling) and equity derivatives. 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 generally 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 are primarily centralized within Cap Gemini S.A. and 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 Benelux in 2013. Other major business units will migrate to this system in 2014 and particularly the United Kingdom. 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). These various centers are now consolidated within a globalized structure.

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 a key component of the Group's financial communications strategy for the past 39 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 its Honorary Chairman and Vice-Chairman. All the sections of the Group's Annual Report are written internally by staff and managers of the Group who are each responsible for designing and setting out a chapter on their area of competence, within the general framework proposed by the Communications Department. The Registration Document, which is 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. 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

Year ended December 31, 2013

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, 2013.

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, March 28, 2014
PricewaterhouseCoopers Audit

Françoise Garnier
Partner

Paris La Défense, March 28, 2014
KPMG Audit
Division of KPMG S.A.

Jacques Pierre
Partner

Capgemini, its Values, Employees and Corporate Responsibility and Sustainability (CR&S)

3

For Capgemini the principles of Corporate Responsibility & Sustainability extend beyond legal compliance and philanthropy. Being a responsible company has been at the heart of Capgemini values since we were founded in 1967 by Serge Kampf and are grounded in the Group's shared values. 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.

3.1 Our approach to CR&S

3.1.1 OUR KEY PRIORITIES

Our CR & S vision is to be leaders in sustainable excellence through a bold and influential approach, positively impacting Capgemini's future, our clients, society and our environment.

In 2013, we have refocused our approach going forward under four strategic dimensions People Culture, Community Engagement, Environmental Sustainability underpinned by our *Values and Ethics*. In parallel, we continue to innovate striving to identify opportunities to embed sustainability into the services we provide our clients, assisting them to adapt to our changing world.

Values & Ethics:

"It is about who we are and the way we do business".

Built on a foundation of our seven core values (Honesty, Boldness, Trust, Freedom, Team Spirit/Solidarity, Modesty and Fun), our Code of Ethics underpins our corporate culture and permeates all our business practices, procurement behaviours and employee welfare policies.

People Culture:

"We are committed to being an employer of choice for people who wish to develop in a creative and diverse environment".

Our focus is on the professional development and well-being of all our employees by ensuring that both our business practices and our facilities empower our delivery excellence. We have a culture whereby we respect and value the diversity and creativity of all our people.

Community Engagement:

"We strive to have a positive impact on the communities in which we live and operate".

As a major global employer, we work locally, nationally and internationally with local authorities, non-governmental associations (NGO) and charities on two priorities: education and development. Around the Group, we encourage the active involvement of our team members in community engagement.

Environmental Sustainability:

"We are committed to understand and measure our environmental impact".

We recognize that while we do not manufacture products, the business services we provide have an impact on environment. We work to reduce our environmental impact from energy, business travel and wastes while raising employee awareness on the critical issues of sustainable development.

Clients Services:

"Our clients benefit from our deep understanding of sustainability and our world class business transformation capabilities".

We deliver long-lasting value with tangible results. We take customer dialog and feedback very seriously and look to embed CR&S considerations into our service offerings.

3.1.2 CR&S: GOVERNANCE

Executive ownership of the CR&S agenda across the Group has recently been escalated to Group Management Board level within the People Management and Transformation organization. As a result of this change the executive governance for 2014 is currently being finalised. All material decisions related to our CR&S strategy continue to be ultimately approved by our Chief Executive Officer (Paul Hermelin).

In 2013, following the refocusing of our CR&S framework, multi-country, cross-business unit working groups have been established to drive specific Environmental Sustainability, Community Engagement and People Culture work-streams. Each work-stream is accountable to our Group Corporate Responsibility & Sustainability Director.

Global continuity is further ensured through a series of multi-country networks:

- the Ethics & Compliance Officer's network reporting to the Group Chief Ethics & Compliance Officer;
- the Corporate Responsibility & Sustainability Leadership network comprising of dedicated CR&S professionals from around the Group;
- the Global Corporate Responsibility & Sustainability network open to all interested employees; and
- the Global client-facing Sustainability network focusing on embedding sustainability into client service offerings.

Additionally governance structures exist at country level in our largest countries. For example, Capgemini in Germany, India, and the UK have specific executive CR&S committees while others such as France and North America discuss CR&S issues at Country Board meetings.

3.1.3 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 II indicators are listed in the table in section 3.6 including both those reported and an explanation of those not reported; As a result of this analysis 15 indicators have been considered as the most relevant to our business.

The methodology used is detailed in each of the following sections.

In order to ensure that our actions remain aligned with stakeholder expectations, a materiality assessment exercise was initiated at the end of 2013. This assessment is expected to be finalized during 2014 and will assist in further improving our on-going Corporate Responsibility & Sustainability approach.

3.1.4 GROUP ETHICS AND COMPLIANCE PROGRAM

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 our values in every country in which we operate. All new recruits are expected to comply with the principles of these "three basic foundations", and follow an e-learning tuition on each.

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.

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.

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. The Blue Book is available to all employees on our intranet.

BUSINESS ETHICS

Grounded in our seven core Values, Capgemini's CR&S principles guide all our relationships with stakeholders and the communities and environment in which we operate. Of our strategic dimensions 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 our 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 PROGRAM IN 2013

The Code of Business Ethics

Encapsulating our long-term ethical culture, the Code of Business Ethics released in 2010 is available in 14 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 our Code of Business Ethics, including:

- to respect all applicable international, national and local laws and regulations;
- to apply 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 2013, more than 96,000 employees had followed the related e-learning module, available in four languages. This represented more than 73% of the Group's employees at end-2013.

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 2013, more than 83,000 employees had followed the related e-learning module, available in five languages. This represented more than 62% of the Group's employees at end-2013.

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 2013, more than 52,000 employees had followed the related e-learning module, available in five languages. This represented more than 39% of the Group's employees at end-2013.

In addition, all new employees are 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 GC-ECO; and/or even directly to the CECO in Paris. At the end of 2013 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.

BUSINESS ETHICS TRAINING FOR MANAGEMENT

In 2013, the Chief Ethics & Compliance Officer personally delivered 26 times a 3 hour business ethics workshop to 560 executives and top managers all round the world. These sessions, which are based on business ethics scenarios, intent to demonstrate "the Tone from the Top" and the management "role model". They also help develop local action plan to cascade down the messages to the lower level of management, thanks to the help of the Ethics & Compliance Officers in the field.

3.1.5 DATA PROTECTION

Capgemini's Code of Business Ethics contains a chapter related to the importance of protecting personal data, whether Capgemini's personal data or the personal data Capgemini handles as a data processor in the context of providing services to its clients. The Group is expected to abide by applicable data protection laws in all countries where it operates and to process personal data responsibly to protect the privacy of individuals. Several personal data policies (Human Resources, Client, Supplier, Internet) have been implemented by the Legal Department within the Group. In 2013, the Group has more than twelve data protection officers around the world working with the support of security officers and the Legal Department. A comprehensive booklet on data privacy and all related aspects is also available to all employees to help them better understand all data privacy implications. Specific and more stringent internal policies and procedures may be applicable in particular business sectors requiring higher standards of protection of personal data. Finally, data protection and data security issues are part of the Group audit program.

3.1.6 ENGAGEMENTS, AWARDS AND RECOGNITIONS

For Capgemini the principles of Corporate Responsibility and Sustainability extend beyond strict legal compliance: we commit to respect and adhere to international, national and local laws and regulations in the countries in which we operate.

We have also stated our commitment to corporate responsibility and sustainability in a number of areas:

- Capgemini has been a signatory of the UN Global Compact since 2004. The member companies of this program support respect ten principles in the areas of Human Rights, environment, labor rights, and the fight against corruption;
- Capgemini has been a signatory of the UN Global Compact "Caring for Climate" initiative since its inception in 2007;
- Capgemini has been a signatory of the UN Women's Empowerment Principles since its inception in 2011;
- Capgemini is a signatory of the 2010 Guadalajara ICT declaration for Transformative Low-carbon Solutions. This urged governments at the 2010 Cancun summit to use the power of ICT as part of the mechanism for transitioning to low a carbon economy;
- in partnership with the Goodplanet foundation, Capgemini has founded the French translation of the 2011 Report of the Worldwatch Institute;
- Capgemini has been a member of the "Comité 21" since 2011. "Comité 21" is a network of sustainable development practitioners and was created after the Rio Summit in 1994 with the mission to create conditions for exchange and partnerships between its cross-sector membership;
- Capgemini is supporting the principles of the 1948 Universal Declaration of Human Rights and the principles of labor standards of the International Labour Organization refusing the use of forced labor and child labor; and
- Capgemini is supporting the OECD guidelines for Multinational Enterprises.

Actions have also been taken locally including:

- Capgemini France became a signatory of the "charte de la diversité" in 2006 and the "charte de la banlieue 2.0" in 2010;
- Capgemini UK has retained Eco-Management and Assurance Scheme (EMAS) registration of its UK Sustainability Report since 2010, the highest European level of assurance available for its environment program;
- Capgemini UK is also a signatory and signed all five communiqués on Climate Change organized by the Prince of Wales's Corporate Leaders' Group on Climate Change. They were the Climate Change (2012), Cancun (2010), Copenhagen (2009), Poznan (2008), and Bali (2007) communiqués.

As a result of our on-going commitment to corporate responsibility and sustainability, Capgemini was recognized as one of the World's Most Ethical Companies in 2013 by the Ethisphere Institute, a leading international think tank with regard to ethical business practices.

Rating agencies

Capgemini responds to and engages with a range of independent corporate responsibility and sustainability analysts and financial rating agencies. We take seriously external analysis of our performance and welcome measurement by reputable third parties as this gives us a clear reference position on our performance.

Capgemini responds to analysts such, but not limited to: CDP, Ethibel, Ehtifinance, Ethisphere, FTSE4Good, Gartner, Oekom, Verdantix, and Vigeo.

Capgemini continues to be listed in the FTSE4Good index and the Euronext 120 Vigeo Europe index. In the 2013 Carbon Disclosure Project (CDP) assessment Capgemini was given a disclosure score of 94 out of 100 and a performance banding of B (an improvement against 78/100 and a band C in 2012) for our environmental performance. Our disclosure score resulted in Capgemini being awarded a listing in the CDP Disclosure Leadership Index.

Through a separate disclosure to the CDP, Capgemini UK independently received a performance banding score of A in 2013 which led to its inclusion in the 2013 CDP Supplier Climate Performance Leaders Index (SCPLI).

3.2 Our people, a key group asset

People Culture is about being an inclusive and responsible employer, whom people choose to work for and which supports and enables them to deliver their best. Our focus is on the professional development and well-being of all our employees by ensuring that we empower delivery excellence. We have a culture whereby we respect and value the diversity of all our people.

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) priority is to build a collective workforce to support our clients in solutioning their ever changing technology and consulting needs. In HR terms, this means that we need to appraise, develop, and promote our people to obtain personal growth and engagement and to recruit the skills which we are not able to develop quickly enough or which are needed to fuel the growth. The Human Resources Department continues to improve contribution by:

- supporting Managers with appropriate means to **career manage team members** and understanding their **diverse workforce** profile and trends;
- providing Team Members with means to **develop and maintain personal employability** to perform over time;
- providing Team Members with better support in mobility, virtual working and learning;
- maintaining employee safety in particular during business trips.

▶ Recruitment

- Every recruitment is carefully assessed in terms of skills and cultural fit with group values.
- Overall, we monitor gender mix of our external recruits and internal promotees. In 2013, we asked our internal and external recruiters to sign the group diversity charter to gain their commitment to improve diversity.
- We continue our policy regarding the employment of people with a disability.
- 1 out of 2 recruits are "college hires". We therefore have significantly strengthened our partnerships with major schools and universities to make Capgemini an employer of choice.

▶ Development

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

Therefore:

- every employee is linked to a transparent "competency & career framework" linked to his or her profession but personal ambition is equally important to make a career discussion open and fair;
- every employee have access to a wide range of training to enable their professional development through the group University. It delivers over 4.6 million hours per year of training to over 119,000 employees. All training programs are designed to incorporate new technological methodologies, client requirements and skilling needs;
- today, about 39% of training is virtual and our objective is to continuously optimize its impact.

▶ Talent management

- Capgemini is favouring mobility at local and global levels. It allows over 19,000 employees to work on international assignments every year.
- Capgemini now provides more visibility on the job vacancies through the www.capgemini.com website but as well through the program launched at Les Rencontres in 2013 "promote 1st; hire 2nd".

▶ Leadership

- Our leadership community, essentially the 1,300 Vice Presidents world-wide are recruited, measured, rewarded, and promoted against the "Group Leader Profile" with 6 attributes:
  - 1. business pioneer,
  - 2. profit shaper,
  - 3. people leader,
  - 4. la Niaque,
  - 5. collaboration; and
  - 6. transformation strength.
- Our leadership journey is now fully aligned to develop the 6 attributes throughout a career as a leader within Capgemini.

STRONG HEADCOUNT GROWTH, BOTH ORGANIC AND EXTERNAL

The Group workforce was just below 60,000 people ten years ago, passed the bar of 100,000 employees in September 2010 and grew again by more than 5% in 2013 to reach 131,430 employees as of December 31, 2013.

	Average headcount		End-of-year headcount	
Year	**Number**	**Change**	**Number**	**Change**
2004	57,387	15.2%	59,324	6.7%
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%
2013	128,126	5.2%	131,430	5.1%

The acquisitions of Kanbay, Getronics PinkRoccade (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, continued to significantly impact the geographical distribution of Group employees. This development is summarized in the table below:

	December 31, 2011		December 31, 2012		December 31, 2013	
	Numbers	%	Numbers	%	Numbers	%
North America	9,505	7.9%	9,609	7.7%	9,710	7.4%
United Kingdom & Ireland	8,977	7.5%	8,964	7.2%	9,130	6.9%
Nordic countries	4,538	3.8%	4,504	3.6%	4,277	3.3%
Benelux	10,391	8.7%	9,186	7.3%	8,775	6.7%
Germany and Central Europe	8,962	7.5%	9,581	7.7%	10,095	7.7%
France and Morocco	21,738	18.2%	21,738	17.4%	21,863	16.6%
Southern Europe	7,323	6.1%	7,336	5.9%	7,187	5.5%
Asia-Pacific and Latin America	48,273	40.3%	54,192	43.3%	60,393	46.0%
TOTAL	**119,707**	**100%**	**125,110**	**100%**	**131,430**	**100%**

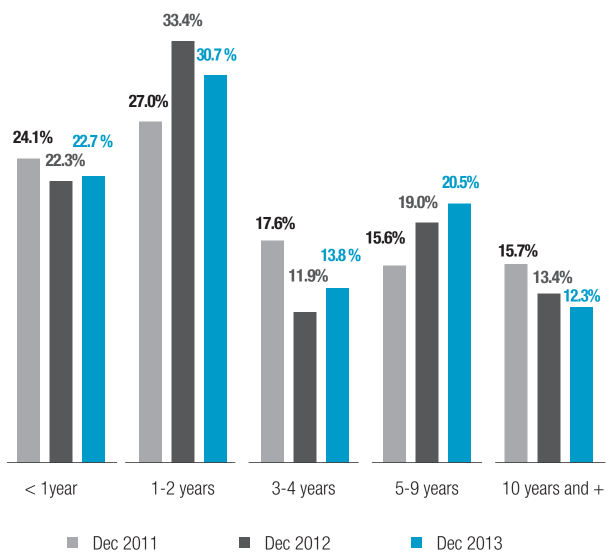
Since January 1st, 2013, the presentation of the information by geographies has been changed to move Latin America in the "Asia-Pacific and Latin America" area from the "Southern Europe and Latin America" area in order to consolidate countries with comparable economical characteristics. 2011 and 2012 exercises have been restated to reflect this new presentation in all tables of this report.

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. This resulted in the significant increase seen in the Asia-Pacific and Latin America headcount (notably India), which now comprises 46% of the Group's resources compared to 5% in 2004. The Group has been growing in Latin America (Brazil mostly and Guatemala) since 2007 driven in particular by the buyout of CPM Braxis in Q4 2010, the region reaching nearly 9,500 employees at end-2013, including 7,800 in Brazil.

Moreover, India saw very significant development in recent years with headcount rising from slightly under 2,000 people in 2004 to slightly below 47,000 in 2013. Growth in Central Europe is notably due to the development of the BPO business in Poland, which went from less than 500 employees in 2004 to more than 5,500 at year end. Benelux was the main region to see its headcount fall for the second year in a row, due to a difficult economical situation in the Netherlands as well as Nordic but to a lesser extent. In France headcount is stable in 2013, although its relative weight keeps decreasing along with the headcount increase in BRIC countries.

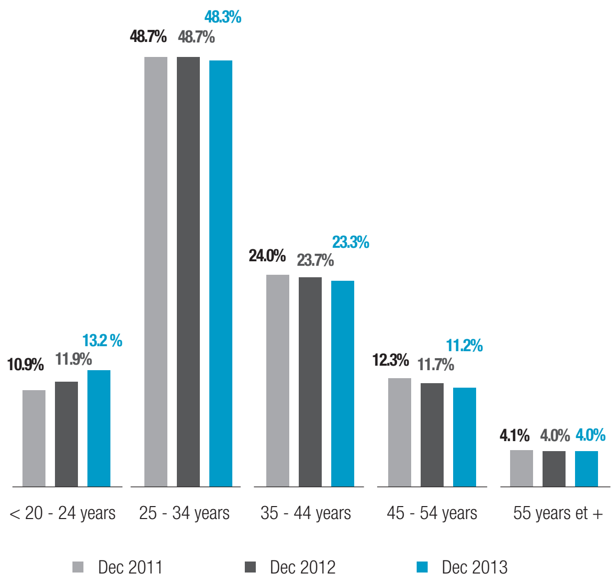
BREAKDOWN OF WORKFORCE BY LENGTH OF SERVICE: 2011-2013 CHANGES

The coverage interval for the data below is 97.7% of year-end headcount. Changes for average length of service reflect the Group's recruitment dynamics over the last four 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 (53,4% of the headcount) is clearly due to the recent high level of recruitment which 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 4.3 years in 2013, a decrease of 0.1 year versus 2012. This varies according to the geographical area, ranging from just over 2 years for India to 10.6 years in the Benelux countries.



BREAKDOWN OF WORKFORCE BY AGE: 2011-2013 CHANGES

The coverage interval for the data below is 97.1% of year-end headcount. The average age of employees is declining again in 2013 at 34.2 years due to the hiring of young graduates who represented 44.6% of recruitment in 2013. The percentage of employees aged less than 35 years rose by 0.9 point over the previous year to 61.5%, 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 1.3 pt between 2012 and 2013. The share of employees in the over 45 group dropped in by 0.5 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, while United Kingdom, Sweden, Canada and Netherlands are the only countries with an average age just above 40 years.



Against a still uncertain economic backdrop for 2013, the Group hired more than 32,000 people, the second highest number in Group's history and a significant increase over the average number of hires over the past decade.

	Hires	Acquisitions transfers
Reminder 2004	9,285	5,363
2010	30,139	7,579
2011	32,713	3,158
2012	31,100	769
2013	32,369	193

This dynamic was not felt in the same way across all geographic regions and countries, with offshore countries contributing strongly to recruitment numbers with more than half of all recruitment in 2013. India, where 48% of recruitment took place, saw headcount grow organically by near 6,000 people in 2013, representing 95% of Group net growth. The diversification of offshore recruitment resulted in the Polish workforce expanding again and passing the bar of 5,500 people in 2013, while Brazil continued to grow.

This still difficult economic environment, the employee turnover rate (the percentage of voluntary departures) slightly decreased again in 2013 at 16.8% being 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 of the last ten years, which reached 19.7% in 2007.

	Turnover rate
2004	14.1%
2010	16.3%
2011	18.1%
2012	17.0%
2013	16.8%

The number of voluntary departures was close to its 2012 level at around 21,500. 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.

3.2.3 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 with the intent to progressively better align schemes to favour mobility and ensure consistency and fairness.

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.

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, to determine the compensation of the Group CEO and to ensure succession plans are in place across the Group.

SHARE-BASED INCENTIVE SCHEMES

Cap Gemini S.A. has allocated share-based instruments (stock options initially then performance shares since 2009) on a regular basis in line with its corporate governance rules. 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, who have been acknowledged for specific initiatives or who are seen as transformation agents. 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 2,298 beneficiaries under the sixth plan and to 1,573 beneficiaries under the performance shares plans. The Management Report, presented at each Cap Gemini S.A. Shareholders' Meeting, provides a detailed yearly breakdown of the performance shares allocations.

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 as all plans are now closed. Regarding performance shares, resolutions set a limit of 5% or 10% to be allocated to Directors and the volume effectively allocated represented 2% of the total grants of the 4 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 page 62 and 144 to 149 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% of the share capital. This authorization has not been used in 2013;

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. More than 20,000 employees were potentially eligible and might become shareholders in July 2014.

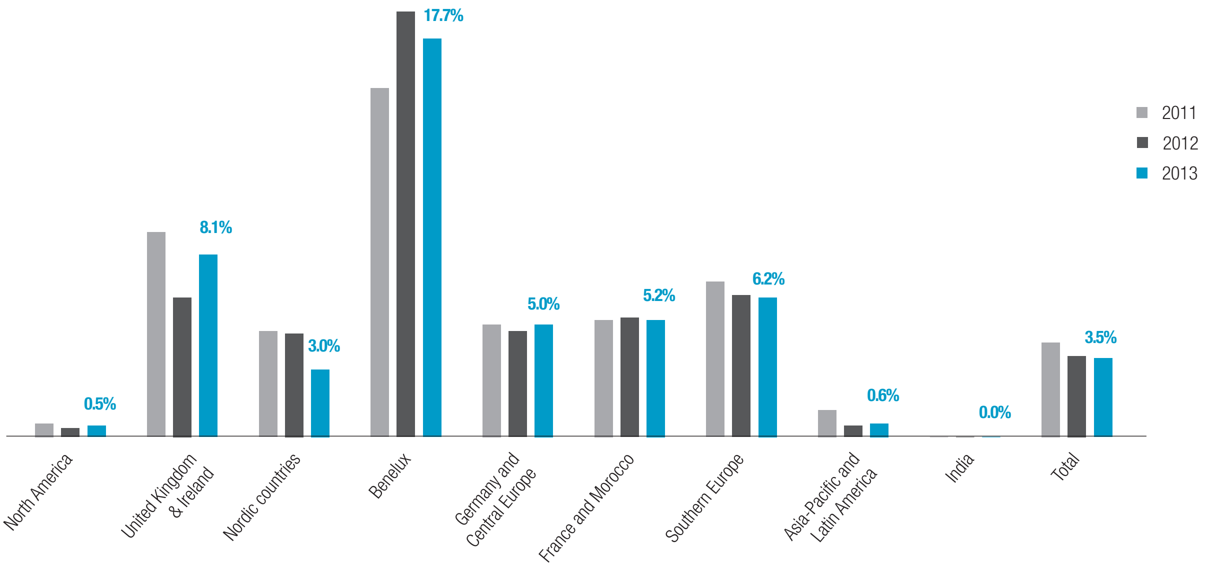
EMPLOYEE ACCESS TO STOCK HOLDING

In 2009, Capgemini 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 12,000 employees subscribing. As a result of these two plans our employees, as a whole, are the Group's principal shareholders with 6.4% of the Group share capital.

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 represented an opportunity for managers who wanted to make a long-term investment in the Company (from 4-7 years) while being fully exposed to fluctuations in the share price.

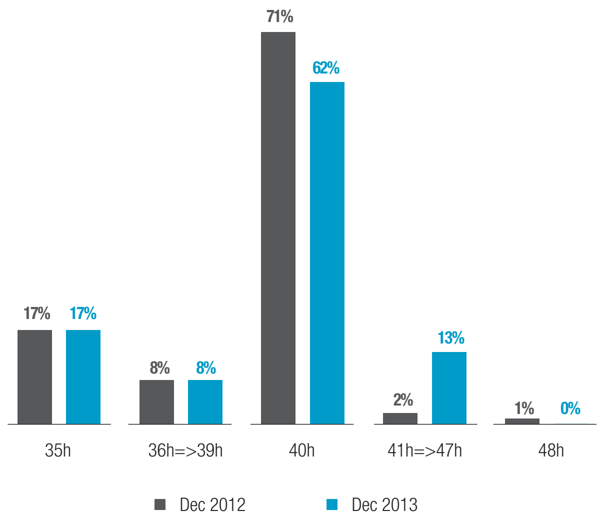
3.2.4 WORK ORGANIZATION, HEALTH AND SAFETY

BREAKDOWN OF PART-TIME WORKFORCE IN 2011-2013



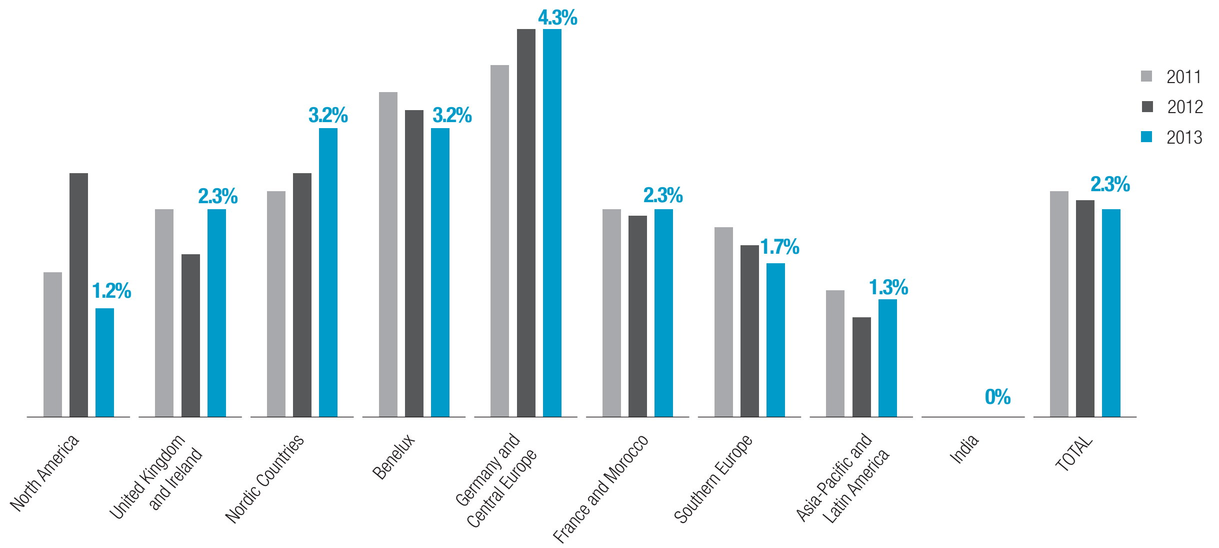
The coverage interval for the above data is 95% of year-end headcount. The number of part-time employees in the Group is quite stable at 3.5% of the total headcount in 2013. The figures show significant variation between regions: part-time working is most widespread in the Benelux countries with 17.7, followed by the United Kingdom & Ireland with 8.1% which increased by 1.9% due a new contract implemented in our service centres / call centres (35 hours working instead of 37,5 hours). Conversely, in India, Asia-Pacific and Latin America part-time working is not widespread. In France (and Morocco), 5.2% or approximately 1,100 people work on a part-time basis and remained relatively stable over the last three years.

BREAKDOWN OF WORKFORCE BY FIXED WORKING HOURS IN 2012-2013



A study of fixed working hours in the Group showed a wide variation between the regions. This study covered 95% of the workforce at year end. France was singled out, with a 35-hour working week, and represented 17% of the total workforce. 62% of our employees have a 40-hour working week, a decreased percentage as FS India has changed for a 45 hours/week contract in 2013 in closer alignment to the market practice The 40 hours working week concerns in particular Europe (excluding the United Kingdom, Finland and Denmark, where it is generally around 37,5 hours), North America, Brazil, Guatemala and Morocco are on a 44 hours working week.

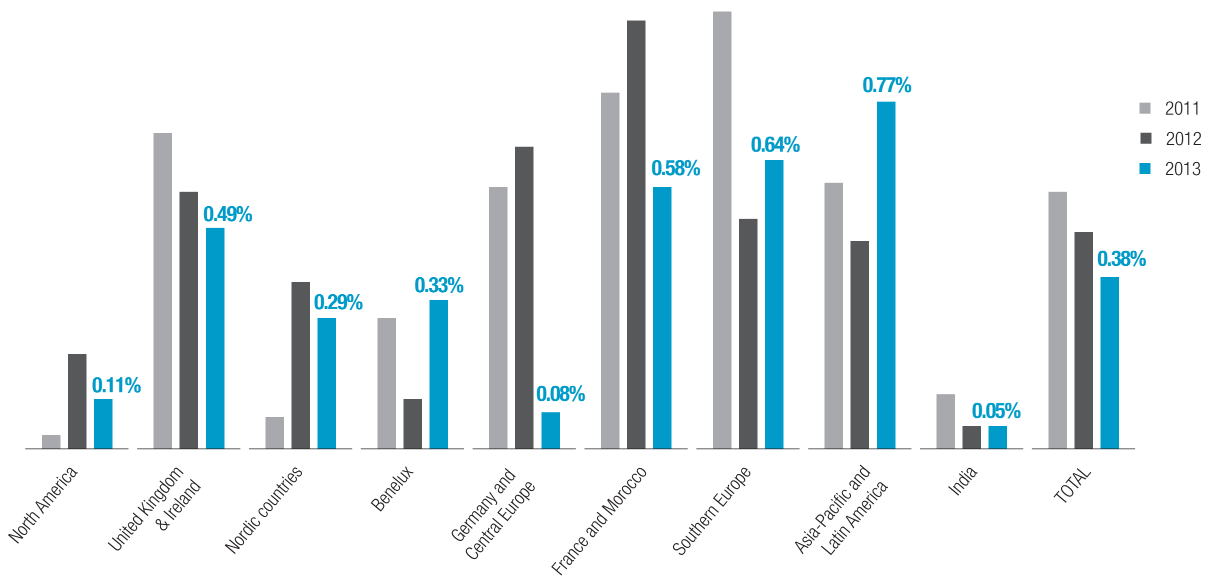
RATE OF ABSENTEEISM IN 2011-2013



The coverage interval for this study is 59% 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. The 2012 and 2011 French data have been restated to be expressed in working days instead of calendar days in the previous reports.

In 2013, the rate of absenteeism for sickness in the sample was 2.3% quite stable versus 2012. The highest region is Germany and Central Europe driven by Poland rate at 4.8%, followed by Benelux at 3.2% driven by Belgium and by Nordic also at 3.2%. France and Morocco, at 2.3%, is just at Group average as UK.

NUMBER OF WORK-RELATED ACCIDENTS/HEADCOUNT IN 2011-2013



The coverage interval for the above data is 74.5%. In 2013, the Group recorded 376 work-related accidents a ratio of 0,38% accidents of headcount in scope, a decrease of 0,1pt versus 2012 and near 100 accidents less than in 2012 in every countries. 34% 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 2013 (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, to inform on the type and nature of professional risks and to develop necessary actions to avoid them and to preserve health of every employees, a new agreement has been signed in November 2013.

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…)

In Capgemini Poland (as in some countries such as UK, Netherlands), conditions of Health and Safety at work are regulated by local labour law and are incorporated into their internal regulations procedures available in the intranet and all new hires are also obliged to sign the special document (acknowledgement) that they are familiar with the content of the document. For example in Poland, news employees are obliged to do medical check-ups before employment and to do periodic medical check-ups during employment and they must attend in a preliminary Health and Safety training organizes during their first day of work. More examples can be found in our CR&S 2013 review.

3.2.5 INTERNATIONAL MOBILITY AND RISK MANAGEMENT

The total volume of cross-border assignments across the globe for short or longer term duration is increasing each year; this is the result of globalization but also of our Group's delivery model and strong will to offer to our employee's international career opportunities to enhance their employability in a global organisation.

One of our Group's main challenges is to ensure a compliant environment as well as the physical safety to our employees travelling to potentially high-risk countries.

The Capgemini International Assignment Network, around 100 people, supports Group employees in immigration, legal, and tax & social compliance in all of the 100 countries of deployment. A Group International Assignment policy sets the package conditions applying during any stay abroad.

Through our Safety Management policy & procedures, our Group is selective on which countries/locations our employees can work. Travels to countries assessed "at risk" by our Group external Safety service provider are subject to strict rules and must be approved in advance.

- Specific training courses and advice are provided by Capgemini international assignment network and our Group safety service provider. In 2010, e-learning training was launched and in 2013, 10,860 e-learning have been completed on business travel safety. 1,331 of our employees have been trained by Capgemini service provider.
- A geo-localization tool has also been set up to identify where our employees are when they are travelling.
- If trouble breaks out in a country where the Group's employees are present, Capgemini's repatriation procedure and specific insurance coverage limit, as far as possible, the risks faced by its employees.
- 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, useful information is provided on the Group intranet sites together with relevant rules and procedures.

In 2013, approximately 37,748 missions abroad were proposed to 19,200 unique employees. 33% of these missions were originated from India, 11% from the US, 9% from France, 8% from the UK, 8% from Germany. Main destinations of these assignments were to the US (11%), to the UK (11%), to France (12%), and to Germany (9%).

3.2.6 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 shifting 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, professionally and personally, 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, business unit and corporate goals.

The fundamental strategy of competency development draws on standard training programs as well as various approaches such as virtual classrooms, e-learning, on line books, easily accessible databases and KM 2.0 communities, on the job training, mentoring systems, team rooms, and communities:

A sustained focus on training and competency development based on a 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 to facilitate mobility.

To support our employee's development, learning maps can guide them about the best ways to hone their skills for each role.

Learning & development

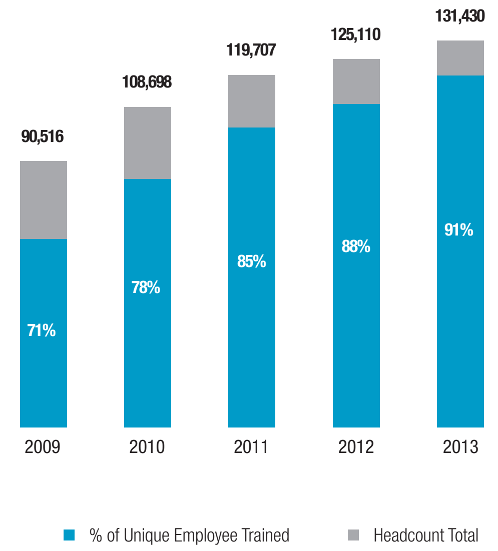
The quality of services provided to our clients depends on the excellence and motivation of our teams. We therefore invest in the development of our employees - our most precious asset - from their hiring and at every stage of their career.

Our Learning & Development teams provide our employees with a broad range of learning assets for them to develop their capabilities.

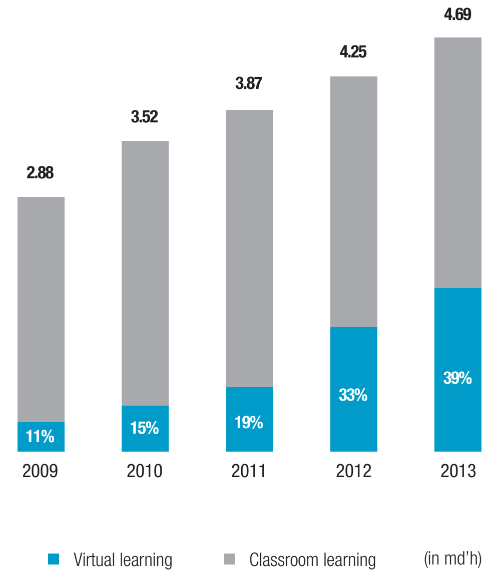
Capgemini University's Global Curriculum Framework provides our employees with cutting-edge content to support their professional and personal skills development. Learning is available in several modes to make it easy, convenient and effective: from e-learning modules, 24/7 e-books, mobile learning applications, virtual classrooms, through collaborative learning platforms and our Virtual Campus. In addition, there are traditional methods where learning happens in classroom settings; locally – for example, at a client's site, an office, or a local venue. We also organize international learning events for key talent, within key communities, at our Group's world-class campus, in Les Fontaines, France.

Group Learning & Development figures

Overall, close to 120,000 employees were trained in 2013, up 8.7% compared with the previous year taking the total volume of training hours to 4.69 million.



The Group continued to develop its on-line training courses, increasing by 31% over the year, (or 0.43 million hours). This channel now represents 39% of total training hours.



The Group's on-line learning management system MyLearning, is open to all employees, for informal just-in-time learningand for, 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's Campus in Les Fontaines, France.

Focus on Capgemini University

The University's value proposition is to bring our people together to develop their capabilities and achieve the full potential of our Group for our clients. To do this the University:

- challenges and supports them in their skill development, and connects them to our Group and to their communities. It brings to life our Group's values and multicultural approach in the way it engages our teams – whether virtually, locally, or on site at our world class campus, Les Fontaines;
- formalizes, packages and deploys cutting edge content using our Next Generation Learning (NGL) approach on Capgemini specific differentiators, know-how as well as industry standards, ensuring our teams are kept up to date and aligned with our strategy and responding to our clients' demands. It is delivered by our best practitioners and external experts;
- leverages its rich history and it accreditation among best-in-class learning organizations to guarantee demonstrated excellence.

Learning Business Partnering

The Global Learning Business Partner Team, created in 2010 is composed of the Learning & Development (L&D) Executives of all Strategic Business Units (SBUs) and of the main countries - led by the Business-to-Learning Department of the University. We work together and closely with the business to strengthen the capabilities of our people to respond to our clients' demand, as well as improve the efficiency and effectiveness of the L&D function to even better support the Group's Transformation Objectives and beat the Standards of the Learning Industry:

- strengthen our people's capabilities to respond to our clients' demand by:
  - offering NGL solutions linked to the business objectives of Capgemini; with a global effective on boarding program on our brand new Virtual Campus; with an extended Technology Partners curriculum with the addition of 2 new partners curricula; with the development and launch of leadership programs for new people managers; with an increased focus on global portfolio, sales and engagement management curricula. This led to an increase from 48% in 2012 to 55% in 2013 of the Global Curriculum within total learning hours. In addition, we supported the Group's Transformation through Mobilization events, Capability Boosters and Co Creation Challenges to deliver more value to our clients and to our Group,
  - firmly implementing the SBU Competency Frameworks in delivering learning tracks per professional roles as well to managers and executives, and focus on re-skilling, career and employability management,
  - creating workgroups to join up forces between the Global HR Team and the Global Learning Business Partner Team to be better aligned together with the Business and Finance resulting in an improved Economic Model and a pro-active Collaborative Planning and Budgeting Exercise to steer our investments on Business priorities with the right delivery mix;

- increase effectiveness and efficiency by:
  - professionalizing the L&D organization including a Competency Model for Learning Professionals (LP), whilst a LP Curriculum is in development to be rolled out in 2014,
  - the use of more cost competitive "productive time" learning programs; the percentage of virtual learning hours went up from 33% in 2012 to 39% in 2013. The Framework for "Facilitated Virtual Learning Journeys" was turned into an industrialized process, deployed for large scale learning interventions especially focused on people management and leadership programs for our people in mid grades (Leadership Advantage Program, EMBARK, People Connect and Business Writing). These programs were already delivered to over 16,700 employees in the Group,
  - optimizing the L&D organization by developing global process models for selected expertise areas like on boarding, contract management, learning technologies and Operations, including the transition of even more transactional processes to our HR Outsourcing Organisation; to be further implemented in 2014,
  - improving 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 78% in 2012 to 85% in 2013.

Key University L&D figures

In 2013, more than 110,400 Capgemini employees (84% 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 almost 2.6 million hours, representing 55% of total learning hours taken in the Group.

Close to 26,000 employees (+27% vs. 2012) were trained at our Global Campus, Les Fontaines, in France or locally in countries in which the Group is present, representing 1.1 million hours of training.

In terms of training delivered by Capgemini University: 23% was followed by employees to develop capabilities specific to their role, 44% on the Group strategic Alliance partners, 15% on Sectors and Service Lines, 12% on Leadership and Integration and the remaining 6% on industry standards and others.

3.2.7 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.

More than 3,100 engagement managers (a 41% increase in 2013 especially in France and Portugal), 728 architects, 4,035 software engineers and 295 network engineers had either obtained or reconfirmed an internal certification by end-2013. 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 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. Nearly 100 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, Brazil, Italy, Norway, Denmark, Finland, Romania, Czech republic, Slovakia, Hungary, Sweden, Australia 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 have achieved the highest level CMM and CMMI® certification (level 5). 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.

3.2.8 DIVERSITY AND INCLUSION

In 2013, Capgemini had more than 130,000 employees in over 40 countries representing over 120 nationalities. We are proud of our wide cultural diversity having made Diversity and Inclusion an important part of our employee culture, shaping how we operate and work with our stakeholders, suppliers and clients around the world. Diversity and Inclusion has many facets including gender, disability, ethnicity, age and lifestyle. At Capgemini we also include broader dimensions of diversity such as experience, personality, communication and working styles – this well call "diversity of thought". We believe our diversity differences are a source of innovation and inspiration. Inclusion means having a working culture where our diversity is valued enabling us to generate new ideas, anticipate market trends, and be thought leaders in the market.

In 2011 we introduced our Global charter for Diversity and Inclusion to formalise our active promotion of the principles of diversity in our employment practices.

GLOBAL DIVERSITY & INCLUSION CHARTER

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 which indicates that 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.

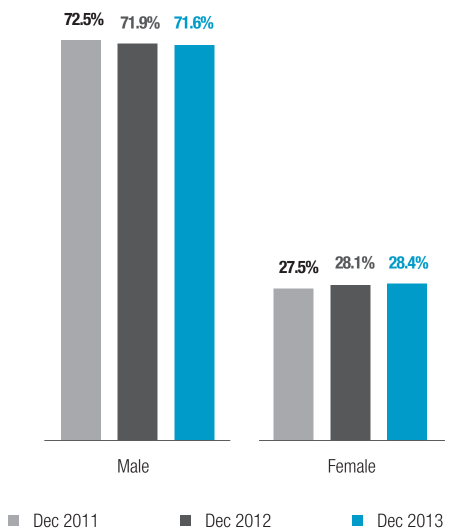
We make every effort to adapt to different needs and to enable people to work with us under a wide range of personal circumstances. In a number of countries, where allowed, employee data is monitored according to criteria such as socio-cultural group, age group and disability, etc. Diversity performance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

Breakdown of workforce by gender: 2011-2013 changes

The coverage interval for the data below is 97.5% of year-end headcount. The percentage of females in the workforce continued to rise in 2013, increasing by 0.3 point over 2012 to reach 28.4% 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 expansion in countries 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. Countries in which the percentage of females has either improved or stabilized represent 54% of the workforce, with India, UK, Chile and Poland being particularly noteworthy all progressing from 1pt (for India) to 6pts (for Chile). 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 twelve countries covering 30% of the workforce analyzed, including France, Belux and USA mostly. India has improved again its ratio and is above 26% 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 61/39 ratio.



Gender diversity is a specific focus of the Group and in order to ensure a balanced gender workforce Capgemini has implemented a number of initiatives intended to promote women within the organization, including:

- the creation of local women's networks in Australia, Belgium, France, India, Italy, Netherlands, North America, Spain and the UK;
- the development of the India Women's Council to address the challenges women face in the workplace, to tap into the female talent pool, and to serve as a knowledge-sharing and networking forum;
- the re-launch in 2013 of the Women's Leadership Development program in North America to provide skill-based training, mentoring, and on-the-job coaching to develop the future leaders of Capgemini;
- asking all our recruiters to ensure they provide both female and male candidates wherever possible; and;
- the scheduling of networking events and master classes to coincide with lunch time, rather than after work.

The Women@Capgemini program was launched in 2012 as a global business program to set the overarching guidelines around gender diversity across the Group. It is based on the principle of "equal opportunities, equal chances" and focuses on the themes of: attraction and recruitment; promotion and development; retention; and corporate awareness. New initiatives launched in 2013 included a global mentoring program to support potential employees of both genders to be mentored by our most experienced Vice Presidents of the opposite gender.

Following the launch of a gender stereotypes campaign in April 2013, Capgemini France was awarded a "communication" trophy on September 2013.A dedicated website called "lamixiteetvous.fr" provides all Capgemini and Sogeti people with the opportunity to learn, about gender stereotypes.

Capgemini and Sogeti France signed the "Charte de la Diversité dans l'Entreprise" (French corporate diversity charter) in 2006, and continue to actively participate in "IMS Entreprendre pour la Cité", which is an organization responsible for promoting the charter to increase diversity in France.

Capgemini was also present at the Women's Forum in Deauville (France). This Women's Forum for the Economy and Society focuses on building the future with women's visions and is representing by large companies and organizations around the world.

In Netherlands, at the end of 2012, Women@capgemini Netherlands was approached by TOPFEM, a Dutch network for ambitious female students. One of its programs is to tie top talent to the business via research and at the same time coach the best female students by people from the business.

In India, Women@capgemini has found a strong voice in WinspirE, a forum created three years ago. The focus of WINSPIRE is to increase gender diversity at the workplace, so we can realize the advantages of having a greater balance of women employees at all levels. The program operates under four towers, each driving a focused agenda: recruit, retain, develop and corporate awareness.

Specifically, through Winspire, Capgemini India has launched a Mentoring program to provide a pathway to help the current and next generation of women employees rise to the uppermost levels of organizational leadership. The program focusses on high potential women, who after having proved their mettle and taken charge of their career aspirations, are now looking to fast track into leadership roles. The mentoring program focuses on helping mentees set goals, build positive self-esteem, learn strategies for dealing with work pressures/stress and hone leadership and problem solving skills. 15 women, spanning various business units, had an opportunity to be mentored by senior leaders of our organization.

The Swedish Womentor Award 2013 was awarded to Capgemini Sweden in recognition of its sustainable competitiveness within the IT industry. The award was given to the individual, who demonstrated a clear contribution in an increased focus on women in business leadership positions within the IT sector.

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 85% in 2013), a stable ratio versus 2012 but above the female ratio of the Group which contributed to the rise in the percentage of women in the workforce at end-2013 driven by Asia Pacific, Central Europe and Southern Europe/Latin America regions, while Benelux further declined to a low 15%.

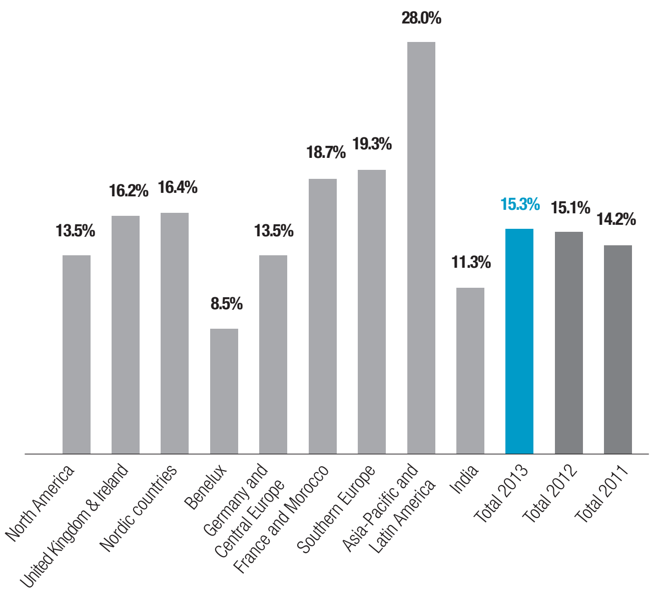
	2011	2012	2013
Recruits	**% of female**	**% of female**	**% of female**
North America	28.4%	28.0%	26.0%
UK & Ireland	24.0%	24.9%	26.3%
Nordic countries	32.9%	30.1%	27.8%
Benelux	20.5%	17.0%	14.7%
Germany and Central Europe	45.8%	47.5%	52.0%
France and Morocco	22.3%	23.6%	22.4%
Southern Europe	32.3%	31.5%	27.7%
Asia-Pacific and Latin America	29.6%	31.7%	31.7%
TOTAL	**29.7%**	**31.0%**	**31.0%**

Nevertheless, the turnover rate for females was marginally higher (at equivalent scope to hires) than for the total population but stable versus 2012 while the overall turnover rate slightly decreased by just 0.2 points during the same period.

	2011	2012	2013
Turnover	**% of female**	**% of female**	**% of female**
North America	12.6%	12.0%	12.9%
UK & Ireland	9.6%	12.4%	11.4%
Nordic countries	18.2%	17.5%	21.3%
Benelux	13.9%	11.6%	14.6%
Germany and Central Europe	23.6%	20.0%	20.2%
France and Morocco	13.0%	11.4%	12.7%
Southern Europe	8.3%	7.0%	6.1%
Asia-Pacific and Latin America	22.8%	23.5%	21.4%
TOTAL	**18.3%**	**17.6%**	**17.5%**

Proportion of women in top executive positions per operating unit

The proportion of women in top executive positions had increased at December 31, 2013:



Following a decline in the proportion of females in the highest executive grades in 2010, this indicator has returned to growth of 0.9pt in 2012 and 0.2 in 2013, 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 weights on the overall percentage (although the proportion of women engineers in these countries is higher than the market average).

At the end of 2013, 14% of employees who had been promoted to the role of "Vice-President" were female, a lower percentage 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 FAVOUR 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 favour of inclusion on disabled people has been created and called "mission handicap". On October 31, 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.

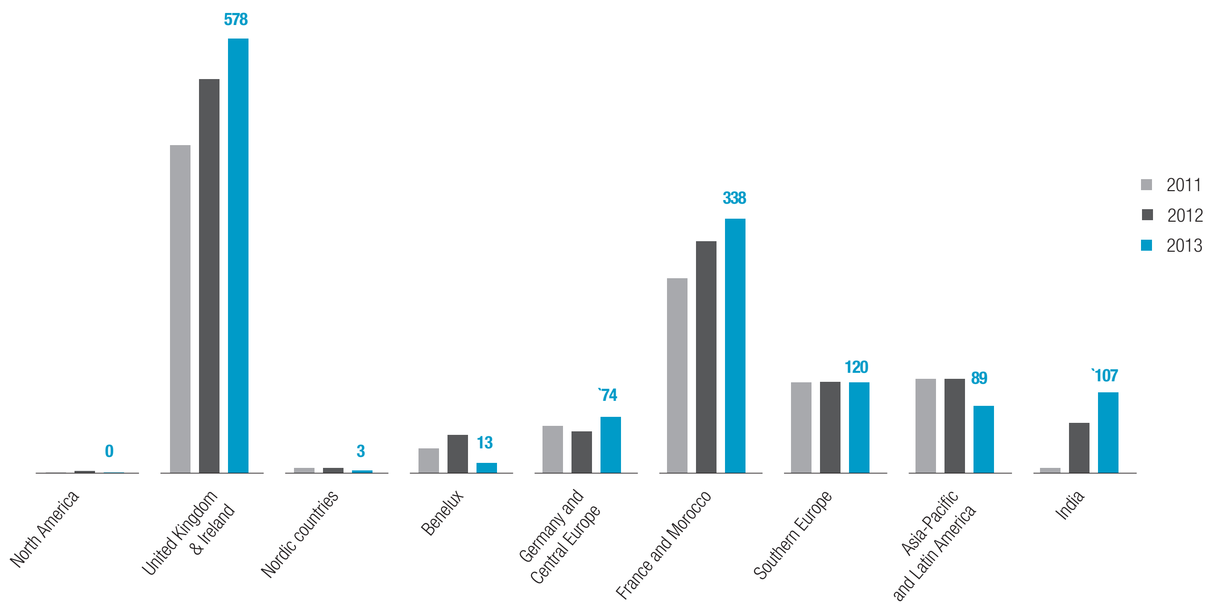
Capgemini India's disability inclusion program commenced in July 2012 It has gained momentum this year with 107 people with disabilities availing reasonable adjustments. The program has four pillars:

1. **Accessibility:** Removing barriers to inclusivity, by ensuring accessible infrastructure and grievances mechanism. They have also reviewed their emergency evacuation process to ensure safe evacuation for people with disabilities at their Mumbai and Bangalore offices;
2. **Career:** Ensuring inclusion through policies in recruitment, engagement, and development;
3. **Engagement:** Engaging employees through sensitization and training programs to create awareness on employing people with disabilities, assistive devices, challenging myths and disability etiquette;
4. **Evangelism:** Evangelizing inclusion beyond the company, with customers, partners and other organizations. This include the partnership with industry bodies, NGOs and Disability Rights groups such as CII and NASSCOM and NCPEDP (National Center for Promotion of Employment for Disabled People). They have also sponsored and participated in conferences organized by Choice International, a UK based NGO and a national-level conference organized by NCPEDP, India's largest cross disability organization.

Capgemini India received in 2013 two recognitions for this program: Capgemini India is being conferred with ESCAP Saaswaka Award for disability inclusive business in Asia and Pacific under the multinational category and have also been conferred the prestigious Helen Keller award by the NCPEDP – Shell (NCPEDP is an organization of very eminent personalities in India who champion the cause of disabilities and have played a key role in getting India to sign the UN Convention of Rights of Persons with Disabilities)

In Poland, they are right now introducing an innovative pilot program enabling a long term employment of blind and partially sighted people. So far, they managed to address many issues related to employing blind people, such as identifying reasonable job positions, recruitment process, space organization and people awareness. They are providing their blind employees with JAWS - a screen reading software enabling them everyday work with the computer. JAWS for Windows is an accessibility solution that reads information on people's screen using synthesized speech. JAWS provides commands that make it easier to use programs, edit documents, and read Web pages. The recruitement is now open for two positions: Quality Assurance in IS and Recruitment Specialist in Shared Service Center.

NUMBER OF PEOPLE IN THE GROUP WITH A DISABILITY IN 2011-2013



The coverage interval for the data above is 89% of year-end headcount. The coverage has improved due to launching new programs in 2012 for disabled persons in India and as a result 107 people are now identified (8% of the total disabled persons). In 2013, data indicated that the Group employed 1.318 disabled, of which 44% in the United Kingdom and 26% in France. There was a decrease in number of disabled people in Latin America, especially in Brazil due to a new law which drove a high demand for such profiles and a high turnover. In the Group, this is 394 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 favourably, 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

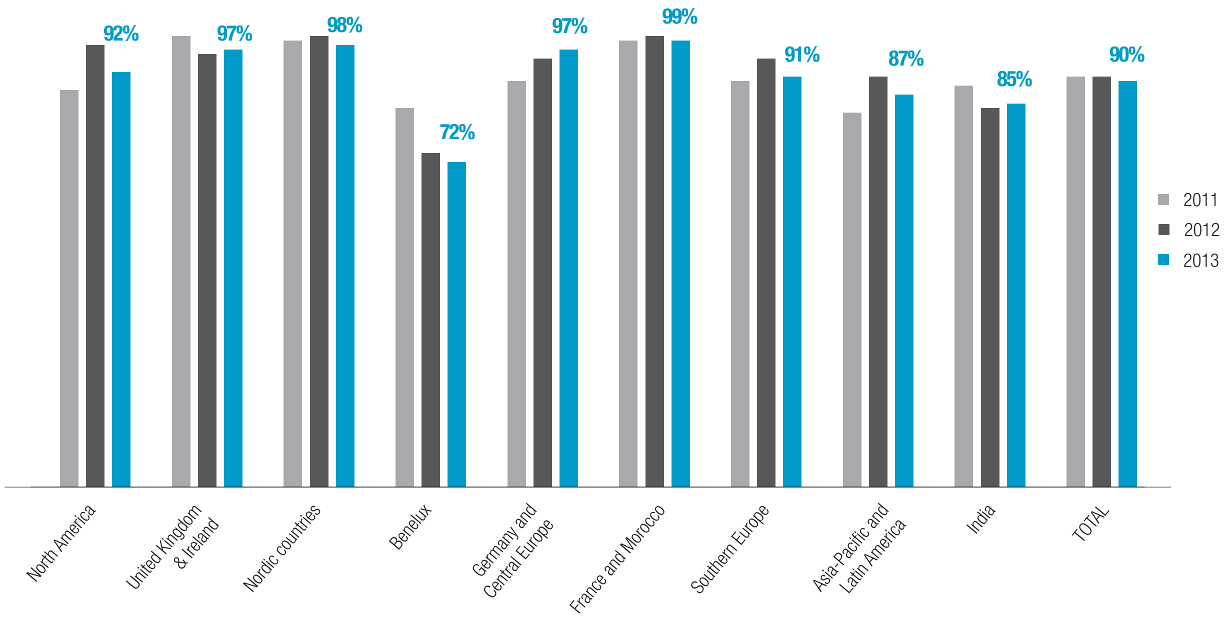
A key challenge for a services company such as Capgemini is to guarantee a consistent and transparent process of individual performance assessment based on a set of clearly-defined and explained criteria. By establishing a clear framework to guide the appraisal process, the company can ensure the professional 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 2011-2013

The coverage interval for the data below is 95% of year-end headcount.

In 2013, 90% of the workforce concerned had undergone an annual performance review. Some regions are further ahead than others in this area, such as Europe where the figure is close to 100% (with the exception of the Benelux countries where coverage is weakest at 72%). Latin America is close to the Group level while India is only at 85% but in progression of 1pt in 2013 driven by the high growth and higher turnover.



3.2.9 SOCIAL DIALOG AND INFORMATION PROCESS

DIALOG AND COMMUNICATION AT THE HEART OF OUR RELATIONSHIPS

Capgemini believes employee involvement and engagement is a precondition to an open culture and facilitates this through effective and timely communication. With over 130,000 team members, spread across 40 countries, within four businesses, Group internal communications (GIC) plays a vital role in sharing news and information, and mobilizing our people to focus, align as one team on Group priorities and accelerate in achieving our Champions League ambition.

Building one Capgemini

Our global intranet, Talent, is home to all global and local sites and provides consistent user experience, and increased connectivity within the Company. In 2013 Latam countries joined the intranet family to share their stories and experiences. Talent, through written and rich-media forms (videos, animations, infographics, etc.) and integrated with the internal social media tool, Yammer, engages our active, social, mobile, and technology savvy workforce. Adding to the social media feature, Talent enables personalization through the MyDesk feature (enjoying 54,000 profiles) and connects with those working at remote client locations through daily and weekly digests.

In 2013, Talent registered 35 million connections, a 10% growth over 2012; the daily Talent News Alerts reached 20,000 subscribers and the weekly digest touched all of our employees globally every Friday. Yammer with over 53,000 members and TeamPark, Sogeti's social networking with over 11,000 profiles, have turned out to be online cafés of the digital world connecting people, fostering discussions and conversations, brewing ideas and making it a birth place of innovation.

The Executive Corner on Talent is home to our 1,300 Vice-Presidents. To supplement their need for real time business information and equip them with information to carry out their client-facing responsibilities, GIC also shares press releases as soon as they are published and provides updates through regular key messages documents. The Executive series, comprising of a monthly newsletter, The *Executive Summary*, and ad-hoc communications via *The Executive Link* also touches our VP community periodically.

Talent intranet, through its news portal and information repository connects team members across the world, creating a boundaryless One Capgemini.

Enabling face-to-face connects

At the end of the summer, GIC piloted TeamTime. This initiative aims at improving the culture of oral communications by providing managers with technology tools to share the Group story and relevant business information to their teams. Survey results from the pilot show that 70% of the respondents held their sessions via face-to-face meetings, while remaining held sessions over video conference and conference calls owing to teams spread across various geographies.

In addition to physical meetings like the 24th Rencontres held in April in San Francisco, Group Internal Communications explored and exploited new technologies to enable more frequent connects through virtual events, making top executives closer to their teams. These events had a rich mix of staged contributions together with short video reportages, combined with lively interactions between speakers and audiences.

Engaging and recognizing through campaigns

To resonate with our tag line "People matter, results count.", we launched a new internal multimedia campaign, "People & Results", in September. The initiative showcases results the Group brings to its clients, and recognizes the people behind them. At the end of 2013, 100 projects had been covered and the dedicated website attracted over 10,000 visits. The campaign has been adopted by all business units and been used as a theme in many executive gatherings and communications.

Apart from the annual campaign that connects our employees with our results, six "One Week Focus" mini-campaigns were held to put spotlight on topics of relevance and importance to our business and society (diversity, environment, corporate citizenship, values and ethics, learning and information security), and raised awareness and involvement of our employees.

Growing trust through communications

While Capgemini continues to invest in its employees, over 21,000 of our employees have invested in the Employee Share Ownership Plans (ESOP) in 2009 and 2012. To engage and grow trust with this community, specific actions were held in 2013: a print newsletter in February; regular electronic communications (notably to provide them with the annual Shareholders newsletter and H1 ESOP performance); a virtual road show in September and a mobile application for ESOP members to keep following their investment.

Constantly striving to improve

In an effort to ensure consistency, improve industrialization and efficiency across the marketing and communication community, GIC built applications, shared tools, templates and best practices. Over 3,000 team members from Sydney to San Franciso use these industrialized in-house built applications to communicate. In a constant strive to improve the quality of internal communications; GIC held in 2013 a dozen of virtual classroom sessions and masterclasses (live and available for replay) to share best practices and editorial techniques in journalism.

Winning the hearts and minds

While maintaining the involvement and satisfaction of existing employees is only a part of the communication challenge, the other part comes from winning the hearts and mind of many people who join the company each year, as new recruits or as part of an outsourcing deal or an acquisition. GIC facilitates new joiners to quickly integrate by providing them with group communication channels and tools and building One Capgemini across continents.

Employee engagement: innovation, continuous improvement and acceleration

Personal engagement is essential in a business where over 90% of our employees interface with external clients. Engagement is tracked through the annual Group Employee Survey (GES). Established for over 7 years, GES has deeply transformed its face and its aim in 2013.

A participation rate in all time high (+4%). In 2013, a total of 125,968 employees from Capgemini were invited to participate. Our recent acquisitions, Prosodie and Capgemini Brazil (formerly CPM Braxis) joined the survey for the 1st time. 91,898 employees agreed to speak up and respond, equating to a 78% response rate.

It is to be noted that we were faced with a major challenge of changing provider. This change gave us the opportunity to improve the look & feel of survey and to issue 10 new survey versions. 91 close ended questions and 1 open comments question related – in 2013 – to the Group Transformation. An additional set of questions related to post merger integration was designed for Capgemini Prosodie and Capgemini Brazil. Finally, our Group Employee Survey was truly global with the ability provided to our employees to answer the survey in 14 different languages.

One of our primary focus was to allow Business Managers to better design action & communication plans which have a true impact on the employee engagement. We therefore re-designed the managerial reports, with the support and the involvement of some key Business Leaders, some Gen Y, the International Work Council (IWC) and the HR Business Partners. Over 3,000 pre-generated Reports were issued 4 weeks after the closing of the Group Employee Survey. In parallel, we have built a network of 250 Local Engagement Champions, whose roles are to support and guide their Business Managers. They got trained on the data analysis and are now able to provide data points to support the action planning.

2013 was the year of setting the new platform to measure Employee Engagement. Business Managers are now owning their action plans while HR Business Partners act as co-pilots. Paul Hermelin, Group Chairmen and CEO, is personally engaged in mobilization Business Leaders to act. It is understood that the pre-requisite to performance is “my personal engagement”.

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 2013, the 22 member countries were invited to three plenary meetings including two which were organized by Group Management in “Les Fontaines”, in the presence of Paul Hermelin, Group CEO, and one organized by delegates in Berlin. Very constructive dialogue took place on various topics such as Group strategy and results, IP strategy, portfolio, career and employability, learning & development, 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 through employee representative bodies managed in several European countries through an information/consultation process and leading to signing agreements following a negotiation process. A number of agreements have been signed in France and in other European countries and are – if relevant – discussed at the International Work Council by the members. In countries where the social dialog is not governed by local regulations, the management of labor relations is done in a proactive manner by engaged 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 economies. In 2013, Capgemini conducted one restructuring plan in Spain. The group and the local management kept close communication and dialogue with the employee representatives locally as well as at the International Work Council.

3.3 Environmental sustainability

Capgemini recognizes that even though we do not manufacture products, the services we provide and business activities in which we are engaged, can still impact the environment. We are therefore working to minimize our environmental impacts as part of our overall Corporate Responsibility & Sustainability program, focussing particularly upon the aspects most material to our business, namely energy efficiency, business travel and waste. We are also committed to identifying and complying with all local and international legal and other relevant requirements relating to our environmental impacts in the various geographies in which we operate.

We believe that environmental sustainability is a driver of shareholder value and that taking steps to go beyond simple environmental compliance, provides us with opportunities to support clients with new services while enabling us to improve our own efficiency and operational costs.

In particular, the impacts, risks and opportunities presented as a result of climate change touch every part of our business. Our services impact the environment through our use of energy and as a result of business travel. Some of our operations, such as our data center facilities and the services run from them, remain at risk from extreme weather events for example. Our clients require, in many circumstances, continuous service from our data centers no matter the weather conditions. We also recognize the opportunity and potential opportunities whereby technology can be used to assist our clients with their own climate change challenges.

3.3.1 GROUP ENVIRONMENTAL POLICY

The Group Environmental Policy, signed by CEO Paul Hermelin, sets out expected environmental behaviours for all countries. It 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 is set out in our 2013 Corporate Responsibility & Sustainability Review which can be downloaded at: www.capgemini.com/resources/corporate-responsibility-sustainability-report-2013

3.3.2 GROUP MANAGEMENT APPROACH

ISO14001 certified Environmental Management Systems are in place in our operations in the UK, Netherlands, Belgium, Portugal, Brazil and Spain. This currently covers 23% of our group headcount with further countries, including India, scheduled to be covered by ISO14001 certification during 2014.

While local variations may exist across our group operations, our key material environmental impacts are shown 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.
Travel	The international and domestic business travel we undertake, including journeys by road, rail, air, and from staying in hotels all consume energy leading to greenhouse gas (GHG) emissions. Tackling this remains 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 customers worldwide. We continue to take advantage of opportunities created by remote technology solutions such as video conferencing. We have also improved remote collaboration tools to facilitate remote working and allow a greater flexibility while in a number of countries we are addressing company car fleet emissions through approaches such as setting emission caps or by promoting hybrid vehicles.
Waste management	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 promoting recycling facilities. We also 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.

3.3.3 ENVIRONMENTAL PERFORMANCE

Capgemini is acutely aware that to drive environmental improvements and to set meaningful targets, a stable baseline of robust and auditable data is critical. Accordingly, during 2013 we continued to roll-out "EcoGovernance" our global carbon accounting and management system enabling standardized data collection, monitoring and management. Since 2012 the scope of the system has been extended and at the end of 2013 now covers 14 of our countries accounting for 90 per cent of our global head count.

Whilst we are not yet able to set global carbon reduction targets, the improved carbon accounting is already helping to identify areas for potential savings (both in terms of emissions and cost) relating to energy consumption and travel.

In the UK, the first country where the system has been fully rolled out, Capgemini is already achieving significant environmental performance improvement – performance externally validated under both the Eco-Management and Audit Scheme (EMAS) and with externally audited environmental data to the principles of ISO 14064-3.

In India, Capgemini is deploying its own Smart Metering solution enabling significant reductions in electricity consumption. The initial pilot enabled double digit savings within two months, and once fully deployed the program is forecast to yield multi-million euro cost savings with associated carbon reductions.

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 Carbon Reduction Commitment legislation for Capgemini UK. The Carbon Accounting and Sustainability Reporting system is also available to clients as a managed service.

UK CASE STUDY – UK TARGETS AND PERFORMANCE

We continue to monitor the targets set for Capgemini UK against a 2008 baseline:

To reduce our non-data center CO_2 footprint by 20% by 2014 (35% by 2020)	Achieved in 2012 – Progress continued in the first half of 2013 with headline carbon emissions (excluding the data centers) down 27% when compared against the 2008 baseline
To improve the energy efficiency in our data centers by more than 20% by 2014	Achieved in 2011 – we continue to improve and are currently showing a 27% improvement in the average PUE * of our data centers when compared to 2008
To reduce our CO_2 related to business travel by more than 30% by 2014	By the end of H1 2013, emissions from business travel in the UK were down nearly 20% compared to 2008
To send zero office waste to landfill by 2014	92% of office waste was diverted from landfill in the first half of 2013 as compared to 53% in the baseline year of 2008
To implement an ISO 14001 certified Environmental Management System (*EMS*)	Achieved in June 2009 and recertified in 2013

* *Power Usage Effectiveness (PUE) compares the energy used for non-IT equipment in a data center (for example: lighting and cooling) with the amount of energy used to power the IT equipment. Put simply the lower the PUE, the more efficient a data center is. The theoretical minimum (i.e. the most efficient) ratio possible is 1.0. The industry standard in the UK is around 2.0.*

3.3.4 KEY PERFORMANCE INDICATORS AND METHODOLOGY

The environmental data presented in the 2013 Annual Report has been taken from the Carbon Accounting and Sustainability Reporting system and covers 14 countries (Brazil, Canada, Denmark, Finland (data center only), France, Germany, Guatemala, India, Netherlands, Poland, Spain, Sweden, UK, and USA) covering 90 per cent of the Group headcount. Whilst environmental data is collected from other countries it is not presented in this report.

In some cases, it has been necessary to make a number of assumptions: where only partial data is available, extrapolation has been employed to estimate total annual impact (often where fourth quarter data is not yet available). Where employed, extrapolations have included:

- estimating 2013 data based upon available 2012 data, often related to Q4 2013 data (according to documented methodologies related to differing circumstances and covering all aspects of energy, travel and waste data); and
- 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 kilometer of travel).

Where data is unavailable, as is the case of F-Gas emissions for some countries, the data is deliberately excluded.

Further disclosure about the scope of data available and extrapolations employed is presented in footnotes under the data table.

OVERALL EMISSIONS

In 2013, Capgemini's carbon emissions from our operations in 14 out of 44 countries, representing approximately 90 per cent of the group's headcount, were 313,351 tCO_2e (calculated using the conversion factors and methodology recommended by UK Government's Department of Environment, Farming and Rural Affairs (DEFRA)). The countries included in scope were: Brazil, Canada, Denmark, Finland (data center only), France, Germany, Guatemala, India, Netherlands, Poland, Spain, Sweden, UK, and USA.

The total reported carbon emissions in the 2012 Annual Report of 280,337 tCO_2e, which covered emissions relating to our operations in France, India, Netherlands, North America (US and Canada) and the UK, have been restated to 262,181 tCO_2e. This restatement is the result of applying of a more accurate emissions factor for Capgemini India's electricity consumption (see footnote no.4 under the data table).

Like for like emissions on our operations in France, India, Netherlands, North America (US and Canada) and the UK in 2013 was 274,946 tCO_2e representing a 5 per cent increase from 262,181 tCO_2e in 2012.

ENERGY

In 2013 the energy related carbon emissions from our operations in the 14 countries reported were 147,018 tCO_2e. These were generated by the consumption of 377,100 MwH of energy (electricity, gas, diesel and urban heating) of which 310,990 MwH were consumed in France, India, Netherlands, North America (US and Canada) and the UK. This represents an 8 per cent reduction compared to 2012.

When measured in terms of carbon emissions, emissions from energy consumption in France, India, Netherlands, North America (US and Canada) and the UK reduced by 12 per cent to 128,188 tCO_2e between 2012 and 2013.

At the country level:

- In France, 2013 carbon emissions from energy increased by 14 per cent from 2012 to 6,723 tCO_2e due to improved data coverage during 2013 and the application of emission conversion factors based on the DEFRA methodology as opposed to the ADEME factors used in 2012. In absolute terms the overall France energy emissions remains low due to the relatively low emissions factor for French energy.
- In India, 2013 carbon emissions from energy were reduced by 6 per cent from 2012 to 59,350 tCO_2e. This was achieved, despite a growth in headcount of 14 per cent, by the closure of two older and less energy efficient buildings with a significant number of employees moving into LEED Platinum certified buildings. During 2013 a pilot installation of Smart Energy Meters assisted the identification of efficiency savings and resulted in significant reduction.
- In North America, 2013 carbon emissions from energy were reduced by 46 per cent from 2012 to 17,260 tCO_2e. This change reflects a significant improvement in the data collection process with actual data replacing a complete estimation of the data. In addition, 4 facilities closed during 2011 (upon which the 2012 data reported last year was based) and 2012.
- In the UK, 2013 carbon emissions were reduced by 8 per cent from 2012 to 31,172 tCO_2e on a like for like basis. This was driven by various office energy efficiency initiatives such as the installation of voltage power optimizers, adiabatic cooling systems and the training of individual energy champions at each facility. In addition, the scope of UK emissions data has increased to include two entities encompassing 8 new buildings. For transparency the emissions from these new buildings have been broken out in the table.
- In the Netherlands, Capgemini's 2013 carbon emissions were reduced by 0.5 per cent from 2012 to 10,483 tCO_2e. This reflects the continued focus on energy including the transition into a new efficient head-office building in Utrecht. Sogeti emissions increased by 101 per cent to 981 tCO_2e reflecting a significant improvement in the quality of the data collected.

In addition, 2013 emissions data is presented in the table for the following eight countries: Brazil, Denmark, Finland (data center only), Germany, Guatemala, Poland, Spain and Sweden.

TRAVEL

In 2013 business travel related emissions in the 14 countries reported were 163,622 tCO_2e. These were generated through travel undertaken by aeroplanes, trains, and motor vehicles (including car, bus and taxi).

144,567 tCO_2e of these emissions were generated from travel by operations in France, India, Netherlands, North America (US and Canada) and the UK. This represents a 25 per cent increase in absolute emissions compared to 2012 mainly due to improved data collection. Emissions per employee in these regions rose from 1.4 tCO_2e per annum in 2012 to 1.6 tCO_2e in 2013.

At the country level, the main changes were:

- In France, increased reporting of car travel caused a rise in overall travel emissions of 24 per cent to 26,637 tCO_2e in 2013.

3

- In India, a 14 per cent increase in headcount, coupled with more robust data gathering processes has resulted in greater data coverage. Overall 2013 travel emissions were 38,735 tCO_2e, an increase of 26 per cent over 2012.
- In North America, the overall travel related emissions rose 10 per cent to 30,448 tCO_2e due to improved accuracy and completeness of data. A more comprehensive breakdown of flights between short and long haul has been included together with taxi related emissions which have been reported for the first time.
- In the UK, travel related emissions reduced by 2 per cent compared to 2012 to 14,828 tCO_2e including 2,036 tCO_2e from our Financial Services business. This reduction reflects the ongoing progress of the "TravelWell' program.
- In 2013, Capgemini Netherlands travel related emissions fell 9 per cent to 19,262 tCO_2e. Travel reporting in Sogeti Netherlands underwent a significant improvement in coverage and data accuracy leading to a significant rise in reported emissions to 14,657 tCO_2e.

In addition, 2013 emissions from business travel have been presented for Brazil, Denmark, Germany, Guatemala, Poland, Spain and Sweden.

Total waste tonnage (including general, recycled and e-waste) and F-Gas emissions data is also provided in the table accounting for 7,031 tonnes and 2,711 tCO_2 respectively. Although we continue to improve the quality and coverage of our data collection, the quality of this data is not yet in line with energy and travel and has therefore not been included in the scope of the external audit. In addition, focus on the collection of water data continues but the data available is far from comprehensive. The total volume of measured water (consumed and recycled) used in the 14 countries of the scope is approximately 1.4 million m3.

	MWh	Emissions in Tons CO_2e						
		Energy						
Country	**Energy (all sources)**	**Gas**	**Diesel/gas oil**	**Office cooling**	**Data center electricity**	**Office electricity**	**Electricity urban heating**	**Total emissions from energy (tons CO_2e)**
India - Capgemini & Sogeti	79,378	n/a	5,013	n/a	n/a	54,337	n/a	59,350
France - Capgemini, Sogeti & Prosodie	83,452	46	nav	n/a	3,630	2,894	153	6,723
UK - Capgemini	72,340	536	72	n/a	25,374	5,190	n/a	31,172
UK - Aspire	4,586	18	n/a	n/a	n/a	1,998	n/a	2,016
UK - FS	457	n/a	n/a	n/a	n/a	203	n/a	203
Netherlands - Capgemini	27,988	562	16	83	6,660	2,912	250	10,483
Netherlands - Sogeti	3,319	316	nap	n/a	n/a	665	n/a	981
North America - Capgemini	39,470	0	88	n/a	13,519	3,653	n/a	17,260
Canada	11,068	n/a	n/a	n/a	1,697	825	n/a	2,522
USA	28,402	0	88	n/a	11,822	2,828	n/a	14,738
Total largest operations	**310,990**	**1,478**	**5,189**	**83**	**49,183**	**71,852**	**403**	**128,188**
Denmark	145	n/a	n/a	n/a	n/a	65	n/a	65
Finland (offices)	2,564	n/a	n/a	n/a	n/a	394	184	578
Finland (data center)	7,701	n/a	17	n/a	1,752	n/a	n/a	1,769
Germany	15,974	332	16	n/a	2,942	3,559	n/a	6,849
Poland	9,267	199	n/a	n/a	n/a	6,059	93	6,351
Spain - Capgemini & Sogeti	5,525	16	n/a	n/a	n/a	1,294	n/a	1,310
Sweden	13,130	n/a	n/a	15	n/a	375	74	464
Other Europe	**54,306**	**547**	**33**	**15**	**4,694**	**11,746**	**351**	**17,386**
Brazil	10,652	0	11	n/a	272	648	n/a	931
Guatamala	1,152	n/a	n/a	n/a	n/a	513	n/a	513
Latin America	**11,804**	**0**	**11**	**0**	**272**	**1,161**	**0**	**1,444**
Other Europe + Latin America	**66,110**	**547**	**44**	**15**	**4,966**	**12,907**	**351**	**18,830**
Total largest operations	**310,990**	**1,478**	**5,189**	**83**	**49,183**	**71,852**	**403**	**128,188**
TOTAL	**377,100**	**2,025**	**5,233**	**98**	**54,149**	**84,759**	**754**	**147,018**

- *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.*
- *Energy: District heating in France in 2013 has been estimated 100 per cent based on 2012 figures.*
- *Energy: In 2012 Capgemini UK data did not contain Capgemini UK FS and Aspire data. This has been added as a separate line this year to ensure a like for like comparison.*
- *Electricity: India's 2012 figure of 74,010 t CO_2e was subsequently am$_e$nded to 55,856 t CO2e. The reduction is due to an incorrect emission factor used in the 2012 report.*
- *Diesel: India has experienced a significant reduction in the amount of diesel reported since 2012 due to the closure of seven facilities in 2013.*
- *Gas and Diesel: In North America, the 2013 data is based on actual data supplied and not calculated on the basis of an estimation from the previous and potentially partial, data as it was in 2012.*
- *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 in 2012, 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. It is acknowledged that the figures represent a likely worse case and the methodology employed will be reviewed for future reports.*
- *Travel: In Capgemini Netherlands emissions data associated with travel includes personal car use as well as business mileage as it could not be separated.*
- *Travel: UK Aspire travel is included within the overall Capgemini UK figure to ensure a like for like comparison against 2012 data.*
- *Sogeti: Where Sogeti operations within countries have been included, it is shown in the country column. There are no Sogeti operations in Canada, Poland, Brazil and Guatemala.*
- *Table key: n/a (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.*
- *Table key: nav denotes areas where data is assumed to exist but was not available.*

			Emissions in Tons CO_2e			
			2013	2012	m^3	Tons
	Travel	F-Gas	Total Emissions (Tons CO_2e)		Water	Waste
Country	**Business travel**	**F-gas**	**Total emissions (tons CO_2e)**	**Total emissions (tons CO_2e)**	**Water**	**Waste (non-hazardous)**
India - Capgemini & Sogeti	38,735	1,503	99,588	93,706	1,100,029	615
France - Capgemini, Sogeti & Prosodie	26,637	nav	33,360	27,361	141,688	170
UK - Capgemini	12,792	683	44,647		nav	199
UK - Aspire	n/a	n/a	2,016	48,938	nav	46
UK - FS	2,036	5	2,244		nav	7
Netherlands - Capgemini	19,262	0	29,745	31,690	35,154	257
Netherlands - Sogeti	14,657	nav	15,638	604	7,943	319
North America - Capgemini	30,448	nav	47,708	59,882	10,705	1,261
Canada	2,478	nav	5,000	4,996	2,107	237
USA	27,970	nav	42,708	45,439	8,598	1,023
Total largest operations	**144,567**	**2,191**	**274,946**	**262,181**	**1,295,519**	**2,874**
Denmark	271	nav	336	461	nav	43
Finland (offices)	459	nav	1,037	1,730	1,768	68
Finland (data center)	n/a	nav	1,769	-	296	9
Germany	7,438	nav	14,287	14,877	20,422	231
Poland	1,956	nav	8,307	743	47,989	2,390
Spain - Capgemini & Sogeti	1,781	nav	3,091	2,948	25,351	1,342
Sweden	2,829	nav	3,293	2,122	nav	2
Other Europe	**14734**	**0**	**32,120**	**22,881**	**95,826**	**4,085**
Brazil	4,039	520	5,490	5,665	47	38
Guatamala	282	n/a	795	932	19,659	34
Latin America	**4,321**	**520**	**6,285**	**6,597**	**19,706**	**72**
Other Europe + Latin America	**19,055**	**520**	**38,405**	**29,478**	**115,532**	**4,157**
Total largest operations	**144,567**	**2,191**	**274,946**	**262,181**	**1,295,519**	**2,874**
TOTAL	**163,622**	**2,711**	**313,351**	**291,659**	**1,411,051**	**7,031**

3.4 Engaging with stakeholders

3.4.1 COMMUNITY ENGAGEMENT

Capgemini remains as committed to the social aspects of sustainability as we are to the environmental. We recognize our responsibility to the communities in which we operate and align our community projects to our corporate purpose and values. As such we recognize our responsibility to contribute to the talent and skills of the wider population.

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 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 RightshoreTM sites. Our community strategy therefore focuses on local, national and global initiatives.

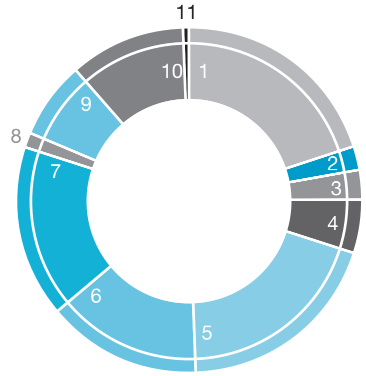
Our intention is to provide as many opportunities as we can for our employees and to engage in activities for which they have passion and commitment. Additionally, we align and embed our community program with our business activities and client work to ensure sustainability. We measure and share this 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.

3.4.1.1 OUR GLOBAL INITIATIVES

Naandi

Our partnership with the Naandi Foundation and its Nannhi Kali Initiative (focused on supporting young girls through their school education) has a direct link to our overall Capgemini Community Programme focus on education and development. By the end of 2013 we had supported over 63,000 school years of education. We remain the largest corporate sponsor of Nannhi Kali internationally and the second largest for the foundation overall. Nannhi Kali has been officially adopted in the framework of Corporate Responsibility and Sustainability by 11 Group countries across Capgemini.

Our funding enables Naandi to provide basic academic knowledge to children from the severely underprivileged area in which the school is located and to encourage them to continue their education. When compared to 2012, the number of children supported in 2013 rose in Capgemini Norway, UK, Netherlands, Finland and Germany.



1 - Norway	**1,583**
2 - France	**177**
3 - Australia	**226**
4 - Finland	**393**
5 - UK	**1,524**
6 - Sweden	**1,144**
7 - India	**1,259**
8 - USA	**126**
9 - Germany	**572**
10 - Netherlands	**846**
11 - Denmark	**31**

	Number of girls sponsored
2011	13,392
2012	9,147
2013	7,881

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 helping it grow and focus on its core mission by providing technological expertise and IT support. 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.

In 2012 we launched the MicroWorld platform in France and Ireland, Netherlands, Sweden, Norway, Denmark and Germany. Since the beginning of our involvement, a total of 742 projects of micro entrepreneurs have been co-funded with 83,000 euro leant by 1,169 members.

3.4.1.2 NATIONAL INITIATIVES

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 France is also the main partner of TADEO, a communication platform which allows deaf and hearing impaired people to receive and make phone calls, participate in meetings and be trained in all autonomy. Tadeo provides a wide range of real-time remote services such as: Instant Speech-to-Text Transcription (ISTT), Visio-interpretation in French Sign Language, Cued Speech Transcription (CST), Lip reading associated with Transcription (RepeaWriting – RW).

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 2013 UK employees helped raise over £35,000.

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. Through the EduKare initiative, Capgemini India financially assists its housekeeping and physical security staff in meeting educational expenses of their children. Started in 2010 at the Chennai location, the initiative was also taken up in other locations of Hyderabad and Pune in 2012. The students in this program are from primary level up to students pursuing their graduation. They are meritorious but have a financially weak background. The funds provided help with fees and the purchase of stationery and school uniforms and in some cases lodging and boarding expenses. In 2012 with a total of 212,870 students benefitted from them.

Capgemini Netherlands and Sport & Business rolled out a Company Sports Program in 2013. Challenges were organized around running, cycling, tennis and squash with the enthusiasm and participation of employees exceeding all expectations. In June 2013 Capgemini Young Professionals – with a realistic plan that meets the current needs within the company and provides interconnection – won the Young Professional Vitality Battle 2013, a battle between companies, organized by Sport & Business.

Capgemini Belgium is one of the companies sponsoring the Belgian Punch Powertrain Solar Team. Seventeen students form the basis of this team. They have 15 months to design and construct a solar car, in order to participate in the 2013 World Solar Challenge, the world championship for solar cars. The team members come from the electro-mechanics and electronics streams of Group T – at the International University of Leuven.

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 North America also conducted their first regional day of service, branded "Capgemini Cares", on September 21, 2012. A thousand employee volunteers united and served side by side with other colleagues in their local communities at 21 sites across the US and Canada. Each community service project was identified by a local team and included everything from supporting the local food bank, or cleaning up a local park, to assisting at a local homeless shelter. In one day we completed over 3,000 volunteer hours in communities where we work and live.

Capgemini Poland's grant program "We invest in good ideas" was designed in response to numerous grassroots initiatives of employees being aware of the acute social problems in their local surroundings. Employees engaged in volunteering activities aimed at solving these problems. Capgemini Poland supported with funding, know-how and organizational support to the employees who came forward with the best ideas. Ten projects were realized in 2012, another 15 were started in 2013, involving 180 volunteers of whom 58 were Capgemini employees. Beneficiaries of the program included a nursery school, an orphanage, an elderly citizen's club and an animal shelter. With this program the BPO Center in Poland received the European Outsourcing Award in the Corporate Social Responsibility category.

Initiated in 2008, Project Theater has become a major Capgemini Poland event involving many employees each year. In 2012, after 3 months of non-stop rehearsals, 32 Outsourcing professionals transformed into actors, producers and stage designers, put on a one hour show of singing, dancing and laughing for a 1,000 strong audience. With this first ever musical in the history of Project Theatres, Little Red Riding Cap, Capgemini Poland collected 3,200 euro for partner organization Siemacha. Siemacha runs institutions for children's sociotherapy, emergency care, education and psychotherapy.

3.4.1.3 COMMUNITY INVESTMENT AND DONATIONS

SUMMARY OF DONATIONS MADE

Countries	Donations	Programs
North America	32,421€	United Way, Naandi Foundation, Niños de Lagos
France	199,022€	124k€ mission handicap, 75k€ RSE projects (50k€ Passport avenir, 15k€ Atout Jeunes, 10k€ Laboratoire de l'égalité)
UK	190,588€	59k€ to Nanhi Kali
NL	106,250€	15k€ Enactus partnership, 15k€ Sport & Zaken partnership, 10k€ Roparun invoices for entrance fee 2 teams and transportation, 5k€ Trees for all, 60k€ for Sogeti (Sponsor contract St. Opkikker, Alpe Du Zes, cycling for Dutch Cancer Foundation, Cycling the Stelvio with 1 kidney, MicroWorld, Super Opkikker Dag)
India	10,498€	8k€ Lila Poonawalla foundation, 2k€ Bangalore Cares
Largest operations sub-total	**538,779€**	
Nordics countries	236,301€	Naandi Foundation
South Europe & LatAm	329,182€	95k€ Planetfinance, 178k€ (FCSD (Fundación Catalana Síndrome de Down); Fundación ONCE; FUNDAL (Fundación para el Deporte de Alcobendas); 26k€ Fundacion Adecco, Banco de Aimentos Madrid, Banco de Alimentos Barcelone, 23k€ CADIN – Centro de Apoio ao Desenvolvimento Infantil
Others Europe countries	10,308€	3k€ Managers of Future Foundation and Rak'n'Roll Foundation in Poland
Asia Pacific	13,004€	5k€ Cancer Council, 4k€ Naandi in Australia
TOTAL	**1,127,573**	

France and NL include the donations for Sogeti and Capgemini.

Other Europe includes Germany, Poland, Czech-Republic.

Asia Pacific includes Asia Pacific and Australia.

Latin America includes Chile and Guatemala.

3.4.1.4 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.

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.

3.4.1.5 SOCIAL AND ECONOMICAL IMPACT OF OUR BUSINESS REGARDING EMPLOYMENT

With again more than 32,000 recruits in 2013, 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 44% of the total recruits are young graduates from highly-reputed technology schools and business schools, thus creating employment or replacing positions for more than 14,000 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. We have ongoing activities with in 2012 three academic conventions and through a university degree they integrate, train and allow students to join Capgemini The association such as "Passeport Avenir" and "Nos Quartiers ont du Talent" let our company to work with engineering or management schools and universities for individual student coaching. Each student is followed by one of our employees – called tutor – during the school year to make progress in their choice for professional orientation and job search. They expect a total of 300 tutors in France and want to achieve a community of 500 people each year helping students build their professional project and understand the world of business to succeed.

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.

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.

In Brazil, Capgemini is recognized by the IT market as a key employer. In the last year, we grow with Caixa Economica poject and in 2013 we implement our first Trainee Program. We are looking for recent college graduates in the areas of Channels & Architecture, Finance & Risk, Social Programs and SAP Banking, Logistic and HR. We are supported by an external consultancy called Cia de Talentos, which advertize the program vacancies, maintain the contacts and partnership with the universities, manages the registration and drives the selection processIn 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 of employees are locals and are managed locally. 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).

For all these employment programs, Capgemini has received several awards in 2013 such as in Poland (31st place on the Universum survey Ideal Employer 2013, which is 3 positions better than last year's ranking, "the best IT place to work in Poland" for the second year, and a title Professionals in HR and a prize for the Strategy in Employer Branding…), or in Belgium (Top employer in 2013 7 times in a row) and in India (People Matters Award 2013 for Best in Talent Assessment Methodologies).

3.4.2 CLIENT SERVICES

As one of the world's foremost suppliers of IT services Capgemini is dedicated to developing profitable and sustainable services by working together with our clients to deliver value through our skills and expertise.

3.4.2.1 ENABLING CLIENT TRANSFORMATION

Clients are increasingly expecting their suppliers to help them address their own sustainability challenges, for example, minimizing their environmental impacts. As a provider of business transformation services Capgemini believes that we are well positioned to help clients with such challenges.

Specifically, as an IT service provider we have the opportunity to help clients reduce their own impacts through the advice that we offer and the solutions that we design and deliver. Capgeminialso recognize that operational efficiency is a key driver in ensuring longevity for our clients, a driver that is often complimented by reduced carbon emissions. Therefore, considering sustainability principles through our service offerings ensures that we can support clients in meeting the rising demands of regulation, competition, rising operational costs and mounting scrutiny upon the consumption of resources.

Furthermore, as an outsourcing provider, we ensure that when clients outsource their operations to us, we can proactively mitigate the risk of increasing emissions through our sustainable data centers and improving the overall energy efficiency of our clients' IT estate.

3.4.2.2 SUSTAINABILITY AND CARBON REPORTING

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.

To help companies effectively manage their sustainability agenda, Capgemini has developed a sustainability data management capability covering 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 solution is highly cost effective, as well as delivering the highest quality data management and reporting. Capgemini provides sustainability and business process expertise, underpinned by a comprehensive technology platform, in a single integrated service. Thanks to efficient and reliable outsourced data management combined with a CDP (Carbon Disclosure Project) accredited technology platform, our clients are able to move beyond cost reduction, and leverage sustainability to deliver business value and competitive advantage in the market.

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

3.4.2.3 SMART ENERGY SERVICES

Capgemini's Smart Energy Services Platform (SES Platform) is deployed to over 75 global utility clients with over 113 million customers supplied through smart energy programs. Our SES Platform provides detailed information about energy consumption enabling utility companies to manage their supply and forecast demand more profitably while customers can take greater control over usage and costs, and the gain an ability to see the impact of their appliances on their own carbon footprint.

Capgemini has extensive utilities industry experience with a track record for successful innovation and delivery. We lead the industry in the delivery of smart energy solutions in mass deployment and production and offers a unique, turn-key solution called Managed Business Services, which has a usage-based pricing model. The offering leverages a range of proven services and best practices successfully developed by Capgemini since 2004 working with more than 20 utilities spanning the globe including BC Hydro, Hydro One, Southern California Gas Company, Fortum, E.ON, Stedin, Texel, Consumers Energy Company and GrDF.

3.4.2.4 SMART CITIES

Capgemini recognizes that technology - properly scoped and implemented – is an enabler to the adoption of new approaches to delivering smarter citizen services.

As urban populations increase at a faster rate than ever before, they contribute disproportionately to carbon emissions and climate change, and our largest cities are now home to tens of millions of people. New types of urban infrastructure are required to support sustainable growth, and maintain the efficiency of cities.

Capgemini is acknowledged as a thought leader in the use of information and communications technology as a tool to provide essential energy, transport and public services with the explicit aims of reducing costs, delivering better outcomes, and improving sustainability.

More information is available at http://www.capgemini.com/resources/creating-sustainable-cities-for-the-21st-century

3.4.2.5 SUSTAINABILITY CONSULTANCY SERVICES

Capgemini provides sustainability consulting for strategy and climate change, as well as operational efficiency and industry operations. Our global network of sustainability experts integrates complex business issues with sustainability goals.

We also deliver specialized services for smart verticals, such as utility (energy and water), transportation, oil and gas, and public sector.

3.4.2.6 MERLIN DATA CENTER

Capgemini is proud to operate "the most sustainable data center in the world," as part of our portfolio of data centers. Based on state-of-the-art technology, Merlin was opened in the UK in October 2010 to ensure client's systems are run as efficiently as technologically possible with reduced emissions (based on their own in-house systems). Sustainability has been at the heart of the project from the selection of its location, through its design and construction, to the day-to-day operations of the site.

Among Merlin's key sustainability achievements are:-

- a PUE (Power Usage Effectiveness) ratio of 1.10 which means power savings of 91% compared to an "industry average" data center;
- a fresh air cooling system that delivers 80% savings in run costs and produces up to 50% less carbon emissions than traditional data center cooling solutions; and

- the elimination of batteries in the Uninterruptible Power Supply (UPS) thanks to the application of innovative flywheel technology.

All of this has been achieved while fulfilling some of the industry's most rigorous security and resiliency demands. This led to Merlin winning the EU Institute for Energy and Transport's 2013 EU Code of Conduct for Data Center Efficiency Award in recognition of "our reduction of energy consumption in a cost-effective manner without hampering the mission critical function of the data center."

In its short life, Merlin has also won the Data Centre Dynamics Leaders' [2010] Green Data Centre Award and the Uptime Institute's [2011] Green IT Award for Data Center 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.

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

Throughout 2013 Capgemini has continued to increase our portfolio of sustainability driven service offerings. More information is available at: http://www.capgemini.com/services-and-solutions/challenges/corporate-responsibility-sustainability/overview/

3.4.2.7 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 2013, nearly 3500 client engagements were monitored using OTACE. The results showed that 86% of projects were delivered on time and 83% met or exceeded customer expectations, with an average client satisfaction of 4.0 out of 5.

OTACE is progressively deployed in new units and it was deployed in 2013 in our Infrastructure Business and in Brazil.

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 2013 Global Employee Survey, 90% of people strongly agreed that they "feel personally responsible for their client's satisfaction." a consistently high percentage across the years.

3.4.3 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 CR&S 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 2013, the Capgemini Group competition laws policy was further deployed and communicated. 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.

Furthermore, in order to ensure traceability and systematic procurement early involvement in the purchase to pay processes, an initiative enforcing a purchase order prerequisite before any invoice payment was launched in 2013.

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 and actions can be found at the following addresses:

- for ethics: http://www.capgemini.com/resources/our-ethics-for-you
- for CR&S and sustainability with SMEs: http://www.uk.capgemini.com/about/corporate-responsibility/business-information-for-small-medium-enterprises

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.

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.

Over the recent years, the Group has signed strategic alliances with diverse leading suppliers in order to maintain its independence and guarantee its services in the long-term. In 2013, Group purchases from its top 100 and top ten suppliers totalled respectively €1111 million and €573 million. The number one, top five and top ten suppliers represented 6%, 16% and 23% of Group spend respectively.

In the core technology field such as software and hardware, a set of strategic partners have been identified and sourcing decisions are consolidated at group level to reflect and implement such partnership. Those partners represent 10% of our spends.

3.5 Independent external analysis

REPORT BY THE STATUTORY AUDITORS, APPOINTED AS INDEPENDENT THIRD PARTIES, ON THE CONSOLIDATED ENVIRONMENTAL, LABOUR AND SOCIAL INFORMATION PRESENTED IN THE MANAGEMENT REPORT

Year ended December 31, 2013

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

To the Shareholders,

In our capacity as Statutory Auditors of Cap Gemini S.A., appointed as independent third parties whose certification request has been approved by COFRAC, we hereby report to you on the consolidated environmental, labour and social information for the year ended December 31, 2013, presented in the management report (hereinafter the "CR&S Information"), in accordance with Article L. 225-102-1 of the French Commercial Code *(Code de commerce)*.

RESPONSIBILITY OF THE COMPANY

The Board is responsible for preparing the company's management report including CR&S Information in accordance with the provisions of Article R. 225-105-1 of the French Commercial Code and with the guidelines used by the company (hereinafter the "Guidelines"), summarized in the management report and available on request from the company's head office.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by regulatory texts, the French code of ethics governing the audit profession and the provisions of Article L. 822-11 of the French Commercial Code. We have also implemented a quality control system comprising documented policies and procedures for ensuring compliance with the codes of ethics, professional auditing standards and applicable legal and regulatory texts.

RESPONSIBILITY OF THE STATUTORY AUDITORS

On the basis of our work, it is our responsibility to:

- certify that the required CR&S Information is presented in the management report or, in the event that any CR&S Information is not presented, that an explanation is provided in accordance with the third paragraph of Article R. 225-105 of the French Commercial Code (Statement of completeness of CR&S Information);
- express limited assurance that the CR&S Information, taken as a whole, is, in all material respects, fairly presented in accordance with the Guidelines (Reasoned opinion on the fairness of the CR&S Information).

Our work was carried out by a team of about ten people between September 2013 and February 2014 and took around twenty weeks. We were assisted in our work by our specialists in corporate social responsibility.

We performed our work in accordance with the professional auditing standards applicable in France, with the decree of 13 May 2013 determining the conditions in which the independent third party performs its engagement and for the reasoned opinion on fairness, with ISAE 3000 [1].

1. Statement of completeness of CR&S Information

We conducted interviews with the relevant heads of department to familiarize ourselves with sustainable development policy, according to the impact of the company's activity on labour and the environment, of its social commitments and any action or programs related thereto.

We compared the CR&S Information presented in the management report with the list provided for by Article R. 225-105-1 of the French Commercial Code.

For any consolidated Information that was not disclosed, we verified that the explanations provided complied with the provisions of Article R. 225-105, paragraph 3 of the French Commercial Code.

We ensured that the CR&S Information covers the scope of consolidation, i.e., the company, its subsidiaries as defined by Article L. 233-1 and the entities it controls as defined by Article L. 233-3 of the French Commercial Code, within the limitations set out in the methodological informations presented in the sections 3.2.1 and 3.3.4 of the chapter related to environmental, labour and social informations of the management report.

Based on this work and given the limitations mentioned above, we attest to the completeness of the required CR&S Information in the management report.

2. Reasoned opinion on the fairness of the CR&S Information

Nature and scope of the work

We conducted around 40 interviews with the people responsible for preparing the CR&S Information in the departments charged with collecting the information and, where appropriate, the

(1) *ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.*

people responsible for the internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in the light of their relevance, completeness, reliability, impartiality and comprehensibility, and taking good market practice into account when necessary;
- verify the implementation of a data-collection, compilation, processing and control procedure that is designed to produce CR&S Information that is exhaustive and consistent, and familiarize ourselves with the internal control and risk management procedures involved in preparing the CR&S Information.

We determined the nature and scope of our tests and controls according to the nature and importance of the CSR Information in the light of the nature of the company, the social and environmental challenges of its activities, its sustainable development policy and good market practice.

With regard to the CR&S Information that we considered to be the most important [(1)]:

- at parent entity level and subsidiaries and controlled entities level, we consulted documentary sources and conducted interviews to substantiate the qualitative information (organization, policy, action), we followed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data and we verified their consistency and concordance with the other information in the management report;
- at the level of a representative sample of entities selected by us [(2)] by activity, contribution to the consolidated indicators, location and risk analysis, we conducted interviews to ensure that procedures are followed correctly and to identify any undisclosed data, and we performed tests of details, using sampling techniques, in order to verify the calculations made and reconcile the data with the supporting documents. The selected sample represents 50% of headcount and between 54% and 65% of quantitative environmental data.

For the other consolidated CR&S information, we assessed their consistency based on our understanding of the company.

We also assessed the relevance of explanations given for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes used, based on our professional judgment, allow us to express limited assurance; a higher level of assurance would have required us to carry out more extensive work. Because of the use of sampling techniques and other limitations intrinsic to the operation of any information and internal control system, we cannot completely rule out the possibility that a material irregularity has not been detected.

Conclusion

Based on our work, nothing has come to our attention that causes us to believe that the CR&S Information, taken as a whole, is not presented fairly, in all material respects, in accordance with the Guidelines.

The Statutory Auditors
Paris La Défense and Neuilly-sur-Seine, 27 February 2014
French original signed by:

KPMG Audit Department of KPMG S.A.		PricewaterhouseCoopers Audit	
Philippe Arnaud	Jacques Pierre	Thierry Raes	Françoise Garnier
Partner Climate Change & Sustainability Services	Partner	Partner Corporate Social Responsibility Department	Partner

(1) *Quantitative information*

Direct energy consumption by primary energy source, Greenhouse gas emissions, Workforce broken down by geographical area, age, gender, Average workforce, Number of hires and attrition by gender, Absenteeism ratio, Breakdown of part time workforce, Number of training hours and employees trained, Employees who had a performance and career review.

Qualitative information

Diversity and inclusion, Community engagement, Environmental sustainability, The Group University, Business ethics training for management, Action implemented against corruption, Competition laws policy.

(2) *Environmental information: Capgemini Nederland B.V., Capgemini Finland Data Centers, Capgemini Polska Sp z.o.o., Capgemini UK Plc., Capgemini India Private Ltd. et Capgemini Business Services (India) Ltd.*

Social information: Capgemini Nederland B.V., Capgemini Polska Sp z.o.o., Capgemini UK Plc., Capgemini India Private Ltd. TS.

3.6 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 80 to 82 and 92
■ Recruitments and redundancies	■	See pages 82 and 98
■ Remunerations and their evolution	■	See page 83
b) Work organization		
■ Working time organization	■	See page 84
■ Absenteeism	■	See page 85
c) Labor relations		
■ Organization of social dialogue including information procedures, consultation and negotiation with the employees	■	See pages 96 to 98
■ - Summary of collective agreements	■	See pages 96 to 98
d) Health and safety		
■ Occupational health and safety conditions	■	See page 86
■ Summary of collective agreements signed with trade unions or the representatives of the company health and safety committee	■	See page 86
■ Occupational accidents, including accident frequency and severity rates, and occupational diseases	■	See page 85
e) Training		
■ Policies implemented regarding training	■	See pages 88 to 90
■ Total number of training hours	■	See pages 88 to 90
f) Equal opportunity		
■ Measures implemented to promote gender equality	■	See pages 92 to 94
■ Measures implemented to promote employment and integration of disabled people	■	See page 94
■ Policy against discrimination	■	See pages 95 to 96
g) Promotion and compliance with ILO fundamental conventions relative to:		
■ The freedom of association and recognition of the right to collective bargaining	■	See pages 77 to 78
■ The elimination of discrimination in respect of employment and occupation	■	
■ The elimination of all forms of forced labor	■	
■ The abolition of child labor	■	

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 99 to 100
■ Information and training measures for employees regarding the protection of the environment	Y	See pages 99 to 100
■ 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 pages 99 and 102
■ Consideration of noise and of any other activity specific pollution	N	As themes a,b
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	See pages 101 and 103
■ 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	N	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 pages 107 and 108
On the local populations	■	See pages 107 and 108
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 105 to 107
Actions of partnership and sponsorship	■	See pages 105 to 107
c) Subcontractors and suppliers		
Integration of social and environmental issues into the company procurement policy	■	See pages 110 to 111
Importance of subcontracting and consideration, in the relationship with subcontractors and suppliers of their social and environmental responsibility	■	See pages 110 to 111
d) Fair business practices		
Action implemented against corruption	■	See page 77
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 page 78

Financial information

4

4.1 Comments on the Capgemini Group consolidated results

4.1.1 GENERAL COMMENTS ON THE GROUP'S ACTIVITY OVER THE PAST YEAR

N.B. 2012 figures have been adjusted for the restatements following application of IAS 19, revised. In addition, the Group presents a breakdown of operating margins by region which includes the full value added of services rendered to clients.

After a slowdown in activity towards the end of 2012, fiscal year 2013 confirmed a progressive return to revenue growth, as anticipated by the Group in its forecasts at the beginning of the year. On a like-for-like basis (i.e. at constant Group structure and exchange rates), the first quarter recorded a fall of 1.7% and the second quarter near stability (-0.4%), before a return to growth from the third quarter (1.6%). This trend was confirmed by a 3.9% rise in the fourth quarter. Overall, the Group generated revenues of €10,092 million in 2013, up 0.9% like-for-like compared with 2012. Adjusted for the fall in the main Group currencies against the euro, revenues are nonetheless down 1.7% on 2012 published figures.

Despite this limited organic growth and an unfavorable currency effect, Capgemini once again demonstrated its ability to improve profitability in a generally lackluster context. The 2013 operating margin rate is 8.5%, up 0.4 points on 2012 and therefore in excess of the objective of a 0.3 point increase announced at the beginning of 2013. Confirming its ability to reduce restructuring costs (€68 million in 2013 compared with €168 million in 2012), the Group reports an operating profit of €720 million, bringing the operating profit margin to 7.1% compared with 5.9% in 2012.

The net financial expense is €102 million (€127 million in 2012). The income tax expense is €182 million, compared with €135 million in 2012.

Profit for the year attributable to owners of the Company is €442 million for 2013, up 25% year-on-year.

The Group generated "organic free cash flow"* of €455 million before the exceptional contribution to a United Kingdom pension fund, giving cumulated organic free cash flow for fiscal years 2012 and 2013 of €951 million, well above the Group's initial objective of between €750 million and €800 million.

OPERATIONS BY MAJOR REGION

North America reported revenues of €2,074 million in 2013 (20.5% of the Group total), a rise of 2.5% like-for-like (1.3% fall including the depreciation of the US and Canadian dollars against the euro). While this increase is slightly below initial expectations, revenue growth of 7.9% was achieved in the fourth quarter following a surge in activity. Technology Services also reported strong revenue growth in the financial services sector and the infrastructure services business of in excess of 10%, excluding currency effects. The North America operating margin remained stable in 2013 at €255 million (12.3% of revenues, up 0.5 points), compared with €249 million in 2012.

The United Kingdom reported revenues of €2,004 million this year (19.9% of the Group total), down 0.3% like-for-like (and 4.7% including the depreciation of the British pound against the euro). As for the Group's other major regions, the United Kingdom enjoyed more favorable growth of 1.8% in the second half on a like-for-like basis. Over the year as a whole, all businesses grew like-for-like, if we exclude the programmed fall in revenues on a major contract. On this basis, the operating margin is €175 million (8.7% of revenues, up 0.1 points), compared with €181 million in 2012.

France reported revenues of €2,190 million in 2013 (21.7% of the Group total), increasing 0.4% over the year. This marked a significant improvement compared with the 2.1% decline in 2012. Growth reached 3.1% in the second half of 2013, confirming market share wins. Consulting Services and Sogeti nonetheless remain down over the year as a whole, while growth was driven by Outsourcing Services and Technology Services, particularly in the financial services sector. The 2013 operating margin is €204 million (9.3% of revenues), compared with €191 million in 2012.

* *Organic free cash flow is equal to cash flow from operations less acquisitions of property, plant, equipment and intangible assets (net of disposals) and adjusted for flows relating to the net interest cost.*

Benelux reported revenues of €1,080 million (10.7% of the Group total), representing a 3.3% decline in activity, with all businesses contracting over the year. However, this figure hides a steady improvement in trends over 2013. Revenues contracted 8.7% in the first quarter of 2013, however the region enjoyed a return to growth in the fourth quarter of over 1.2%, the first increase recorded since the beginning of 2011. Reorganization and restructuring measures implemented in the second half of 2012 have thus proven effective. The operating margin is €105 million (9.8% of revenue, up 1.9 points on 2012).

The **"Rest of Europe"** declined 1.4% like-for-like (1.8% on published figures), with revenues of €1,840 million (18.2% of the Group total). Activity remained stable in Continental Europe and the Nordic countries and progressed in Italy and Portugal, but declined significantly in Spain. The operating margin is €142 million (7.7% of revenues, up 0.5 points on 2012).

Finally, the **Asia-Pacific and Latin America** region (€904 million, 9% of Group revenues) continued to enjoy strong growth (12% like-for-like and 1.8% on published figures, with fluctuations in the Brazilian real, the Indian rupee and the Australian dollar accounting for the majority of the difference between these two rates). In Asia-Pacific, growth was driven by the development of financial services and the local Indian market. In Latin America, growth in Brazil boosted by the ramp-up of a major contract was the key growth factor in 2013. The operating margin is €44 million (4.9% of revenues) compared with €46 million in 2012.

OPERATIONS BY BUSINESS

Consulting Services (4.5% of Group revenues) suffered a 7.5% drop in activities on a like-for-like basis, mainly due to the economic context in Continental Europe and challenging developments in the in the global Consulting market. Only the United Kingdom enjoyed growth. The utilization rate is 65% compared with 66% in 2012. The operating margin rate is 7.8% compared with 11.2% in 2012 due to a larger proportion of senior consultants hours that could not be billed.

Local Professional Services (SOGETI) (14.8% of Group revenues) reported a slight 1.3% decrease in revenues over 2013 as a whole, on a like-for-like basis. The decline in activity was notable in Benelux (-6%). Conversely, North America grew over 4%. All Local Professional Services activities enjoyed an upturn in the second half of the year, with growth of 1.3% in this period. The utilization rate remained at a satisfactory level (82%). The operating margin rate is 10.6%, practically stable on 2012 (10.7%).

Technology Services (40.6% of Group revenues) reported revenue growth of 1.6% like-for-like in 2013. Amongst other things, this growth was driven by the Technology Services focus on the financial services sector, with this activity increasing 10% like-for-like. The United Kingdom also contributed to the growth of this business in 2013. The utilization rate remained at a favorable level (close to 80%, as in 2012). Prices continued to rise, even if the higher proportional growth in offshore activities resulted in a fall in the average price. The operating margin reached 8.7% under these conditions, up 0.5 points compared with 2012.

Outsourcing Services (40.1% of Group revenues) reported like-for-like revenue growth of 2.0% in 2013. The negative effect of the expected decrease in a major Group contract in the United Kingdom in the public sector was offset by the ramp-up of a contract won in Brazil in 2012. All the businesses (Applicative Maintenance, Infrastructure and BPO) contributed to this growth. The operating margin is 9.2%, representing a 1.2 point improvement on last year (8.0%), partly due to an improvement in the profitability of Infrastructure Services.

In summary, the following tables presents the utilization rates (on a like-for-like basis), which measure the percentage of work time, excluding statutory holidays, of production employees. These rates are stable on 2012.

	2012				2013			
Quarterly utilization rates	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**
Consulting Services	65%	67%	64%	67%	62%	69%	64%	67%
Technology Services	80%	80%	81%	81%	79%	80%	81%	81%
Sogeti	82%	83%	83%	82%	80%	82%	83%	82%

HEADCOUNT

At December 31, 2013, the total Group headcount is 131,430 employees compared with 125,110 employees one year earlier. This 6,320 increase (+5.1%) reflects:

- 32,543 additions, comprising 32,369 new hires and 174 transfers during the year, in connection with employee transfer clauses contained in certain Outsourcing Services contracts;
- 26,223 departures (including 21,561 resignations), representing an attrition rate of 16.8% of the headcount in 2013 (down slightly on the 2012 rate of 17.0%).

ORDER BOOK

New orders recorded during the year totaled €9,651 million, a fall of 3% on 2012 on a like-for-like basis. The book-to-bill ratio for Consulting Services, Technology Services and Sogeti is 1.05 in 2013 and 1.13 in the fourth quarter of 2013.

SIGNIFICANT EVENTS OF 2013

2013 was marked by three major events:

In March, the death of Michel Jalabert, Director and one of the key players in the Group's history

Born on January 20, 1933 and a graduate of the *École Supérieure d'Électricité* engineering school and the Political Studies Institute in Paris, Michel Jalabert started his professional career in 1958 with Compagnie des Machines Bull before joining the Group in January 1976, as Group General Secretary.

He played a key role in all the major transactions undertaken by the Group and particularly the acquisition of SESA in 1987, HOSKYNS in 1990 and VOLMAC and PROGRAMATOR in 1992, as well as the acquisition in the United States of DASD in 1981 and CGA in 1986. Michel Jalabert contributed to the creation of the Cap Gemini Consulting division by organizing the acquisition of several highly reputed companies in this sector (United Research, Mac Group, Gamma International and last but definitely not least the Bossard Group).

In 1997, Serge Kampf appointed him Vice-Chairman of the Supervisory Board. In May 2000, Michel Jalabert became a director of the Group, an office he occupied until 2013. In the Group's history, Michel Jalabert will remain one of the key architects of Cap Gemini's remarkable success.

In July, payment of a €235 million exceptional contribution to a Group UK pension fund

Capgemini announced with its 2013 half-year results, the voluntary payment of a €235 million exceptional contribution to a UK pension fund. This will enable a reduction in the Group's annual finance costs and the amount of future cash contributions (by €30 million per year from 2014).

In October, refinancing of the "OCEANE 2009" bonds (maturing in January 2014) and a ORNANE bond issue

On October 18, 2013, Capgemini launched a repurchase offer for the "Oceane 2009" bonds. This transaction enabled the repurchase of 84% of OCEANE bonds for €687 million and the preemptive elimination of the majority of the shareholder dilution that would have resulted from their conversion on January 1, 2014. Its partial refinancing through a convertible bond issue in the amount of €400 million preserves the Group's financial flexibility under optimized conditions (zero-coupon; conversion premium of 42.5%), using an instrument (ORNANE bonds) that allows shareholder dilution to be considerably reduced, as Capgemini can redeem the bonds at par in cash (e.g. shareholder dilution would be limited to 1.1% if the share price is €90 on maturity).

On an operational level, the other significant events of 2013, in chronological order, were as follows:

On **January 17, 2013,** the UK insurance company, Direct Line Group, selected Capgemini to implement its new information system. The primarily aim of this contract is to meet the technological challenges tied to the separation of the Direct Line Group and Royal Bank of Scotland (RBS). It is a major 5-year contract and the migration project is estimated to be worth around €120 million.

On **January 28, 2013,** the US government signed a major 7-year framework agreement with Capgemini for the US Department of Homeland Security. Capgemini is one of six major companies specializing in information technologies and communications selected for the EAGLE II (Enterprise Acquisition Gateway for Leading Edge Solutions II) contract. The aim of this framework agreement is to provide a wide range of independent verification and validation services to the US Department of Homeland Security.

On **February 7, 2013,** Capgemini and EMC, the global leader in private, public and hybrid cloud infrastructure technologies, strengthened their global alliance founded in 2011. The two companies will work collaboratively to deliver next-generation cloud solutions particularly to their Brazilian clients.

On **February 14, 2013,** Capgemini España S.L., finalized a technology services contract with the Telecommunications and Information Technologies Center of the Catalan Government ("Generalitat de Catalunya"). This four-year contract is worth €13.5 million and may be extended a further two years. It continues a relationship of over ten years, during which Capgemini has performed a large number of systems integration projects on behalf of the Catalan government.

On **February 25, 2013,** Capgemini UK plc entered into a four-year contract with Fife Council, worth an estimated €30 million, to enable the local Scottish council to realize significant cost savings and efficiency improvements. It also aims to optimize business processes across Fife Council and transform the IT systems which support local services of the Scottish council.

On **March 25, 2013,** Capgemini Norge AS won a contract worth an estimated €34 million with Norway Post. Capgemini will provide Norway Post with applicative management and development services through 2019. Leveraging its Rightshore global production system, the Group will use its delivery centers in Oslo in Norway, Helsingborg in Sweden and Mumbai in India. The contract builds on an innovative "as-a-service" commercial model where the costs will be adjusted based on the services that are provided.

On **April 11, 2013,** Capgemini signed a five years BPO contract worth several million euros with the industrial group, Sandvik. Capgemini will deliver part of the transactional finance and accounting processes of the company and will standardize and optimize these processes in over 29 countries where Sandvik is present.

On **April 17, 2013,** Capgemini Sverige AB finalized a contract with E.ON Elnät AB, a European energy producer and supplier of German origin. Capgemini will deliver a range of smart meter management services for the electricity and gas grids of the Swedish energy company. This five-year contract is worth tens of millions of euros. It will also enable E.ON to rationalize its information systems and supplier management.

On **April 23, 2013,** Capgemini Norge AS won a four-year framework agreement with Hafslund Nett, the leading utility provider in Norway. Capgemini will deliver Hafslund Nett a comprehensive smart networks solution. The Group will leverage Capgemini's Application Services and Capgemini Consulting capabilities, the Group's strategy and transformation consulting entity.

On **May 30, 2013,** Capgemini signed, through its US subsidiary, a €28 million contract with Ferro Corporation, a leading player in the chemicals industry in the United States. Under the agreement, Capgemini will implement a global shared services model and deliver business processing (BPO) and IT services to Ferro. This agreement advances Ferro's value creation strategy and aims to optimize business processes and reduce operating costs by approximately €54 million through 2014.

On **July 17, 2013,** Capgemini finalized, through its Dutch subsidiary (Capgemini Nederland B.V.), an infrastructure services contract with the Netherlands' Cadastre, Land Registry and Mapping Agency. The agreement includes the outsourcing of Kadaster's workplace services, office automation, and datacenter services to Capgemini. The six-year contract is worth an estimated €100 million and may be extended by two years.

On **July 29, 2013,** Capgemini won a contract worth approximately €30 million with Consumers Energy, the leading electricity supplier in the State of Michigan (USA). Capgemini will install 2.4 million smart meters (1.8 million electricity meters and 600,000 gas meters) and the related network infrastructure and IT systems.

On **July 31, 2013,** a few days after the publication of its first-half results, Standard & Poor's upgraded Capgemini's credit rating from "BBB-" to "BBB", with a stable outlook.

On **September 5, 2013,** Capgemini won two three-year contracts worth a total of €23 million with GrDF. Under these contracts Capgemini will develop the information system for the new smart gas meters that will equip 11 million French homes by 2022. This will be the world's largest gas meters deployment to date.

On **October 17, 2013,** engaged in the search for a strategic partner for its IT services subsidiary Euriware, AREVA decided to enter into exclusive negotiations with Capgemini for its acquisition.

On **November 19, 2013,** Capgemini, through its German subsidiary (Capgemini Deutschland Gmbh) signed three framework agreements with ZIVIT (Zentrum für Informationsverarbeitung und Informationstechnik), the internal IT service provider for the German Tax Authorities. These three-year contracts encompass improvements in the management and structure of the IT architecture and the development and maintenance of administrative processes for the German tax authorities and its entities.

On **December 4, 2013,** Capgemini and Pivotal, the software company at the intersection of Big Data, PaaS and application development, entered into a strategic partnership. Capgemini will contribute its expertise in business solutions for big data and analytics and Pivotal its market leading data platform technologies. Together, Capgemini and Pivotal will deliver solutions tailored to the needs of clients faced with an increasingly data-rich world.

On **December 19, 2013,** Capgemini won a contract worth over €40 million with the SCUBI consortium (Southeast Consortium Unemployment Insurance Benefits Initiative). This contract covers the development and implementation of a multi-state unemployment insurance management system in North Carolina, South Carolina and Georgia.

4.1.2 COMMENTS ON THE CAPGEMINI GROUP CONSOLIDATED FINANCIAL STATEMENTS AND OUTLOOK FOR 2014

CONSOLIDATED INCOME STATEMENT

Consolidated revenues total €10,092 million for the year ended December 31, 2013, up 0.9% like-for-like compared with 2012 (and down 1.7% on published figures). Operating expense total €9,235 million, compared with €9,435 million last year.

An analysis of costs by nature reveals:

- a €100 million fall in personnel costs (-1.6%) to €6,083 million for 2013. This decrease is partly due to the depreciation of the Group's main currencies against the euro. Personnel costs increased slightly on a like-for-like basis compared with 2012 (+1%). The average headcount rose 5.2% in 2013 to 128,126, compared with 121,829 in 2012. Offshore employees represent 43.8% of the total Group headcount, compared with 40.7% in 2012;
- a 0.3 point fall in the "purchases and sub-contracting" account to €68 million (21.4% of revenues compared with 21.7% last year).

An analysis of costs by functions reveals that:

- the cost of services rendered is €7,636 million, or 75.7% of revenues, down 0.7 points on 2012. This enabled a slight increase in the gross margin to 24.3% of revenues in 2013. This improvement is attributable to the resistance of selling prices combined with tight control over personnel costs;
- selling costs total €807 million, or 8.0% of revenues, up 0.3 points on last year, due to increased commercial momentum, particularly for innovative offerings;
- general and administrative expenses (€792 million), represent 7.9% of revenues, up slightly by 0.1 points on 2012.

The operating margin (before amortization of intangible assets recognized in business combinations) on this basis is €857 million in 2013, or 8.5% of revenues, compared to an operating margin rate of 8.1% in 2012.

Other operating income and expense represents an overall net expense of €107 million in 2013, well below the net expense of €186 million recorded in 2012. This improvement is mainly due to the marked reduction in restructuring costs to €68 million in 2013, compared with €168 million last year.

Operating profit is €720 million, or 7.1% of revenues, compared with €606 million (5.9% of revenues) in 2012. Operating profit for the year thus increased 18.8%.

The net financial expense is €102 million, compared with €127 million in 2012.

The income tax expense is €182 million, compared with €135 million last year. The effective tax rate increased from 28.2% in 2012 to 29.4% in 2013.

Profit for the year attributable to owners of the Company is €442 million, up 25.2% on 2012. Earnings per share is €2.76 based on the 160,317,818 shares outstanding at December 31, 2013, representing an increase of 26.6% on last year.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Equity attributable to owners of the Company totaled €4,458 million at December 31, 2013, down €24 million on December 31, 2012. This decrease was mainly due to:

- the payment to shareholders of the 2012 dividend (€1 per share) of €157 million;
- the €155 million decrease in foreign exchange translation reserves;
- the €118 million impact, net of tax, of the repurchase of "OCEANE 2009" bonds;
- the recognition in equity of actuarial losses on provisions for pensions and other post-employment benefits of €98 million, net of deferred tax.

partially offset by:

- profit for the year of €442 million;
- a share capital increase of €41 million following the presentation of shares to "OCEANE 2009" bondholders;
- the value of the call option on own shares sold on October 18, 2013 (€34 million, net of the tax effect).

Non-current assets decreased €162 million on December 31, 2012, mainly due to:

- a €101 million decrease in goodwill due to the negative impact of foreign currency translation adjustments;
- a net decrease in other intangible assets (€26 million);
- a net decrease in property, plant and equipment (€48 million), including €26 million due to foreign currency translation adjustments;
- a €42 million decrease in deferred tax assets; and
- a €55 million increase in other non-current assets, primarily due to the call option on own shares purchased on October 18, 2013 valued at €70 million at December 31, 2013.

Operating receivables (accounts and notes receivable) totaled €2,587 million at December 31, 2013, compared with €2,538 million at December 31, 2012, up slightly by 1.9%.

Accounts receivable, net of advances from clients and amounts billed in advance and excluding capitalized costs on projects, totaled €1,800 million at December 31, 2013 compared with €1,807 million at December 31, 2012. They represented 64 days annual revenue (63 days at December 31, 2012).

Non-current liabilities decreased €420 million at December 31, 2013 (to €2,311 million compared with €2,731 million last year), chiefly due to:

- a €240 million decrease in provisions for pensions and other post-employment benefits, primarily due to the accelerated financing of the funding shortfall on a UK pension plan, involving the payment of an exceptional contribution of €235 million;
- a €225 million decrease in long-term borrowings mainly reflecting the repurchase and conversion of "OCEANE 2009" bonds and the concomitant issue of "ORNANE 2013" bonds redeemable in cash and/or in new and/or existing shares.

  partially offset by:
- a €50 million increase in other non-current liabilities, mainly due to a €88 million increase relating to the conversion option embedded in the "ORNANE 2013" bonds valued at €70 million at December 31, 2013.

Net cash and cash equivalents totaled €678 million at December 31, 2013.

Excluding the exceptional contribution described above, net cash and cash equivalents total €913 million, compared with €872 million at December 31, 2012. This €41 million increase is mainly due to:

- organic free cash flow generated in 2013 of €455 million (compared with €496 million in 2012);
- payment of the 2012 dividend of €157 million;
- a net cash outflow of €112 million relating to the repurchase and conversion of the "OCEANE 2009" bonds and the issue of "ORNANE 2013" bonds redeemable in cash and/or in new and/or existing shares;
- a €36 million increase in finance lease obligations;
- a net cash outflow of €28 million in respect of treasury share transactions;
- a share capital increase of €19 million subscribed by CPM Braxis minority shareholders;
- the €88 million negative impact of exchange rate fluctuations.

OUTLOOK FOR 2014

Initial contracts signed by the Group at the beginning of 2014 support Capgemini's market position and its outlook for the current year. The Statoil success bears witness to the competitiveness of the Group in a market wide open to offshoring such as Norway. In Germany, Capgemini is among the winners in a large deal at Daimler against leading Indian and Western competitors. Finally, with Honeywell, the Group replaced an Indian competitor on the renewal of a BPO contract.

In a context of gradually improving demand, the Group forecasts for 2014 an organic revenue growth of 2% to 4% and an operating margin rate between 8.8% and 9.0%. Organic free cash flow is expected to exceed €500 million.

4.2 Consolidated Financial Statements

4.2.1 CONSOLIDATED INCOME STATEMENT

		2011*		2012*		2013	
in millions of euros	**Notes**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Revenues	3	**9,693**	**100**	**10,264**	**100**	**10,092**	**100**
Cost of services rendered		(7,395)	(76.3)	(7,842)	(76.4)	(7,636)	(75.7)
Selling expenses		(746)	(7.7)	(794)	(7.7)	(807)	(8.0)
General and administrative expenses		(809)	(8.3)	(799)	(7.8)	(792)	(7.9)
Operating expenses	4	**(8,950)**	**(92.3)**	**(9,435)**	**(91.9)**	**(9,235)**	**(91.5)**
Operating margin**		**743**	**7.7**	**829**	**8.1**	**857**	**8.5**
Amortization of intangible assets recognized in business combinations		(25)	(0.3)	(37)	(0.4)	(30)	(0.3)
Operating margin after amortization of intangible assets recognized in business combinations**		**718**	**7.4**	**792**	**7.7**	**827**	**8.2**
Other operating income and expense	5	(118)	(1.3)	(186)	(1.8)	(107)	(1.1)
Operating profit		**600**	**6.2**	**606**	**5.9**	**720**	**7.1**
Net finance costs	6	(65)	(0.7)	(55)	(0.5)	(47)	(0.5)
Other financial income and expense	6	(58)	(0.6)	(72)	(0.7)	(55)	(0.6)
Net financial expense		**(123)**	**(1.3)**	**(127)**	**(1.2)**	**(102)**	**(1.0)**
Income tax expense	7	**(98)**	**(1.0)**	**(135)**	**(1.3)**	**(182)**	**(1.8)**
Share of profit of associates		**-**	**-**	**(1)**	**(0.0)**	**(1)**	**(0.0)**
PROFIT FOR THE YEAR		**379**	**3.9**	**343**	**3.3**	**435**	**4.3**
Attributable to:							
Owners of the Company		*394*	*4.1*	*353*	*3.4*	***442***	***4.4***
Non-controlling interests		*(15)*	*(0.2)*	*(10)*	*(0.1)*	*(7)*	*(0.1)*

EARNINGS PER SHARE				
Average number of shares outstanding during the year		153,595,650	155,795,618	158,147,868
Basic earnings per share *(in euros)*	8	**2.57**	**2.26**	**2.80**
Number of shares outstanding at the year-end		155,770,362	161,770,362	160,317,818
Earnings per share at the year-end *(in euros)*		**2.53**	**2.18**	**2.76**
Diluted average number of shares outstanding		171,714,450	174,811,705	179,596,733
Diluted earnings per share *(in euros)*	8	**2.43**	**2.15**	**2.59**

* *Figures have been adjusted for the restatements presented in Note 1 - Accounting policies, following application of IAS 19, revised,*

** *Effective from January 1, 2013, the operating margin is presented before amortization of intangible assets recognized in business combinations. Comparative periods have been adjusted to reflect this change in presentation.*

4.2.2 STATEMENT OF INCOME AND EXPENSE RECOGNIZED IN EQUITY

in millions of euros	2011*	2012*	2013
Actuarial gains and losses on defined benefit pension plans, net of tax	(209)	(36)	(98)
Items that will not be reclassified to profit or loss	**(209)**	**(36)**	**(98)**
Remeasurement of hedging derivatives, net of tax	(41)	12	2
Translation adjustments	9	(44)	(162)
Items to be reclassified to profit or loss	**(32)**	**(32)**	**(160)**
TOTAL INCOME AND EXPENSE RECOGNIZED IN EQUITY	**(241)**	**(68)**	**(258)**
Profit for the year (reminder)	379	343	435
If this income and expense recognized in equity had been recognized in profit or loss, profit for the year would have been as follows:	138	275	177
Attributable to:			
Owners of the Company	154	290	191
Non-controlling interests	*(16)*	*(15)*	*(14)*

* *Figures have been adjusted for the restatements presented in Note 1 - Accounting policies, following application of IAS 19, revised.*

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4.2.3 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in millions of euros	Notes	December 31, 2011*	December 31, 2012*	December 31, 2013
Goodwill	10	3,768	3,702	3,601
Intangible assets	10	154	192	166
Property, plant and equipment	11	547	542	494
Deferred taxes	13	1,029	1,065	1,023
Other non-current assets	14	119	98	153
Total non-current assets		**5,617**	**5,599**	**5,437**
Accounts and notes receivable	15	2,685	2,538	2,587
Current tax assets		55	70	69
Other current receivables	16	370	351	368
Cash management assets	17	73	75	77
Cash and cash equivalents	17	2,223	2,023	1,638
Total current assets		**5,406**	**5,057**	**4,739**
TOTAL ASSETS		**11,023**	**10,656**	**10,176**

in millions of euros	Notes	December 31, 2011*	December 31, 2012*	December 31, 2013
Share capital		1,246	1,294	1,283
Additional paid-in capital		2,875	2,976	2,930
Retained earnings and other reserves		(276)	(141)	(197)
Profit for the year		394	353	442
Equity (attributable to owners of the Company)		**4,239**	**4,482**	**4,458**
Non-controlling interests		27	36	33
Total equity		**4,266**	**4,518**	**4,491**
Long-term borrowings	17	1,135	1,131	906
Deferred taxes	13	183	163	158
Provisions for pensions and other post-employment benefits	20	1,125	1,202	962
Non-current provisions	21	15	16	16
Other non-current liabilities	22	322	219	269
Total non-current liabilities		**2,780**	**2,731**	**2,311**
Short-term borrowings and bank overdrafts	17	702	99	133
Accounts and notes payable	23	2,340	2,335	2,293
Advances from customers and billed in advance	15	661	624	684
Current provisions	21	48	48	42
Current tax liabilities		89	95	58
Other current payables	24	137	206	164
Total current liabilities		**3,977**	**3,407**	**3,374**
TOTAL EQUITY AND LIABILITIES		**11,023**	**10,656**	**10,176**

* *Figures have been adjusted for the restatements presented in Note 1 - Accounting policies, following application of IAS 19, revised.*

4.2.4 CONSOLIDATED STATEMENT OF CASH FLOWS

in millions of euros	Notes	2011*	2012*	2013
Profit for the year attributable to owners of the Company		**394**	**353**	**442**
Non-controlling interests		(15)	(10)	(7)
Depreciation, amortization and impairment of fixed assets	10 -11	188	228	208
Change in provisions		(20)	(17)	**(284)
Gains and losses on disposals of assets		13	(14)	6
Expenses relating to share grants		17	15	20
Net finance costs	6	65	55	47
Income tax expense	7	98	135	182
Unrealized gains and losses on changes in fair value and other		3	32	21
Cash flows from operations before net finance costs and income tax (A)		**743**	**777**	**635**
Income tax paid (B)		**(104)**	**(120)**	**(124)**
Change in accounts and notes receivable and advances from customers and amounts billed in advance		(140)	96	(58)
Change in capitalized costs on projects		5	9	1
Change in accounts and notes payable		(81)	(26)	39
Change in other receivables/payables		(74)	(27)	(103)
Change in operating working capital (C)		**(290)**	**52**	**(121)**
NET CASH FROM OPERATING ACTIVITIES (D=A+B+C)		**349**	**709**	**390**
Acquisitions of property, plant and equipment and intangible assets	10 -11	(158)	(183)	(143)
Proceeds from disposals of property, plant and equipment and intangible assets		3	11	3
		(155)	**(172)**	**(140)**
Cash outflows on business combinations net of cash and cash equivalents acquired		(554)	(24)	(11)
Other cash inflows/outflows (net)		10	(10)	(1)
		(544)	**(34)**	**(12)**
NET CASH USED IN INVESTING ACTIVITIES (E)		**(699)**	**(206)**	**(152)**
Proceeds from issues of share capital		-	153	-
Proceeds from issues of share capital subscribed by non-controlling interests		34	49	19
Dividends paid		(154)	(154)	(157)
Net proceeds/payments relating to transactions on Cap Gemini shares		(7)	(24)	(28)
Proceeds from borrowings		817	22	406
Repayments of borrowings		(381)	(685)	(747)
Interest paid	6	(53)	(66)	(56)
Interest received	6	23	25	26
NET CASH USED IN (FROM) FINANCING ACTIVITIES (F)		**279**	**(680)**	**(537)**
NET DECREASE IN CASH AND CASH EQUIVALENTS (G=D+E+F)		**(71)**	**(177)**	**(299)**
Effect of exchange rate movements on cash and cash equivalents (H)		(12)	(31)	(88)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (I)	17	**2,307**	**2,224**	**2,016**
CASH AND CASH EQUIVALENTS AT END OF YEAR (G+H+I)	17	**2,224**	**2,016**	**1,629**

* *Figures have been adjusted for the restatements presented in Note 1 - Accounting policies, following application of IAS 19, revised,*
** *Including the €235 million exceptional contribution for the accelerated financing of the funding shortfall on a pension plan in the United Kingdom.*

Cash flows for the period are discussed in Note 18 – Cash flows.

4.2.5 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

						Income and expense recognized in equity				
in millions of euros	Number of shares	Share capital	Additional paid-in capital	Treasury shares	Consolidated retained earnings and other reserves	Translation adjustments	Other	Equity (attributable to owners of the Company)	Non-controlling interests**	Total equity
At January 1, 2011 - Reported	**155,770,362**	**1,246**	**2,875**	**(81)**	**719**	**(77)**	**(368)**	**4,314**	**(7)**	**4,307**
Restatements relating to retrospective application of IAS 19 revised, net of tax	-	-	-	-	(33)	-	11	(22)	-	(22)
At January 1, 2011*	**155,770,362**	**1,246**	**2,875**	**(81)**	**686**	**(77)**	**(357)**	**4,292**	**(7)**	**4,285**
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 minority shareholders and changes in percentage interest	-	-	-	-	(64)	-	-	(64)	50	(14)
Elimination of treasury shares	-	-	-	(3)	(3)	-	-	(6)	-	(6)
Transactions with shareholders	**-**	**-**	**-**	**4**	**(211)**	**-**	**-**	**(207)**	**50**	**(157)**
Income and expense recognized in equity*	**-**	**-**	**-**	**-**	**-**	**10**	**(250)**	**(240)**	**(1)**	**(241)**
Profit for the year*	**-**	**-**	**-**	**-**	**394**	**-**	**-**	**394**	**(15)**	**379**
At December 31, 2011*	**155,770,362**	**1,246**	**2,875**	**(77)**	**869**	**(67)**	**(607)**	**4,239**	**27**	**4,266**
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 minority shareholders and changes in percentage interest	-	-	-	-	(37)	-	-	(37)	24	(13)
Elimination of 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)**	**(24)**	**(63)**	**(5)**	**(68)**
Profit for the year*	**-**	**-**	**-**	**-**	**353**	**-**	**-**	**353**	**(10)**	**343**
At December 31, 2012*	**161,770,362**	**1,294**	**2,976**	**(92)**	**1,041**	**(106)**	**(631)**	**4,482**	**36**	**4,518**
Dividends paid out for 2012	-	-	-	-	(157)	-	-	(157)	-	(157)
Incentive instruments and employee share ownership	285,000	2	-	-	17	-	-	19	-	19
Adjustments to the put option granted to minority shareholders and changes in percentage interest	-	-	-	-	(17)	-	-	(17)	11	(6)
Repurchase and conversion of “OCEANE 2009” bonds	1,188,167	10	31	50	(118)	-	-	(27)	-	(27)
Derivates instruments on Cap Gemini shares, net of tax	-	-	-	-	34	-	-	34	-	34
Elimination of treasury shares	-	-	-	(67)	-	-	-	(67)	-	(67)
Share capital reduction by cancellation of treasury shares	(2,925,711)	(23)	(77)	100	-	-	-	-	-	-
Transactions with shareholders	**(1,452,544)**	**(11)**	**(46)**	**83**	**(241)**	**-**	**-**	**(215)**	**11**	**(204)**
Income and expense recognized in equity	**-**	**-**	**-**	**-**	**-**	**(155)**	**(96)**	**(251)**	**(7)**	**(258)**
Profit for the year	**-**	**-**	**-**	**-**	**442**	**-**	**-**	**442**	**(7)**	**435**
At December 31, 2013	**160,317,818**	**1,283**	**2,930**	**(9)**	**1,242**	**(261)**	**(727)**	**4,458**	**33**	**4,491**

* *Figures have been adjusted for the restatements presented in Note 1 - Accounting policies, following application of IAS 19, revised,*
** *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, 2013

NOTE 1 ACCOUNTING POLICIES

The consolidated financial statements for the year ended December 31, 2013 and the notes thereto were approved by the Board of Directors on February 19, 2014. The consolidated financial statements become definitive after their approval by the Combined Shareholders' Meeting, scheduled for May 7, 2014.

ACCOUNTING BASIS

A) IFRS standards-base

Pursuant to European Commission Regulation no. 1606/2002 of July 19, 2002, the 2013 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, 2013 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 2013

a) New standards, amendments and interpretations of mandatory application (published by the IASB, endorsed by the EU, entered into effect on January 1, 2013)

The accounting policies applied by the Group are unchanged on those applied for the preparation of the 2012 consolidated financial statements, with the exception of the following changes in accounting method.

Changes in accounting standards

Capgemini applied the following new standards and amendments with effect from January 1, 2013:

IAS 1 revised, "Presentation of financial statements": as a result of the amendments to IAS 1, the Group has modified the presentation of items of other comprehensive income in its Statement of Income and Expense recognized in Equity, to present separately items that will be reclassified to profit or loss from those that will not be reclassified. Comparative information has also been restated accordingly.

IAS 19 revised, "Employee benefits": as a result of the amendments to IAS 19, the expected return on plan assets is determined by applying the discount rate used to measure the defined benefit obligation. In addition, past service costs are now recognized in profit or loss at the time of plan amendments and/or the entry of new beneficiaries. IAS 19 revised is applied retrospectively, with all prior periods restated.

The following tables present the impact of the changes in accounting method, with retrospective application from January 1, 2011:

CONSOLIDATED INCOME STATEMENT

	2011			2012		
in millions of euros	**Reported**	**Impact IAS 19 revised**	**Restated**	**Reported**	**Impact IAS 19 revised**	**Restated**
Revenues	9,693	-	9,693	10,264	-	10,264
Operating expenses	(8,980)	5	(8,975)	(9,477)	5	(9,472)
Operating profit	595	5	600	601	5	606
Net financial expense	(105)	(18)	(123)	(100)	(27)	(127)
Income tax expense	(101)	3	(98)	(140)	5	(135)
Share of profit of associates	-	-	-	(1)	-	(1)
PROFIT FOR THE YEAR	**389**	**(10)**	**379**	**360**	**(17)**	**343**
Attributable to:						
Owners of the Company	*404*	*(10)*	*394*	*370*	*(17)*	*353*
Non-controlling interests	*(15)*	*-*	*(15)*	*(10)*	*-*	*(10)*
Earnings per share *(in euros)*						
Basic earnings per share	2.63		2.57	2.37		2.26
Diluted earnings per share	2.49		2.43	2.25		2.15

Restatements to the Consolidated Income Statement primarily consist of the cancellation of the amortization of past service costs and the determination of the expected return on plan assets using the discount rate applied to measure the defined benefit obligation.

STATEMENT OF INCOME AND EXPENSE RECOGNIZED IN EQUITY

	2011			2012		
in millions of euros	**Reported**	**Impact IAS 19 revised**	**Restated**	**Reported**	**Impact IAS 19 revised**	**Restated**
Items that will not be reclassified to profit or loss	(224)	15	(209)	(59)	23	(36)
Items to be reclassified to profit or loss	(32)	-	(32)	(32)	-	(32)
TOTAL INCOME AND EXPENSE RECOGNIZED IN EQUITY	**(256)**	**15**	**(241)**	**(91)**	**23**	**(68)**
Profit for the year (reminder)	389	(10)	379	360	(17)	343

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	January 1, 2011			December 31, 2011			December 31, 2012		
in millions of euros	**Reported**	**Impact IAS 19 revised**	**Restated**	**Reported**	**Impact IAS 19 revised**	**Restated**	**Reported**	**Impact IAS 19 revised**	**Restated**
Non-current assets	4,875	12	4,887	5,608	9	5,617	5,593	6	5,599
Current assets	5,093	-	5,093	5,406	-	5,406	5,057	-	5,057
TOTAL ASSETS	**9,968**	**12**	**9,980**	**11,014**	**9**	**11,023**	**10,650**	**6**	**10,656**
Equity	4,307	(22)	4,285	4,283	(17)	4,266	4,529	(11)	4,518
Non-current liabilities	2,376	34	2,410	2,754	26	2,780	2,714	17	2,731
Current liabilities	3,285	-	3,285	3,977	-	3,977	3,407	-	3,407
TOTAL EQUITY AND LIABILITIES	**9,968**	**12**	**9,980**	**11,014**	**9**	**11,023**	**10,650**	**6**	**10,656**

Restatements to the Consolidated Statement of Financial Position consist of the recognition in equity of net past service costs previously recognized in the balance sheet and amortized over the term of the plan.

IFRS 13, "Fair value measurement": the application of IFRS 13 with effect from January 1, 2013 had no impact on the consolidated financial statements. The fair value of financial instruments at December 31, 2013 includes, in particular, the valuation of credit risk.

b) New standards, amendments and interpretations not adopted early (published by the IASB, endorsed by the EU, not yet in effect at January 1, 2013)

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, will have no impact on the Group 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, 2013)

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, 2013 or in effect at January 1, 2013.

Changes in presentation decided by the Group

From January 1, 2013, operating margin excludes amortization of intangible assets recognized in business combinations, which is no longer included in the definition of this Group business performance indicator. This change also brings this indicator into line with general industry practice.

Accordingly, operating margin after amortization of intangible assets recognized in business combinations is equal to the operating margin reported in fiscal year 2012 and previous periods.

The presentation of the operating segments reflects the following changes in presentation from January 1, 2013:

- Latin America, previously included in the "Southern Europe and Latin America" area, is now included in the "Asia-Pacific and Latin America" area, in order to group together countries with comparable economic characteristics;
- the operating margin realized by the main offshore production centers (India and Poland) has been reallocated to the geographic areas managing the contracts to enable a better assessment of the performance of these areas (see Note 25, Operating segments).

Comparative information for fiscal years 2011 and 2012 has also been restated to reflect this new presentation.

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 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, 2013 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		
	2011	2012	2013	2011	2012	2013
Australian dollar	0.74193	0.80599	0.72942	0.78598	0.78666	0.64838
Brazilian real	0.43031	0.39963	0.35084	0.41392	0.36988	0.30697
Canadian dollar	0.72716	0.77867	0.73142	0.75672	0.76121	0.68162
Chinese renminbi yuan	0.11130	0.12336	0.12249	0.12257	0.12164	0.11977
Indian rupee	0.01544	0.01458	0.01292	0.01455	0.01378	0.01171
Norwegian krona	0.12832	0.13380	0.12834	0.12897	0.13609	0.11957
Polish zloty	0.24340	0.23909	0.23829	0.22432	0.24546	0.24071
Pound sterling	1.15272	1.23338	1.17767	1.19717	1.22534	1.19947
Swedish krona	0.11079	0.11491	0.11564	0.11221	0.11652	0.11288
Swiss franc	0.81181	0.82968	0.81242	0.82264	0.82836	0.81460
US dollar	0.71920	0.77827	0.75317	0.77286	0.75792	0.72511

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.

Note that from January 1, 2013, operating margin excludes amortization of intangible assets recognized in business combinations, which is no longer included in the definition of this Group business performance indicator.

Operating profit is obtained by deducting amortization of intangible assets recognized in business combinations and other operating 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 attributable to owners of the Company 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 during the year 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 (v) free share grants and (vi) bonds redeemable in cash and/or in new and/or existing shares.

E) Recognition of revenues and the cost of services rendered

The method for recognizing revenues and costs depends on the nature of the services rendered:

a) Time and materials contracts

Revenues and cost of services are recognized as services are rendered.

b) Long-term fixed-price contracts

Revenues, including systems development and integration contracts, are recognized using the "percentage-of-completion" method. Costs are recognized as they are incurred.

c) Outsourcing contracts

Revenues from outsourcing agreements are recognized over the term of the contract as the services are rendered. When the services are made up of different components which are not separately identifiable, the related revenues are recognized on a straight-line basis over the term of the contract.

The related costs are recognized as they are incurred. However, a portion of costs incurred in the initial phase of outsourcing contracts (transition and/or transformation costs) may be deferred when they are specific to a given contract, relate to future activity on the contract and/or will generate future economic benefits, and are recoverable. These costs are allocated to work-in-progress and any reimbursement by the client is recorded as a deduction from the costs incurred.

When the projected cost of the contract exceeds contract revenues, a loss to completion is recognized in the amount of the difference.

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

F) Goodwill and intangible assets

a) Goodwill and business combinations

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 is equal to the excess of the acquisition price (plus, where applicable, non-controlling interests) over the net amount recognized in respect of identifiable assets acquired and liabilities assumed. 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). This choice is made on an individual transaction basis.

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 "Other operating income and expense" in the year incurred.

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 and assets with an indefinite useful life are 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 in the majority of cases 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) Current and deferred taxes

The income tax expense is the sum of the current tax expense and the deferred tax expense. It is recognized in net profit, except where it relates to a business combination or items recognized in equity or in income and expense recognized in equity.

a) Current tax

The current tax expense is the estimated amount of tax payable (or receivable) in respect of the taxable profit (or loss) for a period and any adjustment to the current tax amount of prior periods. It is calculated using tax rates that have been enacted or substantively enacted at the year end.

b) Deferred tax

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 equity in the period, depending on the underlying to which they relate;
- measured taking account of known changes in tax rates (and tax regulations) enacted or substantively enacted 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 equity are recognized in the Income Statement, in income and expense recognized in equity or directly in equity, respectively, in the period in which these changes become effective.

Deferred tax assets are recognized when it is probable that taxable profits will be available against which the recognized 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 future 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 future taxable profit will be available against which to offset tax losses not yet recognized.

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;
- derivative instruments.

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 purchase and sale contracts, interest rate swaps and call options on own shares.

Derivative instruments on own shares

When derivative instruments on own shares satisfy IAS 32 classification criteria for recognition in equity, they are initially recognized in equity in the amount of the consideration received or paid. Subsequent changes in fair value are not recognized in the financial statements, other than the related tax effect.

Where these instruments do not satisfy the aforementioned criteria, the derivative instruments on own shares are recognized in assets or liabilities at fair value. Changes in fair value are recognized in profit or loss. The fair value remeasurement of these instruments at the year end is recognized based on external valuations.

Other derivative instruments

Other 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 operating or financial cash flow hedges are eligible for hedge accounting, changes in the fair value of the hedging instruments are recognized initially in "Income and expense recognized in equity" and subsequently taken to operating profit or net financial expense 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	3	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	14 - 19	Fair value through the Income Statement	Fair value	2	Market Value/ 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 - 22	Fair value through the Income Statement	Fair value	2	Present value of future cash flows (ECB fixing)/ Market value
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)

* *Shares in non-consolidated companies are not material at Group level.*

M) 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 (assets presented separately in the Consolidated Statement of Financial Position due to their characteristics), less short- and long-term borrowings. Account is also taken of the impact of hedging instruments when these relate to borrowings and treasury shares.

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 area.

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 plans;
- 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" of the period.

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 at the period end) 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 (with the related tax effect).

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 income and expense" in the Income Statement on a straight-line basis over the vesting period, with a corresponding adjustment to equity.

Performance and presence conditions

Performance shares are granted to a certain number of Group employees, subject to performance (internal and external) and presence 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 presence 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 income and expense" 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 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 2013 in the seven strategic business units, unchanged on 2012, and therefore the roll-out of uniform expertise and know-how in all countries and areas.

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 8 geographic areas grouping together the countries where it is located.

The presentation of the operating segments takes account of the changes set out in the section "Changes in presentation decided by the Group".

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.

The performance of operating segments is measured based on an operating margin. This indicator enables the measurement and comparison of the operating performance of operating segments, irrespective of whether their business results from internal or external growth.

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 from 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

The Group did not perform any acquisitions during fiscal year 2013.

NOTE 3 REVENUES

	2011		2012		2013	
in millions of euros	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
North America	1,805	19	2,101	20	2,074	21
France	2,138	22	2,181	21	2,190	22
United Kingdom and Ireland	1,945	20	2,104	20	2,004	20
Benelux	1,266	13	1,118	11	1,080	11
Southern Europe*	453	5	500	5	484	5
Nordic countries	635	7	714	7	705	7
Germany and Central Europe	626	6	658	6	651	6
Asia-Pacific and Latin America*	825	9	888	9	904	9
REVENUES	**9,693**	**100**	**10,264**	**100**	**10,092**	**100**

* *Latin America, previously included in the "Southern Europe and Latin America" area, is included in the "Asia-Pacific and Latin America" area with effect from January 1, 2013 (see Note 25 Operating segments).*

The year-on-year decrease in revenues in 2013 was -1.7%, based on the year-end Group structure and exchange rates, compared with an increase of 0.9% on a like-for-like basis (constant Group structure and exchange rates).

NOTE 4 OPERATING EXPENSES BY NATURE

	2011*		2012*		2013	
in millions of euros	**Amount**	**% of revenues**	**Amount**	**% of revenues**	**Amount**	**% of revenues**
Personnel costs	5,812	60.0	6,183	60.3	6,083	60.3
Travel expenses	390	4.0	423	4.1	428	4.2
	6,202	**64.0**	**6,606**	**64.4**	**6,511**	**64.5**
Purchases and sub-contracting expenses	2,231	23.0	2,227	21.7	2,159	21.4
Rent, facilities and local taxes	324	3.3	338	3.3	329	3.3
Other charges to depreciation, amortization and provisions and proceeds from asset disposals	193	2.0	264	2.6	236	2.3
OPERATING EXPENSES	**8,950**	**92.3**	**9,435**	**91.9**	**9,235**	**91.5**

* *Figures have been adjusted for the restatements presented in Note 1 - Accounting policies, following application of IAS 19, revised.*

In France, the Group receives Research Tax Credit income that is deducted from operating expenses (purchases and sub-contracting expenses) in the amount of €25 million (€23 million in 2012), including €5 million in respect of project costs expensed in prior years (€6 million in 2012).

BREAKDOWN OF PERSONNEL COSTS

in millions of euros	Note	2011*	2012*	2013
Wages and salaries		4,583	4,890	4,801
Payroll taxes		1,183	1,236	1,219
Pension costs related to defined benefit pension plans and other post-employment benefit expenses	20	46	57	63
PERSONNEL COSTS		**5,812**	**6,183**	**6,083**

* *Figures have been adjusted for the restatements presented in Note 1 - Accounting policies, following application of IAS 19, revised.*

NOTE 5 OTHER OPERATING INCOME AND EXPENSE

in millions of euros	Note	2011	2012	2013
Restructuring costs		(81)	(168)	(68)
o/w Workforce reduction		*(74)*	*(151)*	*(44)*
o/w Real estate assets streamlining		*(4)*	*(14)*	*(23)*
o/w Rightshoring		*(3)*	*(3)*	*(1)*
Integration cost relating to acquired companies		(9)	(9)	-
Acquisition-related costs		(7)	(2)	(2)
Expense relating to share grants	9	(17)	(18)	(23)
Other operating expenses		(4)	(11)	(16)
Total operating expenses		**(118)**	**(208)**	**(109)**
Other operating income		-	22	2
Total operating income		**-**	**22**	**2**
OTHER OPERATING INCOME AND EXPENSE		**(118)**	**(186)**	**(107)**

RESTRUCTURING COSTS

Fiscal year 2013 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	2011*	2012*	2013
Income from cash, cash equivalents and cash management assets		23	25	25
Interest on borrowings		(54)	(62)	(55)
Net finance costs at the nominal interest rate		**(31)**	**(37)**	**(30)**
Impact of amortized cost on borrowings		(34)	(18)	(17)
Net finance costs at the effective interest rate		**(65)**	**(55)**	**(47)**
Net interest cost on defined benefit pension plans	20	(43)	(53)	(42)
Exchange losses (gains) on financial transactions		2	(8)	(5)
Exchange losses (gains) on derivative instruments		(4)	6	(1)
Other		(13)	(17)	(7)
Other financial income and expense		**(58)**	**(72)**	**(55)**
O/w financial income		*64*	*42*	*52*
O/w financial expenses		*(122)*	*(114)*	*(107)*
NET FINANCIAL EXPENSE		**(123)**	**(127)**	**(102)**

* *Figures have been adjusted for the restatements presented in Note 1 - Accounting policies, following application of IAS 19, revised.*

Interest on borrowings (€55 million) and the impact of amortized cost on borrowings (€17 million) totals €72 million and breaks down as follows:

- expense of €34 million (€37 million in 2012) in respect of the "OCEANE 2009" bonds convertible/exchangeable into new or existing Cap Gemini shares, including €5 million expense relating to the difference between the net carrying amount of "OCEANE 2009" bonds repurchased, including accrued coupons, and the fair value of the bond component at the repurchase date;
- coupons on the 2011 bond issue of €26 million (stable on 2012), plus an amortized cost accounting impact of €1 million (stable on 2012);
- interest on finance leases of €7 million, primarily in the United Kingdom, Brazil and the United States (€8 million in 2012);
- amortized cost accounting impact of €2 million on the "ORNANE 2013" bonds redeemable in cash and/or in new and/or existing shares (zero-coupon bonds);
- interest on bank loans of €2 million (€7 million in 2012), primarily in the Asia-Pacific area.

In other financial income and expense, gains and losses on financial transactions and derivative instruments mainly concern fair value gains and losses on inter-company loans granted to subsidiaries in Argentina, Chile and Brazil. Fair value gains and losses on the conversion option embedded in the "ORNANE 2013" bonds and the call option on own shares purchased in October 2013 are included in the "Derivative instruments" line (see Note 17 – Net cash and cash equivalents). Given the "matching" nature of the main characteristics of these two derivative instruments, their respective fair value gains and losses fully offset each other, resulting in a nil impact on the Group net financial expense in 2013.

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	2011*	2012*	2013
Current income taxes		(126)	(153)	(161)
Deferred taxes	13	28	18	(21)
INCOME TAX EXPENSE		**(98)**	**(135)**	**(182)**

* *Figures have been adjusted for the restatements presented in Note 1 - Accounting policies, following application of IAS 19, revised.*

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

	2011*		2012*		2013	
in millions of euros	Amount	%	Amount	%	Amount	%
Profit before tax	**477**		**478**		**618**	
Standard tax rate in France *(%)*	**36.1**		**36.1**		**38.0**	
Tax expense at the standard rate	**(172)**	**36.1**	**(173)**	**36.1**	**(235)**	**38.0**
Difference in tax rates between countries	16	(3.3)	16	(3.1)	36	(5.8)
Impact of:						
Deferred tax assets not recognized on temporary differences and tax loss carry-forwards arising in the period	2	(0.3)	1	(0.2)	26	(4.2)
Net recognition of deferred tax assets on temporary differences and tax loss carry-forwards arising prior to January 1	67	(13.6)	33	(6.4)	26	(4.2)
Utilization of previously unrecognized tax loss carry-forwards	(1)	0.1	8	(1.6)	1	(0.2)
Adjustments to prior years	(10)	2.0	8	(1.6)	9	(1.5)
Taxes not based on taxable income	(45)	9.2	(51)	10.2	(51)	8.3
Permanent differences and other items	45	(9.6)	23	(5.2)	6	(1.0)
ACTUAL TAX EXPENSE	**(98)**	**20.6**	**(135)**	**28.2**	**(182)**	**29.4**
Effective rate of income tax	**20.6%**		**28.2%**		**29.4%**	

* *Figures have been adjusted for the restatements presented in Note 1 - Accounting policies, following application of IAS 19, revised.*

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).

Taxes not based on taxable income primarily consists of the Corporate Value-Added Contribution (*Cotisation sur la Valeur Ajoutée des Entreprises*, CVAE) in France, equity taxes in the United States, the regional tax on productive activities (IRAP) in Italy and the additional 3% contribution on dividends paid in France.

NOTE 8 EARNINGS PER SHARE

BASIC EARNINGS PER SHARE

	2011*	2012*	2013
Profit for the year attributable to owners of the Company *(in millions of euros)*	394	353	442
Weighted average number of ordinary shares	153,595,650	155,795,618	158,147,868
BASIC EARNINGS PER SHARE *(in euros)*	**2.57**	**2.26**	**2.80**

* *Figures have been adjusted for the restatements presented in Note 1 - Accounting policies, following application of IAS 19, revised.*

The year-on-year increase in the average number of shares between 2012 and 2013 is mainly due to the issue in September 2012 of 6 million shares under the international Employee Share Ownership Plan (ESOP 2012) and share capital reductions through the cancellation of 2,925,711 treasury shares between February and May 2013.

DILUTED EARNINGS PER SHARE

Diluted earnings per share are calculated by assuming conversion into ordinary shares of all dilutive instruments outstanding during the year. The average share price in 2013 was €40.50.

In 2013, instruments considered dilutive for the purpose of calculating diluted earnings per share include:

- shares to be delivered to foreign employees under the 2010 performance share plan, the number of which is now definitive (584,055 shares). At December 31, 2013, these share grants are only subject to the presence conditions of the beneficiaries at the delivery date;
- the 175,005 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. At December 31, 2013, these share grants are only subject to the presence conditions of the beneficiaries at the delivery date;
- all 981,500 and 1,178,300 shares available for grant under the performance share plans, the terms of which were approved by the Board of Directors on December 12, 2012 and February 20, 2013, respectively. At December 31, 2013, performance conditions were calculated assuming a 100% realization rate;
- all 2,991,204 Redeemable Share Subscription or Purchase Warrants (BSAAR) not exercised, as the average market price of the Cap Gemini share in 2013 is higher than the aggregate of the €34 strike price and the €3.22 issue premium;
- the "OCEANE 2009" convertible bonds issued on April 20, 2009, i.e. an average of 14,428,708 bonds outstanding in 2013, as the €21 million interest expense recorded (net of taxes) on the bonds is lower per bond than basic earnings per share. 14,280,305 bonds were redeemed on October 25, 2013 and 2,628,564 bonds were converted between November and December 2013. The 2,896 bonds outstanding at December 31, 2013 were redeemed at par on January 2, 2014;
- the "ORNANE 2013" convertible bonds issued on October 25, 2013, i.e. an average of 1,110,093 bonds outstanding in 2013, as the €1 million interest expense recorded (net of taxes) on the bonds is lower per bond than basic earnings per share. These bonds were issued on October 25, 2013 and are convertible during the period from October 25, 2013 (inclusive) to December 31, 2016 (inclusive) in a limited number of defined circumstances and then at any time from January 1, 2017 (inclusive) until the eighteen business day (exclusive) preceding January 1, 2019, when they will be redeemable at par.

in millions of euros	2011*	2012*	2013
Profit for the year attributable to owners of the Company	**394**	**353**	**442**
Finance cost savings linked to the conversion of debt instruments, net of tax	23	24	** 22
Diluted profit for the year attributable to owners of the Company	**417**	**377**	**464**
Weighted average number of ordinary shares (diluted)			
Weighted average number of ordinary shares	153,595,650	155,795,618	158,147,868
Adjusted for:			
"OCEANE 2009" convertible/exchangeable bonds (weighted average)	16,911,765	16,911,765	14,428,708
"ORNANE 2013" convertible/exchangeable bonds (weighted average)	-	-	1,110,093
Redeemable Share Subscription or Purchase Warrants (BSAAR)	-	-	2,991,204
Performance shares and free shares that can be granted	1,207,035	2,104,322	2,918,860
Weighted average number of ordinary shares (diluted)	**171,714,450**	**174,811,705**	**179,596,733**
DILUTED EARNINGS PER SHARE *(in euros)*	**2.43**	**2.15**	**2.59**

* *Figures have been adjusted for the restatements presented in Note 1 - Accounting policies, following application of IAS 19, revised,*
** *"OCEANE 2009" and "ORNANE 2013" convertible bonds are taken into account.*

NOTE 9 EQUITY

FEATURES OF INCENTIVE INSTRUMENTS AND EMPLOYEE SHARE OWNERSHIP PLANS

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 last grant under this plan was performed in June 2008 and the plan has been closed since June 2013. Less than 20% of options initially granted were exercised under the 2005 Plan.

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 subscribed	6,000,000
Grant date under this plan	June 1, 2008
Deadline for exercising stock options after their grant date (vesting by progressive tranches): 10% after 1 year, +20% after 2 years, +30% after 3 years, +40% after 4 years to reach 100%	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 grant	40.5
Maximum number of shares to be issued on exercise of outstanding options at December 31, 2012	139,500
Number of new stock options granted during the year	Plan expired*
Number of options forfeited or canceled during the year	139,500
Number of options exercised during the year	Plan expired*
Maximum number of shares to be issued on exercise of outstanding options at December 31, 2013	Plan expired*
Residual weighted average life (in years)	n/a

* *Last stock options granted on June 1, 2008 at a price of €40.5.*

B) Performance share plans

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 presence conditions. On March 5, 2009, October 1, 2010 and then on December 12, 2012 and February 20, 2013, the Board of Directors approved the terms and conditions and the list of beneficiaries of these four plans.

The main features of these plans are set out in the table below:

	2009 International Plan	2010 International Plan	2012 International Plan	2013 International Plan
Maximum number of shares to be granted	1% of the share capital on the date of the Board of Directors' decision	1% of the share capital on the date of the Board of Directors' decision	1,5% of the share capital on the date of the Board of Directors' decision	1,5% of the share capital on the date of the Board of Directors' decision
	i.e. a maximum of 1,458,860 shares	i.e. a maximum of 1,557,703 shares	i.e. a maximum of 2,426,555 shares	i.e. a maximum of 2,426,555 shares
Total number of shares granted	1,148,250 (1)	1,555,000 (3)	1,003,500 (6)	1,209,100 (6)
Share grant date	March 5, 2009	October 1, 2010	December 12, 2012	February 20, 2013
Performance assessment dates	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	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)		2 years and ½ month as from the grant date (France) or 4 years and ½ month as from the grant date (other countries)	2 years and 1 week as from the grant date (France) or 4 years and 1 week 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		4 years	4 years
Number of shares at December 31, 2012 that may vest under this plan in respect of shares previously granted, subject to performance and presence conditions	289,500	623,620	1,003,500	-
Of which corporate officers	-	-(4)	*50,000 (6)*	-
Number of shares subject to performance and/or presence conditions granted during the year	-	-	-	1,209,100
Of which corporate officers	-	-	-	*50,000 (6)*
Number of shares forfeited or canceled during the year	4,000	39,565	22,000	30,800
Number of shares vested during the year	285,500 (2)	-	-	-
Number of shares at December 31, 2013 that may vest under this plan in respect of shares previously granted, subject to performance and presence conditions	-	584,055 (5)	981,500	1,178,300
Share price at the grant date (in euros)	23.3	37.16	33.15	36.53
Main market conditions at the grant date				
▶ *Volatility*	*42.70%*	*42.80%*	*25.80%*	*38.70%*
▶ *Risk-free interest rate*	*1.40%*	*1.67%*	*0.35% - 0.98%*	*0.59% - 1.28%*
▶ Expected dividend rate	*3.00%*	*3.00%*	*3.00%*	*3.00%*
Other conditions				
▶ *Performance condition(s)*	*Yes (see below)*	*Yes (see below)*	*Yes (see below)*	*Yes (see below)*
▶ *Employee presence within the Group at the vesting date*	*Yes*	*Yes*	*Yes*	*Yes*

	2009 International Plan	2010 International Plan	2012 International Plan	2013 International Plan
Pricing model used to calculate the fair value of shares	Monte Carlo for performance shares	Monte Carlo for performance shares with external (market) conditions	Monte Carlo for performance shares with external (market) conditions	
	Black& Scholes for free shares	Black& Scholes for shares without conditions or with internal performance conditions		
Range of fair values *(in euros)*				
▶ *Free shares* *(per share and in euros)*	*20.70 - 21.90*	*32.32 - 32.96*	*n/a*	*n/a*
▶ *Performance shares* *(per share and in euros)*	*16.51 - 17.53*	*21.54 – 32.96*	*14.35 - 28.67*	*16.18 - 32.14*
Of which corporate officers	*17.53*	*n/a*	*16.18*	*18.12*

(1) Of which 64,750 shares granted without performance conditions (5.6% of the total) pursuant to the relevant resolution (authorization capped at 15% of the total),
(2) Balance on the "foreign" plan that may be granted on March 5, 2013, subject to conditions of presence,
(3) Of which 124,000 shares granted without performance conditions (8% of the total) pursuant to the relevant resolution (authorization capped at 15% of the total),
(4) No performance shares were granted in 2010,
(5) Balance on the "foreign" plan that may be granted in October 2014, subject to conditions of presence at that date (including 65,500 shares without performance conditions),
(6) 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 (2 years for the French plan and 4 years for the international plan) 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 benchmark basket comprises the following securities, with each security equally weighted: Accenture/Atos Origin/CGI Group/Cognizant/CSC/Infosys/Logica/Sopra/Steria/Tieto.

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. 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 presence conditions, the final number of shares that vested in respect of the first plan is 485,750 shares, i.e. 42% of the number initially granted. The 285,500 shares delivered on March 5, 2013 were delivered to non-French beneficiaries of the plan.

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 after amortization of intangible assets recognized in business combinations 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.

As the date for definitive delivery to French beneficiaries was set at the end of a 2-year vesting period (with obligation to hold the shares for a further 2 years), a total of 350,509 shares were delivered to these beneficiaries out of an initial amount of 528,500 shares, i.e. two-thirds. At the end of December 2013, some 584,055 shares are likely to be delivered in October 2014 to non-French beneficiaries (subject to their presence in the Group at that date), i.e. a maximum of 57% of the initial grant.

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.

c) Performance conditions of the 2012 and 2013 plans

The following internal and external performance conditions apply:

External performance condition

The external performance condition is calculated in a similar way as under the 2010 plan.

It accounts for 50% of the total amount granted.

The benchmark basket comprises the following securities, with each security equally weighted: Accenture/Atos Origin/CGI Group/Cognizant/CSC/Infosys/Sopra/Steria/Tieto.

Internal performance condition

The internal performance condition is based on the generation of Organic Free Cash Flow (OFCF) 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.

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.

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 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*
Date of the Board of Directors' decision	July 25, 2012
Grant condition assessment date	Presence condition only (employee presence within the Group at the vesting date)
Vesting period	Two years as from the grant date (France only) Democratic plan
Mandatory lock-in period effective as from the vesting date (France only)	2 years
Number of shares at December 31, 2012 that may vest under this plan in respect of shares previously granted, subject to presence conditions	187,702
Number of shares forfeited or canceled during the year	12,649
Number of shares vested during the year	48
Number of shares at December 31, 2013 that may vest under this plan in respect of shares previously granted, subject to presence conditions	175,005
Share price at the grant date *(in euros)*	26.30
Main market conditions at the grant date	
▶ *Risk-free interest rate*	*0.88%*
▶ *Expected dividend rate*	*3%*
Fair value in euros *(per share)*	€20.22

* *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) Redeemable share subscription or purchase warrants (bons de souscription et/ou d'acquisition d'actions remboursables – BSAAR)

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 commenced the date of listing of the BSAAR warrants on the Euronext Paris market on July 23, 2013 and terminates on the seventh anniversary of the issue date. Between July 23, 2009 and the date the warrants were admitted to trading on Euronext Paris, they could not be exercised or transferred except under the conditions specified in the issue agreement. The issue was disclosed in a prospectus approved by the AMF on May 14, 2009 under reference number N°09-140.

E) International Employee Share Ownership Plan – ESOP 2012

The Group set up an employee share ownership plan (ESOP 2012) in the second half of 2012. 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. The total cost of this employee share ownership plan in 2012 was €0.8 million, attributable to the Stock Appreciation Rights (SAR) mechanism for employees in countries where the set-up of an Employee Savings Mutual Fund (*Fonds Commun de Placement Entreprise*, FCPE) was not possible or relevant.

IMPACT OF INCENTIVE INSTRUMENTS AND EMPLOYEE SHARE OWNERSHIP PLANS

The following table breaks down by type of incentive and employee share ownership instrument, the expense recognized in "Other operating income and expense" (including payroll taxes and employer contributions) and the residual amount to be amortized at each period end:

		2011		2012		2013	
in millions of euros	Note	Expense of the period	At December 31	Expense of the period	At December 31	Expense of the period	At December 31
Stock option plans		1	1	1	-	-	-
Performance share plans		16	25	15	27	21	37
Free share plans		-	-	1	2	2	1
Employee share ownership plan - ESOP		-	-	1	-	-	-
TOTAL	5	**17**	**26**	**18**	**29**	**23**	**38**

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.

At December 31, 2013, treasury shares were deducted from consolidated equity in the amount of €9 million. These consist of 242,173 shares resulting from (i) implementation of the liquidity agreement (the associated liquidity line is €7 million); and (ii) shares held under the contractual holding system for key employee of American activities.

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, 2011, 2012 and 2013, the Group had a positive net cash position. In order to best manage the structure of its capital, the Group can issue new shares, buy back its own shares, adjust the dividend paid to shareholders or enter into derivative instruments on its own shares.

In October 2013, the Group sold a call option on Cap Gemini shares to a bank counterparty. The derivative instrument is recognized in equity (€34 million, net of tax).

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, fluctuations in the Pound Sterling, US dollar and Indian rupee 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 and the Indian rupee against the euro during 2013.

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, 2011	**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**
Translation adjustments	(100)	(11)	(12)	(3)	(126)
Acquisitions/Increase	-	-	24	-	24
Internal developments	-	-	-	19	19
Disposals/Decrease	-	-	(27)	(1)	(28)
Business combinations	(1)	-	-	-	(1)
Other movements	-	-	(2)	2	-
At December 31, 2013	**3,652**	**201**	**207**	**251**	**4,311**
AMORTIZATION AND IMPAIRMENT*					
At January 1, 2011	**50**	**60**	**140**	**150**	**400**
Translation adjustments	-	1	(2)	-	(1)
Charges and provisions	-	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)
Charges and provisions	-	33	26	14	73
Disposals	-	-	(5)	-	(5)
Business combinations	-	-	-	1	1
Other movements	-	-	3	-	3
At December 31, 2012	**51**	**116**	**184**	**178**	**529**
Translation adjustments	-	(7)	(9)	(2)	(18)
Charges and provisions	-	28	21	14	63
Disposals	-	-	(27)	-	(27)
Other movements	-	-	(3)	-	(3)
At December 31, 2013	**51**	**137**	**166**	**190**	**544**
NET					
At December 31, 2011	**3,768**	**87**	**36**	**31**	**3,922**
At December 31, 2012	**3,702**	**96**	**40**	**56**	**3,894**
At December 31, 2013	**3,601**	**64**	**41**	**61**	**3,767**

* *Goodwill is subject to impairment only.*

NOTE 11 PROPERTY, PLANT AND EQUIPMENT – PP&E

in millions of euros	Land, buildings and fixtures and fittings	Computer equipment	Other PP&E	Total
GROSS				
At January 1, 2011	**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)
Other movements	(1)	(13)	1	(13)
At December 31, 2012	**605**	**610**	**210**	**1,425**
Translation adjustments	(21)	(23)	(16)	(60)
Acquisitions / Increase	43	83	10	136
Disposals / Decrease	(42)	(114)	(15)	(171)
Other movements	(13)	(3)	(4)	(20)
At December 31, 2013	**572**	**553**	**185**	**1,310**
DEPRECIATION AND IMPAIRMENT				
At January 1, 2011	**230**	**370**	**127**	**727**
Translation adjustments	-	(9)	(5)	(14)
Charges and provisions	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)
Charges and provisions	50	86	19	155
Disposals	(19)	(64)	(18)	(101)
Other movements	-	(7)	-	(7)
At December 31, 2012	**314**	**429**	**140**	**883**
Translation adjustments	(9)	(16)	(9)	(34)
Charges and provisions	46	82	17	145
Disposals	(41)	(110)	(14)	(165)
Other movements	(6)	(5)	(2)	(13)
At December 31, 2013	**304**	**380**	**132**	**816**
NET				
At December 31, 2011	**309**	**182**	**56**	**547**
At December 31, 2012	**291**	**181**	**70**	**542**
At December 31, 2013	**268**	**173**	**53**	**494**

PROPERTY, PLANT AND EQUIPMENT PURCHASED UNDER FINANCE LEASE

Net *(in millions of euros)*	2011	2012	2013
At January 1	**157**	**183**	**172**
Translation adjustments	1	-	(4)
Acquisitions / Increase	60	41	36
Disposals / Decrease	(1)	(3)	(1)
Depreciation and impairment	(39)	(44)	(44)
Business combinations	6	-	-
Other movements	(1)	(5)	(3)
At December 31	**183**	**172**	**156**

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, 2011			December 31, 2012			December 31, 2013		
in millions of euros	Gross value	Impairment	Net carrying amount	Gross value	Impairment	Net carrying amount	Gross value	Impairment	Net carrying amount
North America	636	(6)	630	624	(6)	618	597	(6)	591
France	1,086	(2)	1,084	1,042	(2)	1,040	1,035	(2)	1,033
United Kingdom and Ireland	533	-	533	541	-	541	528	-	528
Benelux	800	(12)	788	798	(12)	786	793	(12)	781
Southern Europe*	54	-	54	50	-	50	50	-	50
Nordic countries	162	-	162	164	-	164	158	-	158
Germany and Central Europe	258	(31)	227	257	(31)	226	253	(31)	222
Asia-Pacific and Latin America*	290	-	290	277	-	277	238	-	238
GOODWILL	**3,819**	**(51)**	**3,768**	**3,753**	**(51)**	**3,702**	**3,652**	**(51)**	**3,601**

* *Latin America, previously included in the "Southern Europe and Latin America" area, is included in the "Asia-Pacific and Latin America" area with effect from January 1, 2013 (see Note 25 Operating segments).*

This goodwill was tested for impairment at December 31, 2013 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: 2.3% (2.1% in 2012), 5.5% for Brazil (4.0% in 2012) and 3.8% for India (2.1% in 2012);
- discount rate: 9.6% for North America, 9.7% for the United Kingdom, 13.5% for Brazil, 12.5% for India and 9.6% for the rest of the Group (8.7%, 8.9%, 12.0%, 9.8% and 9.8% respectively in 2012).

Group long-term growth and discount rates are based in the majority of cases on the average of a representative sample of projections by financial analysts who use these indicators to value the Group.

In 2013, the Group used estimates produced by 11 financial analysts, of whom 8 were already included in the 2012 group of analysts.

From 2013, Long-term growth and discount rates used for Brazil and India have been calculated separately, taking account of the specific characteristics of these countries.

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, 2013 as a result of these impairment tests.

Furthermore, an analysis of the calculation's sensitivity to a combined change in the following key assumptions:

- +/- 2 points in the revenue growth rate for the first five years,
- +/- 1 point in the operating margin rate for the first five years,
- +/- 0.5 points in the discount rate,
- +/- 0.5 points 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	Amortizable goodwill and US tax losses carry-forward	Provisions for pensions and other post-employment benefits	Other deductible temporary differences	Total deferred tax assets
At January 1, 2011		**502**	**123**	**178**	**100**	**903**
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 recorded in income and expense recognized in equity		-	-	67	14	81
At December 31, 2011		**469**	**208**	**248**	**104**	**1,029**
Translation adjustments		-	(4)	1	(1)	(4)
Deferred tax expense recognized in the Income Statement	7	(28)	-	(2)	34	4
Deferred tax expense recorded in income and expense recognized in equity		-	-	49	(13)	36
At December 31, 2012		**441**	**204**	**296**	**124**	**1,065**
Translation adjustments		(1)	(9)	(11)	(8)	(29)
Deferred tax expense recognized in the Income Statement	7	(46)	-	(15)	29	(32)
Deferred tax expense recorded in income and expense recognized in equity		40	-	(18)	-	22
Other movements		-	-	-	(3)	(3)
At December 31, 2013		**434**	**195**	**252**	**142**	**1,023**

a) Deferred tax assets arising from tax loss carry-forwards (excluding the United States)

Recognized tax loss carry-forwards (excluding the United States) total €433 million at December 31, 2013. They include tax losses of €379 million attributable to the French tax group.

b) US deferred tax assets arising from amortizable goodwill and tax losses carry-forwards

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 has been deducted from US tax profits. Annual tax losses can be carried forward for a period of 20 years.

At December 31, 2013, the cumulative amount of US tax losses carried forward, including the amortization charge already deducted for tax purposes referred to above, totaled €2,626 million (USD 3,622 million). To these tax loss carry-forwards are added future amortization charges deductible for tax purposes of €266 million (USD 367 million) at December 31, 2013.

Recognized deferred tax assets total €195 million at December 31, 2013. After the utilization of USD 62 million in 2013 tied to the offset of tax-deductible amortization from the taxable profits of the US tax group, a revaluation was performed in the same amount. Accordingly, the US dollar amount of recognized deferred tax assets is unchanged at December 31, 2013 compared with December 31, 2012 at USD 269 million (€195 million).

Therefore, applying a tax rate of 39%, unrecognized deferred tax assets at December 31, 2013 amount to €933 million (USD 1,287 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, 2011		**51**	**33**	**11**	**83**	**178**
Business combinations		-	1	-	-	1
Translation adjustments		1	-	-	(1)	-
Deferred tax expense recognized in the Income Statement	7	(2)	(8)	(1)	14	3
Deferred tax expense recorded in income and expense recognized in equity		-	-	-	1	1
At December 31, 2011		**50**	**26**	**10**	**97**	**183**
Business combinations		-	17	-	4	21
Disposals and other movements*		-	-	-	(24)	(24)
Translation adjustments		(1)	(2)	-	1	(2)
Deferred tax expense recognized in the Income Statement	7	1	(10)	(5)	-	(14)
Deferred tax expense recorded in income and expense recognized in equity		-	-	-	(1)	(1)
At December 31, 2012		**50**	**31**	**5**	**77**	**163**
Translation adjustments		(2)	(1)	-	(2)	(5)
Deferred tax expense recognized in the Income Statement		2	(9)	-	(4)	(11)
Deferred tax expense recorded in income and expense recognized in equity	7	-	-	-	13	13
Other movements		4	-	-	(6)	(2)
At December 31, 2013		**54**	**21**	**5**	**78**	**158**

* *Including a deferred tax liability reversal of €29 million of relating to the disposal of Capgemini Reinsurance Company S.A. at December 31, 2012.*

UNRECOGNIZED DEFERRED TAX ASSETS

At December 31 *(in millions of euros)*	**2011**	**2012**	**2013**
Tax loss carry-forwards, excluding the United States	196	238	226
US deferred tax on amortizable goodwill and tax loss carry-forwards	1,063	1,022	933
Deferred tax on other temporary differences	133	170	120
UNRECOGNIZED DEFERRED TAX ASSETS	**1,392**	**1,430**	**1,279**

EXPIRY DATES OF TAX LOSS CARRY-FORWARDS *(TAXABLE BASE)*

	2011		2012		2013	
At December 31 *(in millions of euros)*	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Between 1 and 5 years	46	1	49	1	92	2
Between 6 and 10 years	578	13	810	17	1,092	23
Between 11 and 15 years	1,320	28	1,284	27	1,112	24
Beyond 15 years (definite expiry date)	885	19	782	16	696	15
Carried forward indefinitely	1,818	39	1,868	39	1,700	36
TAX LOSS CARRY-FORWARDS *(taxable base)*	**4,647**	**100**	**4,793**	**100**	**4,692**	**100**
o/w recognized tax losses	*1,537*	*33*	*1,493*	*31*	*1,624*	*35*

NOTE 14 OTHER NON–CURRENT ASSETS

At December 31 *(in millions of euros)*	**Notes**	**2011**	**2012**	**2013**
Deposits, receivables and other long-term investments		74	68	63
Derivative instruments	19	-	1	71
Other		45	29	19
OTHER NON-CURRENT ASSETS	18	**119**	**98**	**153**

Deposits and other long-term investments mainly consist 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 and rental deposits for premises in India.

Derivative instruments primarily consist of the call option on own shares purchased by Cap Gemini on October 18, 2013, valued at €70 million at December 31, 2013.

NOTE 15 ACCOUNTS AND NOTES RECEIVABLE

At December 31 *(in millions of euros)*	**Note**	**2011**	**2012**	**2013**
Accounts receivable		1,710	1,543	1,630
Provisions for doubtful accounts		(11)	(12)	(10)
Accrued income		871	900	864
Accounts and notes receivable, excluding capitalized costs on projects		**2,570**	**2,431**	**2,484**
Capitalized costs on projects		115	107	103
ACCOUNTS AND NOTES RECEIVABLE	18	**2,685**	**2,538**	**2,587**

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)*	**Note**	**2011**	**2012**	**2013**
Accounts and notes receivable, excluding capitalized costs on projects		2,570	2,431	2,484
Advances from customers and billed in advance		(661)	(624)	(684)
TOTAL ACCOUNTS RECEIVABLE NET OF ADVANCES FROM CUSTOMERS AND BILLED IN ADVANCE	18	**1,909**	**1,807**	**1,800**
In number of days’ annual revenues*		70	63	64

* *In 2011, this ratio is adjusted to take account of the impact of entries into the scope of consolidation.*

In 2013, Capgemini Technology Services S.A.S. and Capgemini America, Inc. assigned to a financial institution, without recourse, receivables in the total amount of €20 million and €16 million (USD 22 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, 2013.

AGED ANALYSIS OF ACCOUNTS RECEIVABLE

The low bad debt ratio (0.6% at December 31, 2013) reflects the fact that most invoices are only issued after the client has validated the services provided.

At end-2013, past due balances totaled €351 million, representing 21.7% 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	**207**	**76**	**68**
As a % of accounts and notes receivable, net of provisions for doubtful accounts	12.8%	4.7%	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 8% of Group revenues (9% in 2012 and 2011), while the second-largest client accounts for just 2%. The top 10 clients collectively account for 20% 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)*	**Notes**	**2011**	**2012**	**2013**
Social security and tax-related receivables, other than income tax		171	162	171
Prepaid expenses		154	152	168
Derivative instruments	19	12	6	3
Other		33	31	26
OTHER CURRENT RECEIVABLES	18	**370**	**351**	**368**

At December 31, 2013, "Social security and tax-related receivables, other than income tax" include research tax credit receivables in France in the amount of €59 million (€45 million at December 31, 2012).

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 €12 million.

NOTE 17 NET CASH AND CASH EQUIVALENTS

At December 31 *(in millions of euros)*	Note	2011	2012	2013
Cash management assets		**73**	**75**	**77**
Short-term investments		1,877	1,610	1,177
Cash at bank		346	413	461
Asset/liability derivative instruments on cash items		10	(1)	-
Bank overdrafts (liability)		(9)	(6)	(9)
Cash and cash equivalents	18	**2,224**	**2,016**	**1,629**
Bonds		(1,036)	(1,053)	(848)
Obligations under finance leases		(96)	(76)	(57)
Draw-downs on bank and similar facilities and other borrowings		(3)	(2)	(1)
Long-term borrowings		**(1,135)**	**(1,131)**	**(906)**
Bonds		(422)	(22)	(2)
Obligations under finance leases		(51)	(54)	(50)
Draw-downs on bank and similar facilities and other borrowings		(220)	(17)	(72)
Short-term borrowings		**(693)**	**(93)**	**(124)**
Borrowings		**(1,828)**	**(1,224)**	**(1,030)**
Derivative instruments*		(15)	5	2
NET CASH AND CASH EQUIVALENTS		**454**	**872**	**678**

* *Including the fair value at December 31, 2013 of the conversion option embedded in the "ORNANE 2013" bonds and the call option on own shares purchased by Cap Gemini on October 18, 2013.*

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.

SHORT-TERM INVESTMENTS

At December 31, 2013, short-term investments 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) "ORNANE 2013" Bond issue

On October 18, 2013, Cap Gemini launched an offering of bonds redeemable in cash and/or in new and/or existing shares (Obligations à option de Remboursement en Numéraire et/ou en Actions Nouvelles et/ou Existantes, ORNANE) and maturing on January 1, 2019 ("ORNANE 2013"). Bondholders enjoy all rights from October 25, 2013.

The total amount of the issue was €400 million, comprising 5,958,587 bonds with a nominal value of €67.13 each, representing an issue premium of 42.5% compared with the benchmark Cap Gemini share price during the relevant period.

On October 18, 2013, the Company purchased a call option on its own shares aimed at neutralizing the potential dilution related to the ORNANE bond issue. In addition, and in order to optimize the cost of the Group's financial resources, the Company sold a call option also on its own shares but with a higher strike price. Together, these two transactions synthetically enhance the effective dilution threshold of the ORNANEs by approximately 5%.

The bonds will not bear any interest (zero coupon bonds) and are redeemable at par on January 1, 2019.

During the period from October 25, 2013 to December 31, 2016 (inclusive), bondholders may only exercise their share conversion rights in the limited circumstances listed in the prospectus.

From January 1, 2017 (inclusive), bondholders may exercise their share conversion rights at any time up to the eighteenth trading day (exclusive) preceding January 1, 2019.

On the exercise by bondholders of their share conversion rights, Cap Gemini may present, at its initiative, either: (i) a cash amount up to the nominal value of the bonds and new and/or existing shares thereafter, where applicable; or (ii) only new and/or existing shares.

The bonds will be redeemed at par on January 1, 2019 if share conversion rights are not exercised by bondholders.

The bond issue is also subject to standard early redemption, early repayment and pari passu clauses.

The terms and conditions of this issue were set out in the prospectus approved by the AMF on October 18, 2013 under reference number n°13-557.

Given the settlement terms of the "ORNANE 2013" bonds, an embedded conversion option is recognized in "Other non-current liabilities", with fair value movements taken to profit or loss.

In parallel and given its terms and conditions, the call option on own shares purchased on October 18, 2013 is recognized in assets. Fair value movements are taken to profit and loss and offset those on the embedded conversion option.

b) 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 n°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.

c) "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 n°09-084.

Cap Gemini repurchased 14,280,305 "OCEANE 2009" bonds during the fiscal year for an amount of €687 million, pursuant to a reverse book-building process on October 18, 2013 and a buyback procedure implemented between October 21 and October 25, 2013 (inclusive). In addition, between October and December 2013, bondholders exercised Cap Gemini share conversion rights in respect of 2,628,564 bonds, resulting in the presentation of 1,440,397 existing shares and 1,188,167 new shares. Cap Gemini redeemed in full the remaining 2,896 bonds outstanding on January 2, 2014.

d) "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 EXISTING BONDS ON THE FINANCIAL STATEMENTS

	2011		2012		2013	
At December 31 *(in millions of euros)*	**"OCEANE 2009" bonds**	**2011 Bond issue**	**"OCEANE 2009" bonds**	**2011 Bond issue**	**2011 Bond issue**	**"ORNANE 2013" bonds**
Equity component	64	n/a	64	n/a	n/a	n/a
Option component in respect of the embedded conversion option	n/a	n/a	n/a	n/a	n/a	70
Debt component at amortized cost	561	497	576	499	499	351
Effective interest rate	6.8%	5.5%	6.8%	5.5%	5.5%	2.7%
Interest expense recognized in the Income Statement for the period	36	2	37	27	27	2
Nominal interest rate	3.5%	5.3%	3.5%	5.3%	5.3%	0.0%
Nominal interest expense (coupon)	20	2	20	26	26	0

In 2013, the interest expense on the "OCEANE 2009" bonds totaled €34 million and is broken down in Note 6, Net financial expense.

FAIR VALUE OF BONDS

	2011		2012		2013	
At December 31 *(in millions of euros)*	**"OCEANE 2009" bonds**	**2011 Bond issue**	**"OCEANE 2009" bonds**	**2011 Bond issue**	**2011 Bond issue**	**"ORNANE 2013" bonds**
Fair value	578	511	586	557	553	360
Market rate	3.2%	4.7%	1.6%	2.2%	1.4%	2.1%

B) Obligations under finance leases

in millions of euros	**Earliest date of leases**	**Latest expiry date**	**Effective interest rate**	**December 31, 2013**
Buildings (Immobilière Les Fontaines S.A.R.L.)	October 2002	July 2014	Euribor 3 months +0.75%	7
Computer equipment and other fixed assets	February 2008	September 2018	6.32%	100
OBLIGATIONS UNDER FINANCE LEASES				**107**
O/w long-term obligations				*57*
O/w which short-term obligations				*50*

C) Draw-downs on banks and similar facilities

At December 31, 2013, draw-downs on banks and similar facilities primarily consist of €51 million of commercial paper issued by Cap Gemini.

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, that may be increased to 40% if Cap Gemini's rating falls. Following the upgrade of Cap Gemini's credit rating to BBB by Standard & Poor's on July 30, 2013, the margin applicable is now 0.75% and the fee on undrawn amounts 0.2625%.

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, 2013.

EFFECTIVE INTEREST RATE (EIR)

In 2013, the effective interest rate on the Group's average outstanding borrowings, excluding exceptional item relating to the repurchase of the "OCEANE 2009" bonds, was 5.3% (6.4% in 2012). At December 31, 2013, 98% of the Group's borrowings are at fixed rates, unchanged on December 31, 2012, and the remainder is at floating rates.

	At December 31, 2013							
	Euro		US dollar		Pound Sterling		Other currencies	Total
	Amount	EIR	Amount	EIR	Amount	EIR	Amount	Amount
	M€	%	M€	%	M€	%	M€	M€
2011 Bond issue	499	5.5%	-	-	-	-	-	499
"ORNANE 2013" bonds	351	2.7%	-	-	-	-	-	351
Draw-downs on bank and similar facilities	52	0.4%	-	-	-	-	21	73
Obligations under finance leases	35		11		51		10	107
BORROWINGS	**937**		**11**		**51**		**31**	**1,030**

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 2011 bond issue and the "ORNANE 2013" bonds were estimated based on contractual nominal interest rates (5.25% and 0%, 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, 2013							
Cash management assets	**2014**	**77**	**77**	**77**	**-**	**-**	**-**
Cash and cash equivalents	**n/a**	**1,629**	**1,629**	**1,629**	**n/a**	**n/a**	**n/a**
2011 Bond issue	2016	(499)	(576)	(26)	(26)	(524)	-
"ORNANE 2013" bonds	2019	(351)	(400)	-	-	-	(400)
Obligations under finance leases	2014 to 2018	(107)	(114)	(53)	(37)	(24)	-
Draw-downs on bank and similar facilities and other borrowings	2014 to 2018	(73)	(73)	(72)	(1)	-	-
Borrowings		**(1,030)**	**(1,163)**	**(151)**	**(64)**	**(548)**	**(400)**
Derivatives instruments on borrowings	n/a	2					
NET CASH AND CASH EQUIVALENTS		**678**	**543**	**1,555**	**(64)**	**(548)**	**(400)**
At December 31, 2012							
Cash management assets	**2013**	**75**	**75**	**75**	**-**	**-**	**-**
Cash and cash equivalents	**n/a**	**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 and other borrowings	2013 to 2015	(19)	(19)	(17)	(1)	(1)	-
Borrowings		**(1,224)**	**(1,375)**	**(121)**	**(667)**	**(587)**	**-**
Derivatives instruments on borrowings	n/a	5					
NET CASH AND CASH EQUIVALENTS		**872**	**716**	**1,970**	**(667)**	**(587)**	**-**

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, 2011							
Cash management assets	**2012**	**73**	**73**	**73**	**-**	**-**	**-**
Cash and cash equivalents	**n/a**	**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 and other borrowings	2012 to 2014	(223)	(223)	(220)	(2)	(1)	-
Borrowings		**(1,828)**	**(2,042)**	**(698)**	**(93)**	**(1,251)**	**-**
Derivatives instruments on borrowings	n/a	(15)					
NET CASH AND CASH EQUIVALENTS		**454**	**255**	**1,599**	**(93)**	**(1,251)**	**-**

NET CASH AND CASH EQUIVALENTS AND LIQUIDITY RISK

The financial liabilities whose repayment could expose the Group to liquidity risk are mainly the convertible bonds ("ORNANE 2013") and the 2011 bond issue.

To manage the liquidity risk that may result from financial liabilities becoming due and payable, at contractual due date or early, 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 (€1,715 million at December 31, 2013), 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 consist 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, 2013, short-term investments totaled €1,177 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 and term deposits 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, 2013, cash and cash equivalents totaled €1,629 million (see Note 17 – Net cash and cash equivalents), down €387 million on December 31, 2012 (€2,016 million). Excluding the impact of exchange rate fluctuations on cash and cash equivalents of €88 million, this decrease is €299 million. Cash flow impacts are shown in the Consolidated Statement of Cash Flows.

NET CASH FROM OPERATING ACTIVITIES

In 2013, net cash from operating activities totaled €390 million (compared with €709 million in 2012) and resulted from:

- cash flows from operations before net finance costs and income tax in the amount of €635 million, including the €235 million exceptional contribution paid under the accelerated financing of a UK pension fund;
- payment of current income taxes in the amount of €124 million;
- an increase in working capital requirements, generating a negative cash impact of €121 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, 2012**	**December 31, 2013**	**Net impact**	**Non-WCR items***	**Impact of WCR items**	**Impact on Income statement**	**Foreign exchange impact**	**Reclassifications ** and changes in Group structure**	**Amount**
Accounts and notes receivable, excluding capitalized costs on projects	15	2,431	2,484	(53)	-	(53)	-	(76)	(2)	(131)
Capitalized costs on projects	15	107	103	4	-	4	-	(3)	-	1
Advances from customers and billed in advance	15	(624)	(684)	60	-	60	-	17	(4)	73
Change in accounts and notes receivable and advances from customers and amounts billed in advance				**11**	**-**	**11**	**-**	**(62)**	**(6)**	**(57)**
Accounts and notes payable (accounts payable)	23	(921)	(920)	(1)	-	(1)	-	39	1	39
Change in accounts and notes payable				**(1)**	**-**	**(1)**	**-**	**39**	**1**	**39**
Other non-current assets	14	98	153	(55)	65	10	-	(1)	(10)	(1)
Other current receivables	16	351	368	(17)	(1)	(18)	-	(16)	(19)	(53)
Other non-current liabilities	22	(219)	(269)	50	(61)	(11)	-	7	2	(2)
Accounts and notes payable (excluding accounts payable)	23	(1,414)	(1,373)	(41)	-	(41)	-	42	(1)	-
Other current payables	24	(206)	(164)	(42)	23	(19)	3	1	(32)	(47)
Change in other receivables/ payables				**(105)**	**26**	**(79)**	**3**	**33**	**(60)**	**(103)**
CHANGE IN OPERATING WORKING CAPITAL						**(69)**	**3**	**10**	**(65)**	**(121)**

* *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,*

** *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 USED IN INVESTING ACTIVITIES

The main components of net cash used in investing activities of €152 million (compared with €206 million in 2012) reflect:

- net cash outflows of €97 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 €43 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;
- deferred cash outflows of €11 million on business combinations.

NET CASH USED IN FINANCING ACTIVITIES

Net cash outflows as a result of financing activities totaled €537 million (compared with cash outflows of €680 million in 2012) and mainly comprised:

- cash inflows of €392 million, net of costs, on the "ORNANE 2013" bond issue;
- payments received of €19 million from EMC and Caixa Participacões on the subscription of a share capital increase in the amount of BRL53 million;
- cash outflows of €687 million on the partial redemption of "OCEANE 2009" bonds;
- payment of the 2012 dividend of €157 million;
- cash outflows of €55 million to reimburse debt on finance leases;
- interest paid net of interest received of €30 million;
- net cash outflows of €28 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 of operating transactions

The growing use of offshore production centers located in India, Poland and 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 centralized at parent company level. Currency risk is managed based 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 internal currency guarantees to subsidiaries and enters into currency hedges with its bank counterparties, primarily through forward foreign exchange contracts.

These hedging transactions are recorded in accordance with cash flow hedges accounting rules.

b) Currency risk and hedging of 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 generally 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 material.

c) Currency risk and hedging of other non-current liabilities

The Group maintained a partial hedge of its currency risk exposure (euro against the Brazilian real) on the call-put option held since October 2010 by Capgemini Group and the historical shareholders of CPM Braxis, respectively, over their share capital not yet acquired by the Group.

d) Sensitivity to currency risk

A 10% fluctuation in the Pound Sterling-euro exchange rate would trigger a corresponding 2% change in revenues and 2.2% 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 2.1% change in operating margin.

B) Hedging derivatives

Amounts hedged at December 31, 2013 using forward purchase 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.

At December 31, 2013, the euro-equivalent value of forward purchase 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		338	258	352	948
o/w	▶ fair value hedge	*160*			*160*
	▶ cash flow hedge	*178*	*258*	*352*	*788*
Financial transactions	▶ fair value hedge	223			223
Transactions on other non-current liabilities	▶ cash flow hedge	21			21
TOTAL		**582**	**258**	**352**	**1,192**

Hedges contracted in respect of operating transactions mainly comprise forward purchase and sale foreign exchange contracts maturing between 2014 and 2016 with an aggregate euro-equivalent value of €948 million (€1,277 million at December 31, 2012). The hedges were chiefly taken out in respect of transactions in Indian rupee (INR 44,873 million), US dollar (USD 286 million), Polish zloty (PLN 418 million) and Pound Sterling (GBP 40 million).

The maturities of the hedges range from 2 months to 3 years and the main counterparty is Cap Gemini (for a euro-equivalent value of €926 million).

Hedges contracted in respect of financial transactions primarily concern Cap Gemini in the amount of €208 million at December 31, 2013. They mainly comprise hedged inter-company loans for €197 million (€432 million at December 31, 2012) and correspond to loans denominated in US dollar, Australian dollar and Mexican peso.

Hedges contracted in respect of other non-current liabilities concern the parent company. They mainly comprise forward contracts to buy foreign exchange with a nominal value of BRL 68 million (€21 million), maturing in January 2014.

The Group's total exposure to currency risk on its assets and liabilities, including internal transactions, is €730 million and €708 million, respectively, at December 31, 2013. These exposures mainly concern the parent company and in particular, foreign currency denominated bank accounts and liabilities held in connection with inter-company Group financing transactions.

C) Fair value of hedging derivatives

At December 31 *(in millions of euros)*	Notes	2011	2012	2013
Other non-current assets	14	-	1	71
Other current receivables	16	12	6	3
Other non-current liabilities	22	(15)	(9)	(97)
Other current payables	24	(51)	(25)	(2)
Fair value of hedging derivatives		**(54)**	**(27)**	**(25)**
Relating to: ▶ *operating transactions*		(49)	*(31)*	*(27)*
▶ *financial transactions*		(5)	*4*	*2*
Hedging derivative counterparty recorded in income and expense recognized in equity at December 31 (on operating transactions)		**(44)**	**(22)**	**(20)**
CHANGE IN THE PERIOD IN HEDGING DERIVATIVES RECORDED IN INCOME AND EXPENSE RECOGNIZED IN EQUITY		**(55)**	**22**	**2**
o/w amounts released to operating profit in respect of transactions performed		*3*	*33*	*28*
o/w fair value of hedging derivatives relating to future transactions		*(58)*	*(11)*	*(26)*

The fair value of hedging derivatives and the hedging derivative counterparty recognized in income and expense recognized in equity, primarily concern hedges of inter-company flows between India and other Group entities.

Other non-current assets mainly consist of the call option on own shares purchased by Cap Gemini on October 18, 2013, valued at €70 million at December 31, 2013.

Other non-current liabilities mainly consist of the conversion option embedded in the "ORNANE 2013" bonds, valued at €70 million at December 31, 2013 and the fair value of derivative instruments contracted pursuant to the central management of foreign exchange risk.

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, 2013, the Group had €1,715 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 €1,039 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 2013, a 100-basis point rise in interest rates would have a positive impact of around €11 million on the Group's net finance costs (€16 million in 2012 and €17 million in 2011 respectively). Conversely, a 100-basis point fall in interest rates would have an estimated €11 million negative impact on the Group's net finance costs for 2013 (€16 million in 2012 and €17 million in 2011, respectively).

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. Immobilière Les Fontaines (owner of Capgemini University) was entered into by the latter in 2003 for a residual notional amount of €4 million (liability of €7 million at December 31, 2013). Under the terms of the swap, S.A.R.L. Immobilière Les Fontaines pays a fixed rate of 3.51% and receives 3-month Euribor +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, 2013, the Group's main counterparties for managing currency and interest rate risk are Barclays, BNP Paribas, CA CIB, HSBC, ING, Banco 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

CHANGE IN THE OBLIGATION, PLAN ASSETS AND THE EXPENSE RECOGNIZED IN THE INCOME STATEMENT

in millions of euros	Notes	2011*	2012*	2013
Present value of the obligation at January 1		**2,548**	**3,023**	**3,355**
Business combinations		8	-	-
Service cost		46	57	63
Interest cost		136	147	143
Contributions paid by employees		6	7	7
Benefits paid to employees		(71)	(95)	(95)
Changes in actuarial gains and losses**		277	161	60
Translation adjustments		72	51	(114)
Other movements		1	4	9
Present value of the obligation at December 31		**3,023**	**3,355**	**3,428**
Fair value of plan assets at January 1		**(1,713)**	**(1,898)**	**(2,153)**
Expected return on plan assets		(93)	(94)	(101)
Contributions paid by employees		(6)	(7)	(7)
Benefits paid to employees		66	83	83
Contributions paid		(99)	(120)	(376)
Return on plan assets net of interest income**		(5)	(81)	17
Translation adjustments		(45)	(32)	78
Other movements		(3)	(4)	(7)
Fair value of plan assets at December 31		**(1,898)**	**(2,153)**	**(2,466)**
NET PROVISION IN THE STATEMENT OF FINANCIAL POSITION		**1,125**	**1,202**	**962**
EXPENSE FOR THE PERIOD RECOGNIZED IN THE INCOME STATEMENT				
Service cost	4	(46)	(57)	(63)
Net interest cost	6	(43)	(53)	(42)
TOTAL EXPENSE FOR THE PERIOD		**(89)**	**(110)**	**(105)**

* *Figures have been adjusted for the restatements presented in Note 1 - Accounting policies, following application of IAS 19, revised,*
** *The change in actuarial gains and losses is recorded in "Income and expense recognized in equity".*

ANALYSIS OF THE CHANGE IN PROVISIONS FOR PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

A) Accelerated financing of the pension plan shortfall in the United Kingdom

In July 2013, the Group launched the accelerated financing of the pension fund shortfall in the United Kingdom, through an exceptional contribution of €235 million.

B) 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.

C) Impact on the Income Statement: change in the service cost and the net interest cost

In 2013, the expense recognized in operating margin in respect of the service cost and the past service cost is €63 million and mainly concerns Canada (€19 million), France (€17 million) and the United Kingdom (€14 million).

The net impact of the interest cost (discounting of the defined benefit obligation) and the expected return on plan assets is a financial expense of €42 million (mainly concerning the United Kingdom for €26 million). The improvement in financial expense in 2013 compared with 2012 (€11 million) is due to:

- a €9 million decrease in the net financial expense in the United Kingdom, primarily due to the impact of the €235 million exceptional contribution (€6 million) and the combined impact of foreign exchange rate fluctuations and discounting (€3 million);
- a €2 million decrease in the net financial expense in Canada, primarily due to the combined impact of foreign exchange rate fluctuations and discounting.

D) Impacts on the statement of financial position: contributions, benefits, translation adjustments and actuarial gains and losses

Contributions paid by the Group totaled €376 million in 2013; €318 million in the United Kingdom (including the €235 million exceptional contribution) and €46 million in Canada.

Benefits paid to employees of €95 million (including €83 million under funded plans) mainly involved the United Kingdom (€38 million) and Canada (€35 million).

The €36 million decrease in provisions for pensions for translation adjustments, is due to the depreciation, in particular, of the Pound Sterling (€19 million) and the Canadian dollar (€14 million) during the period.

In the United Kingdom, the defined benefit section of the main Capgemini UK Plc. pension plan terminated on March 31, 2008 for the large majority of beneficiaries. In exchange, these individuals were given the opportunity to join the defined contribution section of this plan. In 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 in 2012 by April 2021.

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.

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.

			2013			
At December 31 *(in millions of euros)*	**2011***	**2012***	**United Kingdom**	**Canada**	**Other countries**	**Total**
Impact of changes in actuarial assumptions	285	129	92	(24)	2	70
Experience adjustments	(13)	(49)	44	(25)	(12)	7
*o/w adjustment on liabilities***	*(26)*	*5*	*(2)*	*(2)*	*(6)*	*(10)*
*o/w adjustment on assets****	*13*	*(54)*	*46*	*(23)*	*(6)*	*17*
IMPACT ON INCOME AND EXPENSE RECOGNIZED IN EQUITY	**272**	**80**	**136**	**(49)**	**(10)**	**77**

* *Figures have been adjusted for the restatements presented in Note 1 - Accounting policies, following application of IAS 19, revised,*

** *+: Increase in liabilities / -: decrease in liabilities,*

*** *-: Increase in assets / + : decrease in assets.*

Changes in actuarial assumptions generated an actuarial loss of €70 million in 2013 as follows:

- changes in demographic assumptions: impact of €11 million, including €13 million in Canada;
- changes in financial assumptions: impact of €59 million, including €92 million in the United Kingdom and (€37) million in Canada.

E) Breakdown of the change by main country

in millions of euros	Note	United Kingdom	Canada	Other countries	Total
At December 31, 2011*					
Present value of obligations of funded plans		2,187	425	176	2,788
Fair value of plan assets		(1,428)	(345)	(125)	(1,898)
Funding shortfall of funded plans		759	80	51	890
o/w actuarial gains and losses recorded in income and expense recognized in equity		*601*	*139*	*19*	*759*
Funding shortfall under unfunded plans		-	85	150	235
o/w actuarial gains and losses recorded in income and expense recognized in equity		-	*27*	*28*	*55*
NET PROVISION IN THE STATEMENT OF FINANCIAL POSITION		**759**	**165**	**201**	**1,125**
At December 31, 2012*					
Present value of obligations of funded plans		2,387	474	227	3,088
Fair value of plan assets		(1,626)	(389)	(138)	(2,153)
Funding shortfall of funded plans		761	85	89	935
o/w actuarial gains and losses recorded in income and expense recognized in equity		*641*	*162*	*50*	*853*
Funding shortfall under unfunded plans		-	95	172	267
o/w actuarial gains and losses recorded in income and expense recognized in equity		-	*29*	*46*	*75*
NET PROVISION IN THE STATEMENT OF FINANCIAL POSITION		**761**	**180**	**261**	**1,202**
At December 31, 2013					
Present value of obligations of funded plans		**2,512	414	245	3,171
Fair value of plan assets		(1,911)	(403)	(152)	(2,466)
Funding shortfall of funded plans		601	11	93	705
o/w actuarial gains and losses recorded in income and expense recognized in equity		*792*	*108*	*46*	*946*
Funding shortfall under unfunded plans		-	85	172	257
o/w actuarial gains and losses recorded in income and expense recognized in equity		-	*21*	*39*	*60*
NET PROVISION IN THE STATEMENT OF FINANCIAL POSITION	18	**601**	**96**	**265**	**962**

* *Figures have been adjusted for the restatements presented in Note 1 - Accounting policies, following application of IAS 19, revised,*

** *The year-on-year increase in the present value of the obligation is mainly due to the combined impact of a fall in the benchmark discount rate (4.6% to 4.5%) and an increase in the forecast inflation rate (3% to 3.4%).*

The "Other countries" are France, Germany, Sweden, Italy, the United States, India, Switzerland, the Netherlands, Austria and Norway.

F) Employees covered by pension plans

			2013			
At December 31	**2011**	**2012**	**United Kingdom**	**Canada**	**Other countries**	**Total**
Current employees – accruing pensionable service	59,640	65,895	1,057	847	70,117	72,021
Former and current employees – not accruing pensionable service	11,729	10,459	8,301	81	1,639	10,021
Retirees	2,394	2,716	2,190	251	478	2,919
TOTAL	**73,763**	**79,070**	**11,548**	**1,179**	**72,234**	**84,961**

The increase in employees in 2013 is chiefly attributable to the expansion of Group operations in India. At December 31, 2013, a total of 47,673 employees were eligible for these pension plans in India, compared with 41,124 employees at December 31, 2012.

MAIN ACTUARIAL ASSUMPTIONS

A) Discount rate, salary inflation rate and inflation rate

In %	2011	2012	2013 United Kingdom	2013 Canada	2013 Other countries
Discount rate	2.9 - 8.8	1.7 - 8.4	4.5	4.9	2.0 - 8.7
Salary inflation rate	1.5 - 10.0	1.5 - 8.0	3.4	3.0 - 4.5	1.5 - 8.0
Inflation rate	0.1 – 3.0	0.1 – 3.0	3.4	2	0.2 – 3.0

In 2013, the benchmark indexes used to calculate discount rates were similar to those used in previous years.

Mortalities tables used are those commonly used in the respective countries.

B) Plan assets and actual return on plan assets

(in millions of euros)	Amount	%	Actual return United Kingdom	Actual return Canada	Actual return Other countries
At December 31, 2011*					
Shares	1,068	56	(5.7) - (4.8)	(4.1) - (4.0)	1.5 - 3.3
Bonds	752	40	15.3 - 15.8	10.8	1.5 - 6.2
Other	78	4			
TOTAL*	**1,898**	**100**			
At December 31, 2012*					
Shares	1,228	57	10.5 - 14.0	15.2 - 15.3	(1.2) - 15.6
Bonds	845	39	7.9 - 8.1	4.5	(1.2) - 8.4
Other	80	4			
TOTAL*	**2,153**	**100**			
At December 31, 2013					
Shares	1,362	55	3.4 - 16.3	5.7 - 23.5	(6.5) - 28.8
Bonds	1,003	41	(7.6) ** - (2.9)	(3.4)	(3.4) - 3.2
Other	101	4			
TOTAL	**2,466**	**100**			

* *Figures have been adjusted for the restatements presented in Note 1 - Accounting policies, following application of IAS 19, revised,*

** *This negative return on assets of 7.6% reflects the impact of the increase in long-term interest rates during the period, the fair value of the bond portfolio and the impact of hedging (mainly via lending-borrowing transactions in UK government GILT bonds) of interest rate risk on pension obligations.*

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, inflation rate and mortality 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, 2013, 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, 2013			**2,512**	**499**
Increase of 50 basis points in the discount rate	(248)	(45)	2,264	454
Decrease of 50 basis points in the discount rate	287	50	2,799	549
Increase of 50 basis points in the inflation rate	214	31	2,726	530
Decrease of 50 basis points in the inflation rate	(198)	(28)	2,314	471
Increase of 50 basis points in the mortality rate	31	1	2,543	500
Decrease of 50 basis points in the mortality rate	(33)	(2)	2,479	497

B) Analysis of the sensitivity of healthcare assistance costs

Healthcare assistance costs exclusively concern Canada. For 2011, 2012 and 2013, 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 net interest cost) and an impact ranging from negative €14 million to positive €18 million in the Consolidated Statement of Financial Position at December 31, 2013.

FUTURE CONTRIBUTION PAYMENT SCHEDULE

Contributions to the Group's main defined benefit pension funds (United Kingdom and Canada) in respect of 2014 are estimated at €85 million.

The average maturity of the main pension plans is 23 years in the United Kingdom and 16.5 years in Canada.

NOTE 21 CURRENT AND NON–CURRENT PROVISIONS

in millions of euros	2011	2012	2013
At January 1	**66**	**63**	**64**
Charge	34	34	33
Reversals (utilization of provisions)	(13)	(27)	(17)
Reversals (surplus provisions)	(31)	(8)	(19)
Other movement	7	2	(3)
At December 31	**63**	**64**	**58**

At December 31, 2013, current provisions (€42 million) and non-current provisions (€16 million) mainly concern risks relating to projects and contracts amounting to €45 million (€47 million at December 31, 2012) and risks relating to tax and labor disputes amounting to €13 million (€17 million at December 31, 2012).

NOTE 22 OTHER NON–CURRENT LIABILITIES

At December 31 *(in millions of euros)*	Notes	2011	2012	2013
Special employee profit-sharing reserve		61	51	34
Derivative instruments	19	15	9	97
Liabilities related to acquisitions of consolidated companies		219	127	118
Other		27	32	20
OTHER NON-CURRENT LIABILITIES	18	**322**	**219**	**269**

Liabilities related to acquisitions of consolidated companies consist of put options granted to Caixa Participacões and EMC in 2012 and 2013 of €113 million and earn-outs granted at the time of certain acquisitions.

Derivative instruments primarily consist of the conversion option embedded in the "ORNANE 2013" bonds valued at €70 million at December 31, 2013 and the fair value of derivative instruments contracted pursuant to the central management of currency risk for the remaining balance.

NOTE 23 ACCOUNTS AND NOTES PAYABLE

At December 31 *(in millions of euros)*	Note	2011	2012	2013
Accounts payable		944	921	920
Accrued taxes other than income tax		378	358	358
Personnel costs		1,002	1,041	994
Other		16	15	21
ACCOUNTS AND NOTES PAYABLE	18	**2,340**	**2,335**	**2,293**

NOTE 24 OTHER CURRENT PAYABLES

At December 31 *(in millions of euros)*	Notes	2011	2012	2013
Special employee profit-sharing reserve		18	21	18
Derivative instruments	19	51	25	2
Liabilities related to acquisitions of consolidated companies		14	114	90
Other		54	46	54
OTHER CURRENT PAYABLES	18	**137**	**206**	**164**

Liabilities related to acquisitions of consolidated companies consist for €83 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 (€104 million at December 31, 2012).

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.

Note that from January 1, 2013, the presentation of the operating segments reflects the following changes in presentation:

- Latin America, previously included in the "Southern Europe and Latin America" area, is now included in the "Asia-Pacific and Latin America" area, in order to group together countries with comparable economic characteristics;
- the operating margin realized by the main offshore production centers (India and Poland) has been reallocated to the geographic areas managing the contracts to enable a better assessment of the performance of these areas.

Comparative information for fiscal years 2011 and 2012 has also been restated to reflect this new presentation.

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	Italy, Portugal, Spain
Nordic countries	Denmark, Finland, Norway, Sweden
Germany and Central Europe	Austria, Czech Republic, Germany, Hungary, Poland, Romania, Slovakia, Switzerland
Asia-Pacific and Latin America	Argentina, Australia, Brazil, Chile, China, Colombia, Guatemala, India, Japan, Malaysia, Mexico, Philippines, Singapore, United Arab Emirates, Vietnam

ANALYSIS OF THE INCOME STATEMENT BY GEOGRAPHIC AREA

2013 *(in millions of euros)*	**North America**	**France**	**United Kingdom and Ireland**	**Benelux**	**Southern Europe**	**Nordic countries**	**Germany and Central Europe**	**Asia-Pacific and Latin America**	**Not allocated***	**Elimina-tions**	**Total**
Revenues											
▶ external	2,074	2,190	2,004	1,080	484	705	651	904	-	-	10,092
▶ inter-geographic area	98	178	111	54	19	23	154	670	-	(1,307)	-
TOTAL REVENUES	**2,172**	**2,368**	**2,115**	**1,134**	**503**	**728**	**805**	**1,574**	**-**	**(1,307)**	**10,092**
OPERATING MARGIN**	**255**	**204**	**175**	**105**	**21**	**64**	**57**	**44**	**(68)**	**-**	**857**
% of revenues	*12.3*	*9.3*	*8.7*	*9.8*	*4.2*	*9.1*	*8.8*	*4.9*	*-*	*-*	*8.5*
Amortization of intangible assets recognized in business combinations	(9)	(8)	-	(3)	(2)	(1)	(1)	(6)	-	-	(30)
Operating margin after amortization of intangible assets recognized in business combinations	**246**	**196**	**175**	**102**	**19**	**63**	**56**	**38**	**(68)**	**-**	**827**
% of revenues	*11.9*	*8.9*	*8.7*	*9.4*	*3.9*	*9.0*	*8.6*	*4.2*	*-*	*-*	*8.2*
OPERATING PROFIT	**243**	**164**	**159**	**83**	**10**	**61**	**46**	**22**	**(68)**	**-**	**720**
						Net financial expense					(102)
						Income tax expense					(182)
						Share of profit of associates					(1)
						PROFIT FOR THE YEAR					**435**
						Non-controlling interests					*(7)*
						OWNERS OF THE COMPANY					**442**

* *Items that have not been allocated correspond to headquarter expenses,*

** *Effective from January 1, 2013, the operating margin is presented before amortization of intangible assets recognized in business combinations and the reallocation of offshore production centers. Comparative periods have been adjusted to reflect this change in presentation.*

2012 *(in millions of euros)*	North America	France	United Kingdom and Ireland	Benelux	Southern Europe	Nordic countries	Germany and Central Europe	Asia-Pacific and Latin America	Not allocated*	Elimi-nations	Total
Revenues											
▶ external	2,101	2,181	2,104	1,118	500	714	658	888	-	-	10,264
▶ inter-geographic area	82	179	121	53	19	22	138	676	-	(1,290)	-
TOTAL REVENUES	**2,183**	**2,360**	**2,225**	**1,171**	**519**	**736**	**796**	**1,564**	**-**	**(1,290)**	**10,264**
OPERATING MARGIN ** and ***	**249**	**191**	**181**	**88**	**20**	**59**	**56**	**46**	**(61)**	**-**	**829**
% of revenues	*11.8*	*8.8*	*8.6*	*7.9*	*4.0*	*8.3*	*8.4*	*5.2*	-	-	*8.1*
Reminder: Reported operating margin* **	**195**	**182**	**160**	**84**	**20**	**54**	**60**	**135**	**(61)**	**-**	**829**
Amortization of intangible assets recognized in business combinations	(9)	(11)	-	(4)	(2)	(2)	(2)	(7)	-	-	(37)
Operating margin after amortization of intangible assets recognized in business combinations* **	**240**	**180**	**181**	**84**	**18**	**57**	**54**	**39**	**(61)**	**-**	**792**
% of revenues	*11.4*	*8.3*	*8.6*	*7.5*	*3.6*	*8.0*	*8.2*	*4.4*	-	-	*7.7*
OPERATING PROFIT* **	**232**	**138**	**162**	**20**	**3**	**54**	**41**	**17**	**(61)**	**-**	**606**

Net financial expense	(127)
Income tax expense	(135)
Share of profit of associates	(1)
PROFIT FOR THE YEAR	**343**
Non-controlling interests	*(10)*
OWNERS OF THE COMPANY	**353**

* *Items that have not been allocated correspond to headquarter expenses,*

** *Effective from January 1, 2013, the operating margin is presented before amortization of intangible assets recognized in business combinations and the reallocation of offshore production centers. Comparative periods have been adjusted to reflect this change in presentation,*

*** *Figures have been adjusted for the restatements presented in Note 1 – Accounting policies, following the application of IAS 19, revised.*

2011 *(in millions of euros)*	North America	France	United Kingdom and Ireland	Benelux	Southern Europe	Nordic countries	Germany and Central Europe	Asia-Pacific and Latin America	Not allocated*	Elimi-nations	Total
Revenues											
▶ external	1,805	2,138	1,945	1,266	453	635	626	825	-	-	9,693
▶ inter-geographic area	78	162	125	52	18	26	132	568	-	(1,161)	-
TOTAL REVENUES	**1,883**	**2,300**	**2,070**	**1,318**	**471**	**661**	**758**	**1,393**	**-**	**(1,161)**	**9,693**
OPERATING MARGIN ** and ***	**202**	**199**	**150**	**103**	**15**	**53**	**39**	**41**	**(59)**	**-**	**743**
% of revenues	*11.2*	*9.3*	*7.8*	*8.1*	*3.5*	*8.3*	*6.2*	*5.0*	-	-	*7.7*
Reminder: Reported operating margin***	**169**	**187**	**136**	**98**	**15**	**48**	**45**	**104**	**(59)**	**-**	**743**
Amortization of intangible assets recognized in business combinations	(10)	-	-	(4)	-	(2)	(2)	(7)	-	-	(25)
Operating margin after amortization of intangible assets recognized in business combinations***	**192**	**199**	**150**	**99**	**15**	**51**	**37**	**34**	**(59)**	**-**	**718**
% of revenues	*10.6*	*9.3*	*7.7*	*7.8*	*3.5*	*8.0*	*5.9*	*4.1*	-	-	*7.4*
OPERATING PROFIT***	**186**	**164**	**135**	**67**	**6**	**47**	**29**	**25**	**(59)**	**-**	**600**

Net financial expense	(123)
Income tax expense	(98)
PROFIT FOR THE YEAR	**379**
Non-controlling interests	*(15)*
OWNERS OF THE COMPANY	**394**

* *Items that have not been allocated correspond to headquarter expenses,*

** *Effective from January 1, 2013, the operating margin is presented before amortization of intangible assets recognized in business combinations and the reallocation of offshore production centers. Comparative periods have been adjusted to reflect this change in presentation,*

*** *Figures have been adjusted for the restatements presented in Note 1 – Accounting policies, following the application of IAS 19, revised.*

ANALYSIS OF DEPRECIATION, AMORTIZATION AND OTHER EXPENSES WITH NO CASH IMPACT INCLUDED IN THE OPERATING MARGIN

2013 *(in millions of euros)*	North America	France	United Kingdom and Ireland	Benelux	Southern Europe	Nordic countries	Germany and Central Europe	Asia-Pacific and Latin America	Not allocated	Total
Depreciation and amortization expense	(28)	(40)	(39)	(19)	(7)	(16)	(15)	(44)	-	(208)
Net charge to provisions	(1)	(1)	(9)	1	2	(1)	(1)	(2)	-	(12)
TOTAL	**(29)**	**(41)**	**(48)**	**(18)**	**(5)**	**(17)**	**(16)**	**(46)**	**-**	**(220)**
2012										
Depreciation and amortization expense	(32)	(43)	(38)	(24)	(7)	(15)	(16)	(53)	-	(228)
Net charge to provisions	(1)	(9)	(6)	(1)	(5)	(1)	(4)	-	-	(27)
TOTAL	**(33)**	**(52)**	**(44)**	**(25)**	**(12)**	**(16)**	**(20)**	**(53)**	**-**	**(255)**
2011										
Depreciation and amortization expense	(33)	(29)	(30)	(21)	(18)	(12)	(15)	(30)	-	(188)
Net charge to provisions	3	7	(11)	2	-	-	(5)	2	-	(2)
TOTAL	**(30)**	**(22)**	**(41)**	**(19)**	**(18)**	**(12)**	**(20)**	**(28)**	**-**	**(190)**

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, 2013 *(in millions of euros)*	**North America**	**France**	**United Kingdom and Ireland**	**Benelux**	**Southern Europe**	**Nordic countries**	**Germany and Central Europe**	**Asia-Pacific and Latin America**	**Not allocated**	**Elimi-nations**	**Total**
Assets by geographic area											
▸ external	1,008	2,008	1,203	1,099	297	365	454	798	63	-	7,295
▸ inter-geographic area	44	128	34	22	7	9	38	101	1	(384)	-
TOTAL ASSETS	**1,052**	**2,136**	**1,237**	**1,121**	**304**	**374**	**492**	**899**	**64**	**(384)**	**7,295**
						Deferred tax assets					1,023
						Current income tax receivable					69
						Cash management assets					77
						Cash and cash equivalents					1,638
						Derivative instruments					74
						TOTAL ASSETS					**10,176**
Liabilities by geographic area											
▸ external	542	1,027	1,224	300	181	201	250	603	3	-	4,331
▸ inter-geographic area	62	50	86	40	7	20	16	26	77	(384)	-
TOTAL LIABILITIES	**604**	**1,077**	**1,310**	**340**	**188**	**221**	**266**	**629**	**80**	**(384)**	**4,331**
						Equity					4,491
						Deferred tax liabilities					158
						Current income tax payable					58
						Borrowings and bank overdrafts					1,039
						Derivative instruments					99
						TOTAL EQUITY AND LIABILITIES					**10,176**

At December 31, 2012 *(in millions of euros)*	North America	France	United Kingdom and Ireland	Benelux	Southern Europe	Nordic countries	Germany and Central Europe	Asia-Pacific and Latin America	Not allocated	Elimi-nations	Total
Assets by geographic area											
▶ external	1,076	1,993	1,138	1,092	300	390	469	895	64	-	7,417
▶ inter-geographic area	39	128	40	18	6	8	36	119	-	(394)	-
TOTAL ASSETS	**1,115**	**2,121**	**1,178**	**1,110**	**306**	**398**	**505**	**1,014**	**64**	**(394)**	**7,417**
						Deferred tax assets*					1,065
						Current income tax receivable					70
						Cash management assets					75
						Cash and cash equivalents					2,023
						Derivative instruments					6
						TOTAL ASSETS					**10,656**
Liabilities by geographic area											
▶ external*	615	1,023	1,351	305	191	206	248	655	22	-	4,616
▶ inter-geographic area	67	56	68	43	11	22	25	39	64	(395)	-
TOTAL LIABILITIES	**682**	**1,079**	**1,419**	**348**	**202**	**228**	**273**	**694**	**86**	**(395)**	**4,616**
						Equity*					4,518
						Deferred tax liabilities					163
						Current income tax payable					95
						Borrowings and bank overdrafts					1,230
						Derivative instruments					34
						TOTAL EQUITY AND LIABILITIES					**10,656**

* *Figures have been adjusted for the restatements presented in Note 1 – Accounting policies, following the application of IAS 19, revised.*

At December 31, 2011 *(in millions of euros)*	North America	France	United Kingdom and Ireland	Benelux	Southern Europe	Nordic countries	Germany and Central Europe	Asia-Pacific and Latin America	Not allocated	Elimi-nations	Total
Assets by geographic area											
▶ external	1,154	2,081	1,184	1,146	331	380	464	840	51	-	7,631
▶ inter-geographic area	38	101	52	23	15	11	36	115	35	(426)	-
TOTAL ASSETS	**1,192**	**2,182**	**1,236**	**1,169**	**346**	**391**	**500**	**955**	**86**	**(426)**	**7,631**
						Deferred tax assets*					1,029
						Current income tax receivable					55
						Cash management assets					73
						Cash and cash equivalents					2,223
						Derivative instruments					12
						TOTAL ASSETS					**11,023**
Liabilities by geographic area											
▶ external*	607	1,053	1,388	336	200	207	218	540	33	-	4,582
▶ inter-geographic area	78	84	71	47	9	19	28	51	32	(419)	-
TOTAL LIABILITIES	**685**	**1,137**	**1,459**	**383**	**209**	**226**	**246**	**591**	**65**	**(419)**	**4,582**
						Equity*					4,266
						Deferred tax liabilities					183
						Current income tax payable					89
						Borrowings and bank overdrafts					1,837
						Derivative instruments					66
						TOTAL EQUITY AND LIABILITIES					**11,023**

* *Figures have been adjusted for the restatements presented in Note 1 – Accounting policies, following the application of IAS 19, revised.*

ANALYSIS OF ACQUISITIONS OF INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

At December 31 *(in millions of euros)*	**2011**	**2012**	**2013**
North America	18	21	17
France	33	32	32
United Kingdom and Ireland	46	33	34
Benelux	13	28	23
Southern Europe*	7	6	5
Nordic countries	20	23	15
Germany and Central Europe	17	18	12
Asia-Pacific and Latin America*	64	70	41
ACQUISITIONS OF INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT	**218**	**231**	**179**

* *Latin America, previously included in the "Southern Europe and Latin America" area, is included in the "Asia-Pacific and Latin America" area with effect from January 1, 2013 (see Note 25, Operating segments).*

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 (€143 million), which excludes acquisitions of assets held under finance leases (€36 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

	2011		**2012**		**2013**	
in millions of euros	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Consulting Services	515	5	500	5	456	4
Technology Services	4,020	41	4,147	40	4,095	41
Local professional services	1,518	16	1,528	15	1,498	15
Outsourcing services	3,640	38	4,089	40	4,043	40
REVENUES	**9,693**	**100**	**10,264**	**100**	**10,092**	**100**

BREAKDOWN OF OPERATING MARGIN BY BUSINESS

	2011*		2012*		2013	
in millions of euros	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Consulting Services	62	12.0	56	11.2	35	7.8
Technology Services	284	7.1	341	8.2	358	8.7
Local professional services	167	11.0	164	10.7	159	10.6
Outsourcing services	289	7.9	329	8.0	373	9.2
Not allocated**	(59)	(0.6)	(61)	-	(68)	-
OPERATING MARGIN* **	**743**	**7.7**	**829**	**8.1**	**857**	**8.5**

* *Figures have been adjusted for the restatements presented in Note 1 – Accounting policies, following the application of IAS 19, revised,*
** *Items that have not been allocated correspond to headquarter expenses,*
*** *Effective from January 1, 2013, the operating margin is presented before amortization of intangible assets recognized in business combinations. Comparative periods have been adjusted to reflect this change in presentation.*

NOTE 26 NUMBER OF EMPLOYEES

AVERAGE NUMBER OF EMPLOYEES BY GEOGRAPHIC AREA

	2011		2012		2013	
	Employees	**%**	**Employees**	**%**	**Employees**	**%**
North America	9,039	8	9,680	8	9,664	7
France	20,614	18	21,503	18	21,616	17
United Kingdom and Ireland	8,700	8	8,988	7	9,123	7
Benelux	10,508	9	9,815	8	8,942	7
Southern Europe*	6,696	6	7,283	6	7,269	6
Nordic countries	4,292	4	4,523	4	4,394	3
Germany and Central Europe	8,375	7	9,278	7	9,885	8
Asia-Pacific and Latin America*	45,959	40	50,593	42	57,075	45
Not allocated	171	-	166	-	158	-
AVERAGE NUMBER OF EMPLOYEES	**114,354**	**100**	**121,829**	**100**	**128,126**	**100**

NUMBER OF EMPLOYEES AT DECEMBER 31 BY GEOGRAPHIC AREA

	2011		2012		2013	
	Employees	**%**	**Employees**	**%**	**Employees**	**%**
North America	9,505	8	9,608	8	9,710	7
France	21,571	18	21,574	17	21,705	17
United Kingdom and Ireland	8,977	7	8,964	7	9,130	7
Benelux	10,391	9	9,186	7	8,775	7
Southern Europe*	7,324	6	7,336	6	7,187	5
Nordic countries	4,538	4	4,504	4	4,277	3
Germany and Central Europe	8,962	7	9,581	8	10,095	8
Asia-Pacific and Latin America*	48,272	41	54,193	43	60,394	46
Not allocated	167	-	164	-	157	-
NUMBER OF EMPLOYEES AT DECEMBER 31	**119,707**	**100**	**125,110**	**100**	**131,430**	**100**

* *Latin America, previously included in the "Southern Europe and Latin America" area, is included in the "Asia-Pacific and Latin America" area with effect from January 1, 2013 (see Note 25, Operating segments).*

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.S. and the Department of Work and Pensions.

In addition, certain clients enjoy:

- limited financial guarantees issued by the Group and totaling €1,059 million at December 31, 2013 (€1,027 million and €856 million at December 31, 2012 and 2011, respectively);
- bank guarantees borne by the Group and totaling €81 million at December 31, 2013 (€72 million and €81 million at December 31, 2012 and 2011, respectively).

B) Commitments given on non-cancellable leases

in millions of euros	Computer equipment	Offices	Vehicles and other non-cancellable leases	Total
Y+1	10	172	61	243
Y+2	9	148	43	200
Y+3	7	144	22	173
Y+4	5	75	7	87
Y+5	-	52	-	52
Y+6 and beyond	-	77	-	77
December 31, 2013	**31**	**668**	**133**	**832**
December 31, 2012	**15**	**703**	**152**	**870**
December 31, 2011	**22**	**651**	**145**	**818**

Lease payments recognized in the Income Statement in 2013 totaled €317 million (€320 million and €307 million in 2012 and 2011, respectively).

C) Other commitments given

Other commitments given total €91 million at December 31, 2013 (€110 million and €121 million in 2012 and 2011, respectively) and comprise:

- bank guarantees given to the tax authorities in connection with tax disputes in India, Brazil and Spain;
- firm purchase commitments relating to goods or services in France and India.

D) Commitments received on client contracts

Pursuant to a contract signed in 2010, Cap Gemini 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 2011 bond issue and the "ORNANE 2013" bonds 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 after amortization of intangible assets recognized in business combinations) must be equal to or greater than 3 at December 31 and June 30 of each year (based on the 12 months then ended).

At December 31, 2011, 2012 and 2013, 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, 2013, these related to finance leases for an amount of €107 million.

OTHER COMMITMENTS

During the third quarter of 2013, engaged in the search for a strategic partner for its IT services subsidiary Euriware, Areva decided to enter into exclusive negotiations with Capgemini for its acquisition.

CONTINGENT LIABILITIES

During 2013 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, 2013, O2C Pro LLC is the only company equity-accounted by the Group since its acquisition in 2011. Transactions with this equity associate during 2013 were performed at arm's length and were of immaterial volume.

OTHER RELATED-PARTIES

In 2013, no material transactions were carried out with:

- shareholders holding significant voting rights in the share capital of Cap Gemini;
- members of management, including 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, it is worth noting that the minority shareholders, Bradesco S.A. and Caixa Participacões, are also the main clients of CPM Braxis accounting for 48.8% of its revenues.

GROUP MANAGEMENT COMPENSATION

The table below provides a breakdown of the 2013 compensation of members of management bodies, encompassing the Group operating management structure, present at each year-end (20 members in 2013, 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	2011	2012	2013
Short-term benefits excluding employer payroll taxes (1)	16,253	18,242	17,445
o/w attendance fees to salaried Directors	-	*28*	*51*
o/w attendance fees to non-salaried Directors and non-voting Directors (2) (3)	*722*	*683*	*485*
Short-term benefits: employer payroll taxes (4)	3,640	5,013	6,288
Post-employment benefits (5)	623	748	586
Share-based payment (6)	2,456	2,105	3,846

(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 2011, 2012 and 2013,
(3) 13 in 2011, 14 in 2012 and 12 in 2013. There are no non-voting directors since the 2012 Combined Shareholders' Meeting,
(4) This amount includes the 30% contribution due in respect of the granting of performance shares as well as the contribution paid on high executive compensation,
(5) Primarily contractual retirement termination payments,
(6) 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 €1.10 per share in respect of 2013. A dividend of €1 per share was paid in respect of fiscal years 2012 and 2011.

NOTE 30 LIST OF THE MAIN CONSOLIDATED COMPANIES BY COUNTRY

FC = Full consolidation

EM = Equity method

Country	List of the main consolidated companies at December 31, 2013	% 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 Tecnologia Ltda.	53.92%	FC
	CPM Braxis S.A.	53.92%	FC
CANADA	Capgemini Canada Inc.	100.00%	FC
	Capgemini Financial Services Canada Inc.	100.00%	FC
	Gestion Cap Gemini Québec Inc.	100.00%	FC
	Inergi LP	100.00%	FC
	New Horizon System Solutions LP	100.00%	FC
	Société en Commandite Capgemini Québec	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
	Capgemini Kun Shan Co. Ltd.	100.00%	FC
	Praxis (Beijing) Technology Co. Ltd.	100.00%	FC
COLOMBIA	Capgemini Colombia SAS	100.00%	FC
CZECH REPUBLIC	Capgemini Czech Republic s.r.o.	100.00%	FC
DENMARK	Capgemini Sogeti 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	List of the main consolidated companies at December 31, 2013	% interest	Consolidation Method
FRANCE	Cap Gemini S.A.	Parent company	-
	Sogeti Corporate Services 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.S.	100.00%	FC
	SCI Paris Étoile	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
	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 Pvt Ltd.	100.00%	FC
IRELAND	Sogeti Ireland Ltd.	100.00%	FC
ITALY	Capgemini BS S.p.A.	100.00%	FC
	Capgemini BST S.p.A.	100.00%	FC
	Capgemini Italia S.p.A.	100.00%	FC
JAPAN	Capgemini Japan KK	100.00%	FC
LUXEMBOURG	Capgemini Reinsurance International S.A.	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
NETHERLANDS	Capgemini Educational Services B.V.	100.00%	FC
	Dunit B.V.	100.00%	FC
	Capgemini N.V.	100.00%	FC
	Capgemini Nederland 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

Country	List of the main consolidated companies at December 31, 2013	% interest	Consolidation Method
POLAND	Capgemini Polska Sp z.o.o.	100.00%	FC
PORTUGAL	Capgemini Portugal, Serviços de Consultoria e Informatica S.A.	100.00%	FC
ROMANIA	Capgemini Services Romania s.r.l.	100.00%	FC
	IBX Software Development s.r.l.	100.00%	FC
SAUDI ARABIA	Capgemini Saudi Ltd.	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
	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 North America Inc.	100.00%	FC
	Capgemini Technologies LLC	100.00%	FC
	Capgemini US LLC	100.00%	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, 2013

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, 2013, 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 at December 31, 2013, and of the results of its operations for the year then ended in accordance with IFRS as adopted by the European Union.

Without qualifying our opinion, we draw your attention to Note 1 to the consolidated financial statements which sets out:

- the impact of the first-time application of IAS 19, revised, *Employee Benefits*;
- the change in the presentation of the consolidated income statement following the amendment to the definition of operating margin.

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 above-mentioned 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 €3,601 million is recorded 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 €1,023 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

As required by law, we have also verified in accordance with professional standards applicable in France the information presented 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 27, 2014	Paris La Défense, February 27, 2014
PricewaterhouseCoopers Audit	KPMG Audit
	Division of KPMG S.A.
Françoise Garnier	Jacques Pierre
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, 2013 of €241 million (including €233 million in royalties received from subsidiaries) compared with €230 million last year (including €218 million in royalties).

Operating profit is €182 million, compared with €174 million in 2012.

Net financial income totaled €160 million (compared with €97 million in 2012) and reflects:

- income of €460 million, mainly comprising reversals of provisions for equity interests (€226 million), foreign exchange gains on the pooling of currency risk at Group level (€164 million) and dividends received from subsidiaries (€55 million);
- expenses of €300 million, mainly comprising charges to provisions for equity interests (€77 million), a provision on a call option on own shares sold on October 18 (€29 million), foreign exchange losses on the pooling of currency risk at Group level (€152 million) and the interest expense on the 2009 convertible bond issue and the 2011 bond issue (€40 million).

This €63 million increase in net financial income year-on-year was mainly due to net reversals of provisions for equity interests, as well as dividends received from subsidiaries and foreign exchange gains on the pooling of currency risk at Group level.

The **net non-recurring expense is** €188 million compared with €1 million in 2012 and mainly comprises the discount on the repurchase on the market of 14,280,305 "OCEANE 2009" convertible bonds in October 2013 (€187 million).

After **income tax income** of €11 million (compared with an income tax expense of €22 million in 2012), reflecting the gain arising on the tax consolidation of its subsidiaries, the Company reported a **net profit** of €165 million.

BALANCE SHEET

Net investments rose from €9,145 million last year to €9,214 million at December 31, 2013. This €69 million increase is mainly attributable to:

- net reversals of provisions for equity interests of €149 million;
- a share capital increase by a French subsidiary in the amount of €30 million;
- a net decrease of €76 million in loans granted to subsidiaries;
- the €34 million decrease in other long-term investments corresponding to the net impact of treasury share transactions during the year.

Shareholders' equity is €8,417 million, down €51 million on last year. This decrease essentially reflects the difference between:

- profit for 2013 (€165 million);
- the €40 million share capital increase following the issue of 1,188,167 new shares presented to "OCEANE 2009" bondholders after the exercise of their share allotment rights;
- and a €100 million share capital reduction following the cancellation of 2,925,711 shares (920,098 purchased in December 2012 and the remaining balance during the first half of 2013); and
- the June 6, 2013 dividend payment of €1 per share on the 157,532,236 shares making up the Company's share capital at May 31, 2013, representing a total payment of €158 million (taking into account the 1.6 million treasury shares held by the Company at the dividend payment date).

External **accounts payable** of Cap Gemini S.A. total €0.44 million, 90% of which (€0.4 million) are not yet due. Group accounts payable total €5 million and are not yet due.

Borrowings totaled €1,672 million at December 31, 2013, down €167 million compared with December 31, 2012. This decrease was mainly due to:

- the repurchase in October 2013 of 14,280,305 "OCEANE 2009" convertible bonds followed by the exercise by holders of "OCEANE 2009" bonds still outstanding of their share allotment rights for 2,628,564 "OCEANE 2009" bonds, representing a total of €575 million;
- the decrease in outstanding inter-company loans in the amount of €116 million;
- the €20 million decrease in accrued interest on the "OCEANE 2009" bond issue;
- the issue of bonds redeemable in cash and/or in new and/or existing shares (ORNANE) in the amount of €400 million;
- the issue of €50 million of commercial paper;
- the €96 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 €414 million at the end of 2013, compared with negative €341 million at December 31, 2012. This €73 million decrease was mainly due to:

- payments relating to the share capital increase performed by a French subsidiary in the amount of €30 million;
- payments relating to the acquisition of shares for cancellation under the share buyback program authorized by the Combined Shareholders' Meeting of May 24, 2012 of €70 million;
- the €187 million loss on the repurchase of 14,280,305 "OCEANE 2009" bonds;
- payment of the 2012 dividend for €158 million;
- the collection of brand royalties for €232 million;
- the net repayment of loans granted to certain subsidiaries of €76 million in 2013;
- a decrease in current account advances to Group subsidiaries in the amount of €10 million;
- dividends received from subsidiaries of €55 million.

APPROPRIATION OF EARNINGS

During its meeting of February 19, 2014, 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 the year	€164,838,526.58
Allocation to the legal reserve	€0
i.e. a balance of	€164,838,526.58
Retained earnings of previous years	€495,666,917.20
i.e. Distributable earnings at December 31, 2013 of	€660,505,443.78
This amount will be allocated to:	
■ payment of a dividend of €1.1 per share:	€176,349,599.80
■ retained earnings for the balance:	€484,155,843.98
Giving a total of	€660,505,443.78

This dividend of €1.1 for each of the 160,317,818 shares bearing dividend rights on January 1, 2013, 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 on May 7, 2014, the Board of Directors proposes an ex-dividend date of Friday, May 16, 2014 and a dividend payment date of Wednesday, May 21, 2014. 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 recalled that dividends paid over the past three fiscal years were as follows:

- €162,055,362.00 for 2012 (€1 per share);
- €155,770,362.00 for 2011 (€1 per share);
- €155,770,362.00 for 2010 (€1 per share).

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

SHARE CAPITAL AND OWNERSHIP STRUCTURE

During 2013, the share capital was reduced from €1,294,162,896 to €1,282,542,544 following:

- a share capital reduction by cancellation of 1,937,647 treasury share decided by the Board of Directors' meeting of February 20, 2013, bringing the share capital to €1,278,661,720 divided into 159,832,715 shares;
- the issue of 285,000 new shares after the vesting of performance shares noted by decision of the Chief Executive Officer on March 5, 2013, bringing the share capital to 1,280,941,720 divided into 160,117,715 shares;
- a share capital reduction by cancellation of 988,064 treasury shares decided by the Board of Directors' meeting of May 22, 2013, bringing the share capital to 1,273,037 208 divided into 159,129,651 shares;
- the issue of 1,188,167 new shares in December 2013 following the conversion of OCEANE bonds issued in 2009 and maturing on January 1, 2014, bringing the share capital to €1,282,542,544 divided into 160,317,818 shares at December 31, 2013.

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, two shareholders 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 (employee savings mutual fund) which it manages (international employee share ownership plan);
- in a letter received on June 28, 2013, supplemented by a letter received on July 1, 2013, the US company, BlackRock Inc.[1], acting on behalf of clients and managed funds, reported that it exceeded on June 25, 2013, the 5% share capital and voting rights thresholds;
- in a letter received on September 27, BlackRock Inc.[1], acting on behalf of clients and managed funds, reported that it exceeded on September 25, 2013, the 10% share capital and voting rights thresholds. In the same letter, supplemented by a letter received on September 30, 2013, the company made the following declaration of intent:

  "The acquisition of Cap Gemini shares by BlackRock, Inc. falls within its normal business activities as a portfolio management company carried out without the intent to implement any particular strategy targeting Cap Gemini or to exercise, in this respect, a specific influence over the management of this latter. BlackRock, Inc. is not acting in concert with a third party and does not intend to acquire control of Cap Gemini or to request its appointment or that of one or more individuals as director or member of the Management Board or the Supervisory Board."
- in a letter received on October 29, 2013, BlackRock Inc.[1] acting on behalf of clients and managed funds, reported that it fell below on October 22, 2013, the 10% share capital and voting rights thresholds.

(1) BlackRock's investment is held on behalf of clients, but the investment manager has the discretionary power to exercise the voting rights attached to the shares held, except at the express request of clients to retain control of their voting rights.

4.4 Cap Gemini S.A. financial statements

4.4.1 BALANCE SHEET AT DECEMBER 31, 2012 AND 2013

ASSETS

	Dec. 31, 2012	Dec. 31, 2013		
in thousands of euros	**Net**	**Gross**	**Depreciation, amortization and provisions**	**Net**
Intangible assets				
Trademarks, patents and similar rights	2,069	35,891	(33,521)	2,370
Property, plant and equipment	**224**	**224**	**-**	**224**
Financial fixed assets				
Equity interests	8,865,226	14,782,243	(5,739,246)	9,042,997
Receivable from controlled entities(1)	243,169	167,426	-	167,426
Other financial fixed assets(1)	36,747	3,249	(3)	3,245
NON-CURRENT ASSETS	**9,147,435**	**14,989,032**	**(5,772,771)**	**9,216,262**
Accounts and notes receivable(1)	-	71	(71)	-
Other receivables(1)	45,450	99,156	-	99,156
Receivable from related and associated companies(1)	128,737	165,831	-	165,831
Miscellaneous receivables(1)	19	26	-	26
Marketable securities	1,027,468	669,086	-	669,086
Cash and cash equivalents	471,443	589,013	-	589,013
CURRENT ASSETS	**1,673,118**	**1,523,184**	**(71)**	**1,523,113**
Prepaid expenses(1)	1,350	42,686	-	42,686
Deferred charges	6,591	10,524	-	10,524
Unrealized foreign exchange losses	26	19	-	19
OTHER ASSETS	**7,967**	**53,228**	**-**	**53,228**
TOTAL ASSETS	**10,828,519**	**16,565,445**	**(5,772,842)**	**10,792,603**
(1) of which due within one year	*249,090*	*317,682*	-	*317,607*

SHAREHOLDERS' EQUITY AND LIABILITIES

in thousands of euros	**Dec. 31, 2012**	**Dec. 31, 2013**
Share capital (fully paid-up)	1,294,163	1,282,543
Additional paid-in capital	5,818,094	5,772,277
Legal reserve	129,416	129,416
Other reserves	561,853	559,573
Retained earnings	405,440	495,667
Profit for the year	247,759	164,839
Tax-driven provisions	11,119	12,888
SHAREHOLDERS' EQUITY	**8,467,844**	**8,417,203**
PROVISIONS FOR CONTINGENCIES AND LOSSES	**26**	**28,566**
Convertible bonds(2)	575,000	400,098
Bond issue	500,000	500,000
Bank loans and borrowings(2)	496,747	619,904
Payable to controlled entities(2)	267,942	152,302
BORROWINGS(2)	**1,839,689**	**1,672,304**
Accounts and notes payable(2)	3,433	3,808
Tax and social security liabilities(2)	2,815	3,118
Payable to related and associated companies(2)	514,234	631,544
Other payables(2)	475	493
Prepaid income	-	35,567
Unrealized foreign exchange gains	3	-
OTHER LIABILITIES	**520,960**	**674,530**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**10,828,519**	**10,792,603**
(2) of which due within one year	*1,285,645*	*1,411,267*

4.4.2 INCOME STATEMENT FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2013

in thousands of euros	2012	2013
Royalties	217,905	232,683
Reversals of depreciation, amortization and provisions, expense transfers	30	7,755
Other income	12,436	707
Total operating income	**230,371**	**241,145**
Other purchases and external charges	37,046	44,952
Taxes, duties and other levies	3,429	7,983
Depreciation and amortization	2,920	2,569
Charges to provisions	621	2,447
Other expenses	12,457	727
Total operating expenses	**56,473**	**58,678**
OPERATING PROFIT	**173,898**	**182,467**
Investment income(1)	42,600	55,043
Income from other marketable securities and amounts receivable on non-current assets (1)	5,464	2,901
Other interest income(1)	10,294	8,557
Reversals of provisions	457,330	227,992
Foreign exchange gains	13,890	163,984
Net proceeds on disposals of marketable securities	3,466	1,216
Total financial income	**533,044**	**459,693**
Depreciation, amortization and provisions relating to financial items	372,387	105,741
Interest and similar expenses(2)	53,166	42,825
Foreign exchange losses	10,842	151,649
Total financial expenses	**436,395**	**300,215**
NET FINANCE INCOME (EXPENSE)	**96,649**	**159,478**
RECURRING PROFIT BEFORE TAX	**270,547**	**341,945**
Non-recurring income from operations	-	1,271
Non-recurring income from capital transactions	3,224	3,483
Total non-recurring income	**3,224**	**4,754**
Non-recurring expenses on operations	1,428	189,249
Non-recurring expenses on capital transactions	1,102	1,812
Exceptional depreciation, amortization and provisions	1,920	2,144
Total non-recurring expenses	**4,450**	**193,205**
NET NON-RECURRING INCOME (EXPENSE)	**(1,226)**	**(188,450)**
INCOME TAX EXPENSE	**(21,562)**	**11,344**
PROFIT FOR THE YEAR	**247,759**	**164,839**
(1) of which income concerning related companies	*53,901*	*60,143*
(2) of which interest concerning related companies	*5,295*	*1,839*

4.4.3 NOTES TO THE FINANCIAL STATEMENTS

I – ACCOUNTING POLICIES

The annual financial statements for the year ended December 31, 2013 are prepared and presented in accordance with French accounting rules and principles (as set out in the 1999 French chart of accounts), including the 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 the 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 the 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.

Forward financial instruments, and options on own shares, are initially recognized in the balance sheet at acquisition cost and subsequently remeasured to fair value. Where there is indication of impairment, a provision for financial risk is set aside in accordance with the principle of prudence.

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	323	-	35,891
	Sub-total	**35,568**	**323**	**-**	**35,891**
Property, plant and equipment		**224**	**-**	**-**	**224**
	Sub-total	**224**	**-**	**-**	**224**
Financial fixed assets					
Equity interests		14,753,388	30,000	(1,145)	14,782,243
Receivable from controlled entities		243,169	8,661	(84,404)	167,426
Other financial fixed assets		36,789	289,474	(323,015)	3,249
	Sub-total	**15,033,346**	**328,135**	**(408,564)**	**14,952,917**
TOTAL NON-CURRENT ASSETS		**15,069,138**	**328,458**	**(408,564)**	**14,989,032**

Equity interests

Equity interests comprise shares in the Company's subsidiaries. The main change during the year reflects a capital increase in France of €30,000 thousand.

Receivable from controlled entities

Amounts receivable from controlled entities primarily consist of loans granted by the Company to subsidiaries primarily in North America (€108,530 thousand), Latin America (€11,036 thousand), Europe (€25,367 thousand) and the Asia-Pacific region (€16,940 thousand).

The main changes in this heading reflect:

- partial repayment of the loan granted to a US subsidiary in the amount of €53,900 thousand;
- repayment of the residual balance on the loan granted to a Dutch subsidiary to help fund the acquisition of BAS BV in the amount of €15,000 thousand;
- repayment of the residual balance on the loan granted to a German subsidiary in the amount of €10,000 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 23, 2013. Accordingly, a total of 5,560,909 shares were acquired and 5,695,053 shares were sold between January 1, 2013 and December 31, 2013. Cap Gemini S.A. held 68,800 treasury shares at December 31, 2013 (202,944 at December 31, 2012), valued at €3,249 thousand.

During 2013, the Company continued to purchase treasury shares for cancellation in the amount of 1,017,549 shares in January and February for a total of €36,098 thousand and 988,064 shares in April for a total of €34,010 thousand. The Board of Directors' meetings of February 20 and May 22, 2013, using the authorization granted by the Combined Shareholders' Meeting of May 23, 2013, decided to reduce the share capital by cancelling Cap Gemini shares purchased for cancelation in the amount of 1,937,647 shares on February 20 (including 920,098 shares purchased at the end of 2012 for €30,000 thousand) and 988,064 shares on May 22.

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	22	-	33,521
Financial fixed assets				
Provisions for equity interests	5,888,162	77,172	(226,088)	5,739,246
TOTAL DEPRECIATION, AMORTIZATION AND PROVISIONS	**5,921,661**	**77,194**	**(226,088)**	**5,772,767**

In 2013, the charge to provisions for equity interests primarily concerns an Asian subsidiary in the amount of €34,000 thousand and two European subsidiaries in the amount of €43,172 thousand.

Provision reversals of €226,088 thousand concern three European subsidiaries in the amount of €143,788 thousand and an Australian subsidiary in the amount of €82,300 thousand.

3. Marketable securities

Marketable securities break down as follows at December 31, 2013:

in thousands of euros	Net asset value	Nominal value	Carrying amount
Listed securities			
Money market funds (SICAV)	195,136	195,133	195,133
Investment funds (FCP)	204,420	204,420	204,420
Unlisted securities			
Term deposits	192,150	192,150	192,150
Other marketable securities			
Capitalization contracts	77,383	77,383	77,383
TOTAL	**669,089**	**669,086**	**669,086**

Other marketable securities comprise two capitalization fund contracts subscribed in July and August 2010 with leading insurance companies in Europe for €20,000 thousand and €50,000 thousand, respectively. The residual balance represents capitalized interest at December 31, 2013.

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	167,426	40,625	126,801
Other financial fixed assets	3,249	3,249	-
Current assets			
Accounts and notes receivable	71	71	-
Income tax receivable	98,329	98,329	-
VAT receivable	827	827	-
Receivable from related companies	165,831	165,831	-
Miscellaneous receivables	26	26	-
Prepaid expenses	42,686	8,724	33,962
TOTAL	**478,445**	**317,682**	**160,763**

Prepaid expenses mainly comprise the call option on own shares purchased on October 18, 2013 valued at € 43,200 thousand. The premium paid is amortized over the contract term.

5. Deferred charges

in thousands of euros	Amount at January 1	Increase	Amortization	Amount at December 31
Issuance fees on syndicated credit facility, OCEANE 2009 bonds, 2011 Bond issue and ORNANE bonds	6,591	7,755	(3,822)	10,524
TOTAL	**6,591**	**7,755**	**(3,822)**	**10,524**

Issuance fees on the syndicated credit facility, OCEANE 2009 bonds, 2011 Bond issue and ORNANE bonds are amortized on a straight-line basis over the term of the debt.

6. Share capital and additional paid-in capital

in thousands of euros	Number of shares	Share capital	Additional paid-in capital
At December 31, 2012 *(par value of €8)*	**161,770,362**	**1,294,163**	**5,818,094**
+ Capital increase, grant of 2009 performance shares	285,000	2,280	-
+ Capital increase, bonds coverted to shares	1,188,167	9,505	30,892
- Offset of share issue costs, net of tax	-	-	(6)
- Capital decrease following cancellation of shares	(2,925,711)	(23,405)	(76,703)
AT DECEMBER 31, 2013 *(par value of €8)*	**160,317,818**	**1,282,543**	**5,772,277**

Share capital increase through the grant of performance shares

The Board of Directors' meeting of February 20, 2013 decided to deliver 285,000 Cap Gemini shares on March 5, 2013 under the 2009 performance share plan to beneficiaries not tax-resident in France. As the Board of Directors' meeting of October 12, 2012 decided that the shares delivered would be new shares, the Chairman and Chief Executive Officer noted the vesting of the performance shares and the related share capital increase of €2,280 thousand on March 12, 2013.

Share capital reduction by cancellation of shares purchased

On December 27, 2012, the Company purchased 920,098 shares for €30 million under a forward share purchase agreement entered into on November 21, 2012. These shares were purchased for cancellation. In 2013, the Company continued to purchase treasury shares for cancellation in the amount of 2,005,613 shares.

The Board of Directors' meetings of February 20 and May 22, 2013, using the authorization granted by the Combined Shareholders' Meeting of May 24, 2012, decided to reduce the share capital by cancelling Cap Gemini shares purchased for cancelation (1,937,647 shares on February 20 and 988, 064 shares on May 22). The capital reductions totaled €66,098 thousand and €34,010 thousand, respectively.

Share capital increase following the exercise of allotment rights by bond holders

On April 8, 2009, the Company performed a €575 million bond issue comprising 16,911,765 bonds convertible and/or exchangeable into new or existing shares with a nominal value of €34, redeemable in full on January 1, 2014 ("OCEANE 2009" bonds) and including a conversion and/or exchange right into new or existing shares, at the initiative of the Company. In the event of conversion, each bondholder has a right to one Cap Gemini share per "OCEANE 2009" bond.

Following the repurchase offer launched by the Company in October 2013, 14,280,305 "OCEANE 2009" bonds were repurchased by the Company, which then received conversion requests. Between October 2013 and December 2013 holders of 2,628,564 "OCEANE 2009" bonds exercised their share allotment rights, resulting in the presentation of 1,440,397 treasury shares and 1,188,167 new shares issued for this purpose on December 20, 2013. The capital increase totaled €40,398 thousand, recorded €9,505 thousand in share capital and €30,892 thousand in additional paid-in capital.

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 last options were granted under this plan in June 2008 and the plan expired in June 2013, with less than 20% of the options initially granted exercised under the 2005 Plan. An expense has not been recognized in respect of this plan since 2012.

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, third and fourth share plans subject to performance and continued employment conditions. On March 5, 2009, October 1, 2010 and then on December 12, 2012 and February 2013, the Board of Directors approved the terms and conditions and the list of beneficiaries of the four plans. The main features of these plans are set-out in the table below:

Summary	2009 International Plan	2010 International Plan	2012 International Plan	2013 International 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	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 (6)	1,209,100 (6)
Share grant date	March 5, 2009	October 1, 2010	December 12, 2012	February 20, 2013
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	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)	2 years and 1 week as from the grant date (France) or 4 years and 1 week 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	4 years
Number of shares at December 31, 2012 that may vest under this plan in respect of shares previously granted, subject to performance and presence conditions	289,500	623,620	1,003,500	-
Of which corporate officers	0	0 (2)	50,000 (6)	0
Number of shares subject to performance and presence conditions granted during the year	-	-	-	1,209,100
Of which corporate officers	0	0	0	50,000 (6)
Number of shares forfeited or canceled during the year	4,000	39,565	22,000	30,800
Number of shares vested during the year	285,500 (3)	-	-	-
Number of shares at December 31, 2013 that may vest under this plan in respect of shares previously granted, subject to performance and presence conditions	-	584,055 (5)	981,500	1,178,300
Share price at the grant date *(in euros)*	23.3	37.16	33.15	36.53
Main market conditions at the grant date:				
▶ Volatility	42.70%	42.80%	25.80%	38.70%
▶ Risk-free interest rate	1.40%	1.67%	0.35% - 0.98%	0.59% - 1.28%
▶ Expected dividend rate	3.00%	3.00%	3.00%	3.00%
Other conditions:				
▶ Performance conditions	Yes (see below)	Yes (see below)	Yes (see below)	Yes (see below)
▶ Employee presence within the Group at the vesting date	Yes	Yes	Yes	Yes

Summary	2009 International Plan	2010 International Plan	2012 International Plan	2013 International Plan
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	Monte Carlo for performance shares with external (market) conditions
Range of fair values in euros				
▶ Free shares *(per share and in euros)*	20.70 - 21.90	32.32 - 32.96	n/a	n/a
▶ Performance shares *(per share and in euros)*	16.51 - 17.53	21.54 - 32.96	14.35 - 28.67	16.18 - 32.14
Of which corporate officers	17.53	n/a	16.18	18.12

(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.

Performance conditions and measurement of the 2009 Plan

The exact number of shares vesting at the end of the vesting period (2 years for the French plan and 4 years for the international plan) 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 benchmark basket comprises the following securities, with each security equally weighted: Accenture/CSC/Atos Origin/Tieto/Logica/Steria/CGI Group/Infosys/Sopra/Cognizant.

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. 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, the final number of shares that vested in respect of the first plan is 485,750 shares, i.e. 42% of the number initially granted. The 285,500 shares delivered on March 5, 2013 were delivered to non-French beneficiaries of the plan.

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 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, only 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 after amortization of intangible assets recognized in business combinations 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.

As the date for definitive delivery to French beneficiaries was set at the end of a 2-year vesting period (with obligation to hold the shares for a further 2 years), a total of 350,509 shares were delivered to these beneficiaries out of an initial amount of 528,500 shares, i.e. two-thirds. At the end of December 2013, some 584,055 shares are likely to be delivered in October 2014 to beneficiaries resident in other countries (subject to their presence in the Group at that date), i.e. a maximum of 57% of the initial grant.

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.

Performance conditions and measurement of the 2012 and 2013 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 2010 plan.

It accounts for 50% of the total amount granted.

The benchmark basket comprises the following securities, with each security equally weighted: Accenture/CSC/Atos Origin/Tieto/Steria/CGI Group/Infosys/Sopra/Cognizant.

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.

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.

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:

	Plan 2012
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
Mandatory lock-in period effective as from the vesting date (France only)	2 years
Number of shares at December 31, 2012 that may vest under this plan in respect of shares previously granted, subject to performance and presence conditions	187,702
Number of shares subject to performance and/or presence conditions granted during the year	-
Number of shares forfeited or canceled during the year	12,649
Number of shares vested during the year	48
Number of shares at December 31, 2013 that may vest under this plan in respect of shares previously granted, subject to performance and presence conditions	175,005
Share price at the grant date *(in euros)*	26.30
Main market conditions at the grant date:	
▶ Risk-free interest rate	0.88%
▶ Expected dividend rate	3%
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, 2013

in thousands of euros	At December 31, 2012	Appropriation of profit for 2012	Other movements	At December 31, 2013
Share capital	1,294,163	-	(11,620)	1,282,543
Additional paid-in capital	5,818,094	-	(45,817)	5,772,277
Legal reserve	129,416	-	-	129,416
Other reserves	561,853	-	(2,280)	559,573
Retained earnings	405,440	90,227		495,667
Dividends paid	-	157,532	(157,532)	-
Profit for the year	247,759	(247,759)	164,839	164,839
Tax-driven provisions	11,119	-	1,769	12,888
TOTAL	**8,467,845**	**-**	**(50,641)**	**8,417,203**

The appropriation of the net profit for 2012 led to the distribution on June 6, 2013 of a €1 dividend on each of the 157,532,236 shares making-up the share capital at May 31, 2013, for a total of €157,532 thousand. The amount not paid out on the 1,597,415 shares held by the Company on June 6, 2013 (€1,597 thousand) was appropriated to retained earnings. The dividend on the 2,925,711 shares purchased for cancellation and cancelled in February and May 2013 was appropriated to retained earnings.

Other movements concern:

- a capital increase of €2,280 thousand following the issue of 285,000 new shares for presentation to beneficiaries of the 2009 performance share plan not tax-resident in France;
- a capital increase of €40,398 thousand following the issue of 1,188,167 new shares for presentation to holders of "OCEANE 2009" bonds following exercise of their share allotment rights;
- a capital reduction of €100,108 thousand following the cancellation of 2,925,711 shares purchased for cancellation;
- tax-driven provisions in the amount of €1,769 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)	At December 31
Provisions for contingencies and losses				
■ relating to foreign exchange losses	26	19	26	19
■ on derivative instruments: option on own shares	-	28,547	-	28,547
TOTAL	**26**	**28,566**	**26**	**28,566**

Charges for the period totaled €28,566 thousand and mainly concern a provision for financial risks of €28,547 thousand on a call option on own shares sold on October 18, 2013.

12. Bond issues and Convertible bonds

in thousands of euros	December 31, 2012	December 31, 2013
OCEANE 2009	575,000	98
2011 Bond issue	500,000	500,000
ORNANE 2013	-	400,000
TOTAL	**1,075,000**	**900,098**

A) "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 n°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 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 repayment and exercise of share allotment rights

Under the reverse book-building process on October 18, 2013 and a repurchase procedure carried out from October 21 to October 25, 2013 inclusive, Cap Gemini purchased 14,280,305 "OCEANE 2009" bonds at a unit price of €48.08 per OCEANE bond, corresponding to the arithmetic average of the daily average price of the Cap Gemini share weighted for trading volumes on the NYSE Euronext regulated market in Paris between October 18 (inclusive) and October 25, 2013, inclusive, plus a premium of €0.15, giving a total of €686,597 thousand. The "OCEANE 2009" bonds repurchased were cancelled in accordance with the terms of the issue prospectus. In addition, between October 2013 and December 2013 holders of 2,628,564 "OCEANE 2009" bonds exercised their share allotment rights resulting in the presentation of 1,440,397 treasury shares and 1,188,167 new shares issued for this purpose on December 20, 2013. Accordingly, 2,896 "OCEANE 2009" bonds remained outstanding at December 31, 2013, representing €98 thousand.

B) 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 n°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.

C) 2013 ORNANE bond issue

On October 18, 2013, Cap Gemini launched a bond issue redeemable in cash and/or in new and/or existing shares *(Obligations à option de Remboursement en Numeraire et/ou en Actions Nouvelles et/ou Existantes,* ORNANE) and maturing on January 1, 2019. Bondholders enjoy all rights from October 25, 2013. The total amount of the issue was €400,000 thousand, comprising 5,958,587 bonds with a nominal value of €67.13 each, representing an issue premium of 42.5% compared with the Company benchmark share price at the launch date. The bonds do not bear any interest (zero coupon bonds) and will be redeemed at par on January 1, 2019.

The Bonds may be redeemed early at the initiative of the Company under certain terms and conditions.

In the event of exercise of their share allotment rights, bondholders will receive a cash amount and potentially an amount payable in new and/or existing Cap Gemini shares. The Company also has the possibility to present solely new and/or existing shares.

The purpose of the issue was to partially finance the repurchase by the Company of the outstanding OCEANE bonds convertible and/or exchangeable for new or existing shares, maturing on January 1, 2014.

The terms and conditions of this issue were set out in the prospectus approved by the AMF on October 18, 2013 under reference number n°13-557.

Summary of the main terms and conditions of the "ORNANE 2013" bond issue

Bond term

5 years and 68 days from the issue date.

Bond rating

The bond issue was rated BBB by Standard & Poor's at the prospectus date.

Exercise of share allotment rights

(a) Bondholders may exercise their share allotment right (as defined below) during the period October 25, 2013 to December 31, 2016, inclusive, solely in the following circumstances:

- at any time during a relevant calendar quarter, if the arithmetic average of the closing price of the Company's share calculated over a period of 20 consecutive trading days among the 30 trading days preceding the last trading day of the preceding calendar quarter, as determined by the calculation agent, exceeds 130% of the conversion price (equal to the nominal value of the bond divided by the conversion rate, i.e. 1 share per bond, subject to adjustments) applicable the last trading day of the preceding calendar quarter;
- in the event of early amortization of all outstanding bonds at the initiative of the Company;
- where the Company ignores the negative opinion of bondholders in general meeting consulted on a change in the legal form or corporate purpose of the Company;
- where the Company plans a distribution of dividends, reserves or additional paid-in capital in cash or kind, the value of which per Company share exceeds 25% of the arithmetic average of the average share price weighted for daily trading volumes over a period of 20 consecutive trading days;
- in the event of a public offering targeting the Company's shares found to be compliant by the AMF and likely to lead to a change in control;
- in the event of an early repayment event; and
- at any time during a period of 5 trading days following any period of 20 consecutive trading days during which the Bond price determined on the closing of daily trading in the Company's share has been, each trading day, less than 95% of the multiple of (i) the daily closing price of the Company's share, and (ii) the conversion rate.

(b) From January 1, 2017 (inclusive), bondholders may exercise their share allotment right at any time up to the eighteenth trading day (exclusive) preceding January 1, 2019.

In the event of the exercise of their share allotment rights, bondholders will receive a cash amount and potentially an amount payable in new and/or existing Cap Gemini shares. The Company also has the possibility to present solely new and/or existing shares.

Redemption at maturity

Unless the bonds are redeemed early pursuant to the terms and conditions set out in the prospectus, and where the share allotment right is not exercised, the bonds will be redeemed in full at par, i.e. €67.13 per bond, on January 1, 2019 (or the next working day, if this day is not a working day), i.e. €67.13 per bond.

Early redemption at the Company's option

- at any time, from October 25, 2016 and up to the maturity of the bonds, for all outstanding bonds and subject to a notice period of 45 calendar days, by redemption at par, if the arithmetic average calculated over 20 consecutive days among the 40 days preceding the publication of the early redemption notice, of the opening price of the Company's shares on the Euronext Paris market multiplied by the applicable conversion rate at each date, exceeds 130% of the nominal value of the bonds ;
- at any time, for some or all of the bonds, without limit as to price or quantity, by repurchase on or off market or through a repurchase or exchange offering ;
- at any time, for all outstanding bonds and subject to a notice period of 45 calendar days, if the number of outstanding bonds is less than 15% of the number of bonds issued.

Early redemption at the option of bondholders in the event of a change in control

In the event of a change in control of the Company, bondholders may request the early redemption of all of part of their bonds, in accordance with the terms and conditions set out in the prospectus approved by the AMF.

Early repayment in the event of default

Possible, particularly in the event of default by the Company.

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 €619,904 thousand and comprise (i) the balances on certain euro and foreign currency bank accounts used in connection with the Group's worldwide cash pooling arrangements in the amount of €566,467 thousand, offset in the amount of €572,616 thousand by opposite balances presented in cash and cash equivalents of the Company, (ii) bank overdrafts in the amount of €199 thousand (iii) commercial paper in the amount of €50,500 thousand and (iv) accrued interest of €2,738 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 was 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, that may be increased to 40% if Cap Gemini S.A.'s rating falls.

Following the upgrade of Cap Gemini's credit rating to BBB by Standard & Poor's on July 30, 2013, the margin applicable is now 0.75% and the fee on undrawn amounts to 0.2625%.

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, 2013, 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, 2013, 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	400,098	98	400,000
Bond issue	500,000	-	500,000
Sub-total	**900,098**	**98**	**900,000**
Bank loans and borrowings			
■ Bank overdrafts	199	199	-
■ Bank overdrafts (Group cash pooling arrangement)	566,467	566,467	-
■ Commercial paper	50,500	50,500	-
■ Accrued interest	2,738	2,738	-
Sub-total	**619,904**	**619,904**	**-**
Group loans and borrowings			
■ Loans	152,302	152,302	-
■ Other payables	631,544	631,544	-
Sub-total	**783,846**	**783,846**	**-**
Accounts and notes payable	**3,808**	**3,808**	**-**
Tax and social security liabilities	**3,118**	**3,118**	**-**
Other payables	**493**	**493**	**-**
TOTAL	**2,311,267**	**1,411,267**	**900,000**

Group loans of €152,302 thousand comprise:

- two three-month revolving loans from Capgemini FS USA Inc. and Capgemini FS Europe Inc. of €43,592 thousand and €16,710 thousand, respectively. Both loans are denominated in US dollar and hedged against currency risk;
- two three-month revolving loans from Capgemini Deutschland GmbH and Capgemini Deutschland Holding GmbH of €82,000 thousand and €10,000 thousand, respectively.

15. Accrued charges

Accrued charges reported in the balance sheet break down as follows:

in thousands of euros	Amount
Borrowings	
■ Accrued interest	2,738
Other liabilities	
■ Accounts and notes payable	3,808
■ Tax and social security liabilities	3,118
■ Other payables	493
TOTAL	**10,157**

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 foreign exchange losses
On other receivables/payables	19	-	19
TOTAL	**19**	**-**	**19**

17. Net finance income (expense)

in thousands of euros		Amount
Provisions relating to financial items		
Charge		(105,741)
Reversal		227,992
	Sub-total	**122,251**
Dividends		55,043
	Sub-total	**55,043**
Other financial income and expense		
Net income from short-term investments		4,354
Loan income (capitalization contracts)		2,370
Revenue from loans, current accounts and Group cash pooling arrangements		5,947
Net foreign exchange gains (net)		12,335
Interest on borrowings, current accounts and Group cash pooling arrangements		(2,169)
Interest on “OCEANE 2009” bonds		(13,831)
Interest on the Bond issue		(26,585)
Interest on issued commercial paper		(235)
Other		(4)
	Sub-total	**(17,818)**
NET FINANCE INCOME (EXPENSE)		**159,478**

Additions to provisions for financial items of €105,741 thousand primarily concern provisions for impairment of equity interests in the amount of €77,172 thousand, relating to an Asian Pacific subsidiary (€34,000 thousand), a Portuguese subsidiary (€25,000 thousand) and a French subsidiary (€18,172 thousand) and a provision for financial risks on a share option contract of €28,547 thousand.

Provision reversals of €227,992 thousand primarily concern reversals of provisions for impairment of equity interests in the amount of €226,088 thousand, relating to three European subsidiaries (€143,787 thousand) and an Australian subsidiary (€82,300 thousand) and the reversal of a provision on treasury shares in the amount of €1,878 thousand.

The dividends of €55,043 thousand correspond to dividends received during the period by the Company from French, Hungarian, Polish and Italian subsidiaries.

18. Net non-recurring income (expense)

in thousands of euros		Amount
Proceeds on asset disposals		8
Gain on delivery of treasury shares		634
Net proceeds on disposals of treasury shares under the liquidity agreement		2,174
Other		1,271
	Sub-total	**4,087**
Exceptional provisions		(2,144)
Net carrying amount of assets sold		(1,145)
Loss on bond repurchase		(187,239)
Loss on delivery of treasury shares to bondholders		(1,377)
Other		(632)
	Sub-total	**(192,537)**
NET NON-RECURRING INCOME (EXPENSE)		**(188,450)**

19. Income tax expense

In France, Cap Gemini S.A. is the parent company of a French tax consolidation group comprising 20 companies. In 2013, Cap Gemini S.A. recognized tax consolidation income of €11,384 thousand and an additional tax consolidation expense of €37 thousand in respect of 2012. Cap Gemini S.A. would have recognized a theoretical income tax expense of €4,642 thousand were it not part of the tax consolidation group. Tax losses carried forward by Cap Gemini S.A. amounted to €988,173 thousand at December 31, 2013.

Breakdown of the income tax expense

	2013	
in thousands of euros	**Net profit before tax**	**Income tax expense at 38%**
Recurring profit before tax	341,945	(129,238)
Net non-recurring income (expense)	(188,450)	71,225
Accounting profit for the year before tax	153,495	(58,013)
Tax differences	(127,928)	48,350
Tax credits		
■ Training/family/patronage tax credit		0
■ Research tax credit		0
Offset of tax losses carried forward	(13,283)	5,020
Tax consolidation of subsidiaries		15,986
INCOME TAX EXPENSE		**11,344**

Impact of tax-driven valuations

in thousands of euros	Amount
Profit for the year	**164,839**
Income tax expense (net)	(11,344)
Profit before tax	**153,495**
Change in tax-driven provisions:	
■ Accelerated depreciation	(1,768)
Other tax-driven valuations	Nil
PROFIT EXCLUDING TAX-DRIVEN VALUATIONS (BEFORE TAX)	**151,727**

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	95	396
Provisions for contingencies and losses		
■ Provision for foreign exchange losses	19	26
Net asset value differences on UCITS	3	7
Unrealized foreign exchange gains	-	3
Unrealized foreign exchange losses	19	26
Remeasurement differences on receivables and payables and fair value measurement of derivatives	100,800	41,301
Amortization of derivative on own shares	1,548	-
TOTAL	**102,483**	**41,760**
Rate of tax on temporary differences	34.43%	34.43%
DEFERRED TAX	**35,285**	**14,378**
Deferred tax assets		
■ Deferred tax depreciation		
■ Tax losses carried forward	988,173	1,001,455
■ Long-term capital losses		
DEFERRED TAX	**340,228**	**344,801**

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, 2013 break down as follows:

in thousands of euros	Amount
Financial items	113,195
Operating items	934,110
Tax items	15,060
TOTAL	**1,062,365**

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Guarantees, deposits and comfort letters granted to subsidiaries in respect of financial items provide them with access to local cash facilities in the form of credit lines. Total draw-downs on these credit lines at December 31, 2013 amounted to €18,001 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, Ontario Power Generation Inc., Environment Agency, Renault S.A.S. and The Department of 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, 2013, the values of external currency derivative instruments negotiated in respect of foreign currency denominated internal financing arrangements, primarily break down as follows:

- a euro/Australian dollar swap with a positive value of €718 thousand for a nominal amount of AUD 13 million (€9.19 million);
- six euro/US dollar swaps with a negative value of €37 thousand for a nominal amount of USD 256 million (€186 million),

At December 31, 2013, external currency derivatives hedging brand royalties invoiced to subsidiaries had a positive value of €38 thousand and mainly concerned the Australian dollar, Mexican peso, pound sterling and Swedish krona.

At December 31, 2013, external currency derivatives instruments entered into pursuant to the pooling of currency risk at Group level, had a net negative value of €27,337 thousand.

At December 31, 2013, 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 €99,543 thousand.

21. Related companies

in thousands of euros	**Amount**
Balance sheet items	
Equity interests	14,782,243
Receivable from controlled entities	167,426
Payable to controlled entities	152,302
Related and associated companies	
■ receivable	165,831
■ payable	631,544
Income statement items	
Investment income	55,043
Income on Group loans	2,901
Other interest income	2,199
Interest expense	1,839

22. Dilution tied to the Redeemable share subscription or purchase warrants (BSAAR)

At December 31, 2013, the 2,991,204 outstanding redeemable share subscription or purchase warrants (BSAAR) are 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 2013.

If all these redeemable share subscription or purchase warrants (BSAAR) were exercised, the dilutive impact at December 31, 2013 would be 1.83% 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 €1.10 per share in respect of 2013.

25. Remuneration of members of the Board of Directors

The total amount of attendance fees paid to Directors and non-voting directors in 2013 is €604,500 (€407,520 after withholding tax for beneficiaries not resident in France and the 21% flat-rate deduction comprising an income tax instalment and social security contributions for beneficiaries tax resident in France).

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	832
Other services directly related to the statutory audit engagement	711
Sub-total	**1,543**
Other services	
Legal, tax and employee-related advisory services	-
Other	-
Sub-total	**-**
TOTAL	**1,543**

4.4.4 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

(Year ended december 31, 2013)

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, 2013, 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, 2013, 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 €9,043 million at December 31, 2013. 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, March 28, 2014	Paris La Défense, March 28, 2014
PricewaterhouseCoopers Audit	KPMG Audit
	Division of KPMG S.A.
Françoise Garnier	Jacques Pierre
Partner	Partner

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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, 2013)

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 2013, these corporate officers did not receive any compensation pursuant to this agreement.

The Statutory Auditors

Neuilly-sur-Seine, March 28, 2014
PricewaterhouseCoopers Audit

Françoise Garnier
Partner

Paris La Défense, March 28, 2014
KPMG Audit
Division of KPMG S.A.

Jacques Pierre
Partner

4.4.6 STATUTORY AUDITORS' ADDITIONAL REPORT ON THE ISSUE OF SECURITIES GRANTING ACCESS TO THE COMPANY'S SHARE CAPITAL

(Board of Directors' Meeting of December 4, 2013)

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction 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 R. 225-116 of the French Commercial Code (*Code de commerce*), we hereby present a report in addition to our report of April 17, 2012 on the issue of ordinary shares and/or securities granting access to the Company's share capital, with cancellation of pre-emptive subscription rights, by way of an offering as set out in paragraph II of Article L. 411-2 of the French Monetary and Financial Code (*Code monétaire et financier*), authorized by your Combined Shareholders' Meeting of May 24, 2014 in the fifteenth resolution.

This meeting delegated to your Board of Directors the powers to decide such a transaction, within a period of twenty-six months and up to a maximum amount of €185 million. Using this delegation, the Board of Directors in its meeting of October 8, 2013 decided in principle the issue of bonds redeemable in cash and/or in new and/or existing shares, setting certain procedures and limits on the terms and conditions of this issue and sub-delegated to the Chairman and Chief Executive Officer full powers to perform this issue. Using this sub-delegation, the Chairman and Chief Executive Officer decided, in accordance with the two decisions dated October 18, 2013, to issue 5,958,587 bonds redeemable in cash and/or in new and/or existing shares at a price of €67.13 per bond, representing a total nominal amount of €399,999,945.

The Board of Directors is responsible for preparing a report in accordance with Articles R. 225-113 *et seq.* of the French Commercial Code. Our role is to express an opinion on the fairness of the quantified data extracted from the interim financial statements, on the proposed cancellation of pre-emptive subscription rights and on certain other information pertaining to the issuance as presented in this report.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to this engagement. Such procedures consisted in verifying:

- the fairness of the quantified information extracted from the interim consolidated financial statements prepared under the responsibility of the Board of Directors for the half-year ended June 30, 2013. Our review of these interim consolidated financial statements consisted in making inquiries of persons responsible for financial and accounting matters, verifying that the financial statements were prepared in accordance with the same principles as the most recent consolidated financial statements and applying analytical procedures;
- compliance of the transaction terms and conditions with the delegation granted by the Shareholders' Meeting;
- the information presented in the supplementary report of the Board of Directors on the choice of items included in the calculation of the issue price of the securities and the definitive amount.

We have nothing to report on:

- the fairness of the quantified information extracted from these interim consolidated financial statements and presented in the supplementary report of the Board of Directors, it being noted that, as indicated in the half-year report, the interim financial statements include a change in accounting method relating to the first-time application of IAS 19 revised, *Employee Benefits*, and a change in presentation of the consolidated income statement following modification of the definition of operating margin;
- the compliance of the transaction terms and conditions with the delegation granted by the Combined Shareholders' Meeting of May 24, 2012 and the information presented to shareholders;
- the choice of items included in the calculation of the issue price of the securities and the definitive amount;
- the presentation of the impact of the issue on the position of holders of shares and securities granting access to the Company's share capital assessed with respect to consolidated equity and on the stock market price of the share;
- the cancellation of pre-emptive subscription rights on which you previously voted.

The Statutory Auditors

Neuilly-sur-Seine, December 18, 2013	Paris La Défense, December 18, 2013
PricewaterhouseCoopers Audit	KPMG Audit Division of KPMG S.A.
Françoise Garnier	Jacques Pierre
Partner	Partner

4.5 Other financial and accounting information

4.5.1 FIVE-YEAR FINANCIAL SUMMARY

in thousand of euros	2009	2010	2011	2012	2013
I-SHARE CAPITAL AT YEAR-END					
Share capital	1,233,419	1,246,163	1,246,163	1,294,163	1,282,543
Number of common shares outstanding	154,177,396	155,770,362	155,770,362	161,770,362	160,317,818
Maximum number of future shares to be created:			-	-	-
■ through exercise of equity warrants	9,655,432	9,079,500	6,484,125	5,242,822	5,910,064
■ through conversion fo convertible bonds	32,583,691	28,722,575	26,372,575	16,911,765	5,961,483
II-OPERATIONS AND RESULTS OF THE CURRENT YEAR					
Operating revenue	198,567	201,567	241,094	230,370	241,145
Operating revenue and financial revenue	297,617	278,822	339,560	763,415	700,839
Income before taxes, amortization and provisions	213,622	208,598	225,363	189,839	38,404
Income tax	(27,418)	(15,740)	2,962	21,562	(11,344)
Net income/(losses)	224,022	136,889	171,563	247,759	164,839
Distributed income	123,342	155,770	155,770	161,770	*176,350
III-EARNINGS PER SHARE *(in euros)*					
Earnings after taxes, but before amortization and provisions	1.56	1.44	1.43	1.04	0.31
Net earnings	1.45	0.88	1.10	1.53	1.03
Dividend per share	0.80	1.00	1.00	1.00	*1,10
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 7, 2014.*

4.5.2 SUBSIDIARIES AND INVESTMENTS

(in millions of euros)	Capital	Other shareholders' equity (including net income for the year)	% interest	Number of shares owned	Book value of shares		Loans & advances granted	Guarantees given	2013 Revenue	Dividends
					Gross	Net				
SUBSIDIARIES										
Capgemini North America Inc	1	2,911	100.00%	982,000	6,618	2,772	109	-	-	-
CGS HOLDINGS Ltd	637	1	100.00%	558,777,061	721	721	-	-	-	-
Gemini Consulting Holding Ltd	0	9	100.00%	1,083	23	23	-	-	-	-
Capgemini Oldco Ltd	12	26	100.00%	1,033,938,858	801	380	-	-	-	-
Capgemini AB (Suède)	3	338	100.00%	25,861	387	387	-	9	-	-
Capgemini NV (Benelux)	2	313	100.00%	21,582,376	1,467	996	-	-	-	-
Capgemini Business services BV	0	2	100.00%	485	19	19	-	-	-	-
Capgemini Shared Services BV	0	(0)	100.00%	1,053	3	3	-	-	-	-
Capgemini Deutschland Holding GmbH	129	1	95.59%	3	629	629	-	12	-	-
Capgemini Consulting Österreich AG	0	4	100.00%	36,791	54	49	-	-	18	-
Capgemini Suisse AG	0	3	100.00%	500	45	30	-	66	60	-
Capgemini Polska Sp Z.o.o (Pologne)	4	34	100.00%	129,160	25	25	-	-	168	9
Capgemini Magyarorszag Kft	0	1	100.00%	1	2	2	-	-	4	-
Capgemini Czech Republic s r o	1	2	98.77%	21,255	8	8	-	-	14	-
Capgemini France S.A.S.	89	691	100.00%	5,713,954	1,324	1,324	-	-	7	2
Capgemini Technology Services Maroc	3	4	99.99%	329,996	3	3	-	-	23	-
SOGETI S.A.S.	261	331	100.00%	52,106,876	754	754	-	-	30	42
Capgemini Italia S.p.A.	18	15	100.00%	3,575,000	543	50	10	17	171	-
Capgemini España S.L. (Sociedad Unipersonal)	32	(10)	81.38%	264,301	279	159	-	6	227	-
Capgemini Portugal, Serviços de Consultoria e Informatica, SA	8	4	100.00%	1,698,842	44	19	-	-	26	-
Capgemini Business Services Guatemala S.A.	1	(1)	99.80%	12,900,034	1	1	-	-	1	-
Capgemini Argentina S.A.	1	(1)	1.16%	126,369	0	0	-	-	3	-
Capgemini Asia Pacific Pte. Ltd. (Singapour)	87	(3)	100.00%	138,779,483	218	47	-	24	0	-
Capgemini Australia Pty Ltd (Australie)	123	(103)	100.00%	1,502,342	172	172	9	65	159	-
Capgemini Business Services (India)	0	32	99.90%	4,995	25	25	-	-	71	-
Capgemini Service S.A.S	8	4	100.00%	8,000,000	164	12	-	15	208	-
S.C.I. Paris Etoile	0	5	99.99%	9,999	48	31	-	-	3	2
Immobilière les Fontaines S.A.R.L	3	(0)	99.90%	1,004,628	52	52	-	7	7	-
Capgemini Université S.A.S.	0	0	100.00%	2,500	0	0	-	-	16	-
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	-	-	-	-
Capgemini Latin America	332	(1)	100.00%	33,249,750	341	341	15	5	-	-
Capgemini Reinsurance International	20	-	100.00%	10,000	5	5	-	-	11	-
Other French compagnies	nm	nm	nm	nm	0	0	-	nm	nm	-
Other foreign compagnies	nm	nm	nm	nm	-	-	-	-	nm	-
INVESTMENTS										
As of December 31, 2013, investments held by Cap Gemini S.A. are not material										

Cap Gemini and its shareholders

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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, 2013, the Company's share capital amounted to €1,282,542,544, divided into 160,317,818 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, 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**
Share capital increase:			
■ Shares issued after the vesting of performance shares	285,000	2,280,000	
■ Issue costs for shares, net of taxes			(6,240)
■ Shares issued following the conversion of OCEANE 2009 bonds	1,188,167	9,505,336	30,892,342
Capital reduction:			
■ Cancellation of treasury shares	(2,925,711)	(23,405,688)	(76,702,738)
AT DECEMBER 31, 2013	**160,317,818**	**1,282,542,544**	**5,772,277,199**

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 and resolution number	Expiry date	Used during fiscal year 2012 or 2013	Amount
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/*11th*	07/24/2014	No	-
b) Ordinary shares and/or securities granting access to the Company's share capital, or granting a right to allocation of debt instruments, **with PSR**	500 million (par value) 3.5 billion (issue amount)	05/24/2012/*13th*	07/24/2014	No	-
c) Ordinary shares and/or securities granting access to the Company's share capital, or granting a right to allocation of debt instruments **without PSR; public offer**	185 million (par value) 1.25 billion (issue amount)	05/24/2012/*14th*	07/24/2014	No	-
d) Ordinary shares and/or securities granting access to the Company's share capital, or granting a right to allocation of debt instruments **without PSR; private placement**	185 million (par value) 1.25 billion (issue amount)	05/24/2012/*15th*	07/24/2014	ORNANE 2013 bonds	46,7 million nominal €400 million issue amount
"Greenshoe option" (b) to (d)		*16th*			
e) Ordinary shares or shares combined with securities granting access to the Company's share capital, as payment for contributions in kind to the Company	10% of the share capital	05/24/2012/*17th*	07/24/2014	No	-
f) Ordinary shares and/or securities granting access to the Company's share capital, or granting a right to allocation of debt instruments, as payment for shares tendered to a public exchange offer made by the Company	185 million (par value) 1.25 billion (issue amount)	05/24/2012/*18th*	07/24/2014	No	
Overall limit (b) to (f), including "Greenshoe" option		500 million (par value) (40% K) 3.5 billion (issue amount)			
Ordinary shares issued within the scope of the international employee share ownership plan:					
g) members of Group savings plans	48 million (par value) (2)	05/26/2011/8th	07/26/2013	ESOP 2012 Yes	*48 million Par value*
h) not restricted to members of Group savings plans, but subject to similar conditions	16 million (par value) (2)	05/26/2011/9th	11/26/2012	ESOP 2012 Yes	*48 million Par value*
i) Redeemable share subscription or purchase warrants (BSAAR)	8 million (par value)	05/26/2011/*10th*	11/26/2012	No	
j) *Performance shares*	1% of share capital	05/23/2013	11/23/2014	*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 general 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 d) above, the Board of Directors' meeting of October 8, 2013, using the fifteenth extraordinary resolution adopted by the Combined Shareholders' Meeting of May 24, 2012, decided the issue in October 2013, by way of a private placement, of 5,958,587 bonds redeemable in cash and/or in new and/or existing shares (ORNANE), representing a total nominal amount of €47,668,696 (i.e. just over 25% of the total authorized amount of €185 million) and an issue amount of €399,999,945.

This issue, performed under particularly favorable terms and conditions for Cap Gemini (zero coupon and issue premium of 42.5%), was used to partially finance the repurchase of approximately 85% of "OCEANE 2009" bonds convertible and/or exchangeable for new or existing shares maturing on January 1, 2014 in the amount of €687 million (see Section 5.1.3 below).

OTHER FINANCIAL AUTHORIZATIONS USED AND EXPIRED DURING THE FISCAL YEAR

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 on February 20, 2013 to grant a total of 1,209,100 shares subject to performance and presence conditions to a certain number of French and non-French Group employees (see Section 5.1.4, Performance share grant).

The authorization to grant performance shares approved by the Combined Shareholders' Meeting of May 23, 2013 was not used in 2013.

5.1.3 OTHER SHARE EQUIVALENTS OUTSTANDING

BONDS REDEEMABLE IN CASH AND/OR IN NEW AND/OR EXISTING SHARES (ORNANE)

On October 18, 2013, Cap Gemini launched an offering of bonds redeemable in cash and/or in new and/or existing shares (*Obligations à option de Remboursement en Numeraire et/ou en Actions Nouvelles et/ou Existantes*, ORNANE) for a total nominal amount of €400 million and comprising 5,958,587 bonds with a nominal value of €67.13 each, maturing on January 1, 2019 (ORNANE 2013). The terms and conditions of this issue were set out in the prospectus approved by the AMF on October 18, 2013 under reference number n°13-557.

On the exercise by bondholders of their share allotment rights, Cap Gemini may present, at its initiative, either (i) a cash amount up to the nominal value of the bonds and new and/or existing shares thereafter, where applicable, or (ii) only new and/or existing shares.

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, for a total nominal amount of €575 million and comprising 16,911,765 bonds with a nominal value of €34 each, maturing on January 1, 2014 (OCEANE 2009). 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.

Cap Gemini repurchased 14,280,305 bonds during the year for an amount of €687 million, pursuant to a reverse book-building process on October 18, 2013 and a buyback procedure implemented between October 21 and October 25, 2013 (inclusive). In addition, between October and December 2013, bondholders exercised Cap Gemini share conversion rights in respect of 2,628,564 bonds, resulting in the presentation of 1,440,397 existing shares and 1,188,167 new shares. Cap Gemini redeemed in full the remaining 2,896 bonds outstanding on January 2, 2014.

REDEEMABLE SHARE SUBSCRIPTION OR PURCHASE WARRANTS (BSAAR)

During 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 could not be exercised or transferred during a four-year period commencing July 23, 2009, except under the conditions specified in the issue agreement. The warrants are listed and traded on the Euronext Paris market since July 23, 2013 and will be until July 23, 2016.

Following the exercise of 7,796 warrants between July 23, and December 31, 2013, 2,991,204 warrants remained outstanding at December 31, 2013.

5.1.4 EMPLOYEE SHAREHOLDERS

STOCK OPTIONS

The Extraordinary Shareholders' Meeting of May 12, 2005 authorized the Board of Directors to grant stock options to employees of the Group and its French and foreign 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 Cap Gemini shares. This authorization represented the sixth and last stock option plan implemented by the Company.

During 2013, no shares were subscribed under this plan which expired in June 2013. Furthermore, no shares may be subscribed under the first, second, third, fourth or fifth plans for which the subscription period expired on November 1, 1995, April 1, 1999, April 1, 2002, December 1, 2006 and March 31, 2010, respectively.

PERFORMANCE SHARE GRANT

The Extraordinary Shareholders' Meeting of May 24, 2012 authorized the Board of Directors to grant 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 granted (existing and to be issued) was not to exceed 1.5% of the share capital at the date of the Board of Directors' decision to grant 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 granted 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 granted to employees of the Company and its French and non-French subsidiaries – excluding members of the Group Management Board – without performance conditions.

On February 20, 2013, pursuant to the same authorization, the Board of Directors decided to grant a total of 1,209,100 performance shares to 353 managers and employees of the Group, 14 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 increased from two to four years the minimum holding period for vested shares following the vesting period for beneficiaries tax-resident in France.

The Extraordinary Shareholders' Meeting of May 27, 2013 authorized the Board of Directors to grant 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 28, 2013. The number of shares granted (existing and to be issued) must not exceed 1% of the share capital at the date of the Board of Directors' decision to grant such shares ("N"). Up to a maximum of 10% of "N", these performance shares may be granted to executive corporate officers of the Company.

By exception, and for an amount not exceeding 15% of "N", shares may be granted to employees of the Company and its French and non-French subsidiaries – excluding members of the Group Management Board – without performance conditions.

This authorization has not been used to date.

Finally, it is noted that pursuant to the authorization granted by the Extraordinary Shareholders' Meeting of April 17, 2008, the Board of Directors granted a total of 1,148,250 shares subject to performance and presence conditions on March 5, 2009. These performance shares were granted subject to a two-year vesting period for beneficiaries tax-resident in France and a four-year vesting period for beneficiaries not tax resident in France, which therefore expired on March 5, 2013. The performance condition underlying this grant was entirely based on the relative performance of the Cap Gemini over a two-year period compared with a basket of comparable companies in the same business sector (Accenture, Atos, CSC, CGI, Cognizant, Infosys, Logica, Sopra, Steria and Tieto) and only enabled the vesting in March 2013 of 285,500 shares to beneficiaries not tax-resident in France. Overall, a total of 485,570 shares vested out of an initial grant of 1,148,250 shares, or 42% of the initial grant and 0.33% of the share capital at the grant date.

Since 2010, performance share grants are subject to an internal and external performance condition. These conditions are detailed in the resolution presented to the Combined Shareholders' Meeting authorizing the Board of Directors to grant performance shares. The external performance condition is based on the comparative performance of the Cap Gemini share compared with a basket of comparable companies in our business sector from at least five different countries. The list of companies is unchanged on that presented above, but now contains only 9 companies following the merger of CGI and Logica.

No shares vest in respect of the external performance condition if the relative performance of the Cap Gemini share is less than 90% of the average performance of the basket over a two-year period, while 60% of shares vest if this performance is equal to that of the basket and all shares vest if this performance is 110% or more of that of the basket.

Under the 2010 grant program, the internal performance condition focused on the increase in the operating margin between 2010 and 2011, at constant group structure and exchange rates. Under the 2012 and 2013 grant programs and for the current resolution, the internal performance condition concerns the generation of Organic Free Cash Flow over a three-year period in accordance with the aim of making these grants subject to long-term performance conditions.

The external performance condition continues to cover a two-year period to optimize the retention and attractiveness objective that is a key component of a share grant policy and to ensure a minimum economic return given the expense arising on grant and borne in France on this type of motivation instrument. The vesting of shares in France after two years is offset by an obligation to hold the shares for a four-year period, represents a significant and long-term aligning of the interests of beneficiaries of these shares with those of shareholders.

INTERNATIONAL EMPLOYEE SHAREHOLDING SYSTEM

The Combined Shareholders' Meeting of May 26, 2011 authorized the Board of Directors to issue 6 million shares by way of a share capital increase reserved for employees and corporate officers of the Company and its French and non-French subsidiaries who are members of the Capgemini Group Company Savings Plan. The international employee shareholding transaction performed in 2012 was subscribed – directly and indirectly via an Employee Savings Mutual Fund (FCPE) – by Group employees from 19 countries.

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 6.35% of the Company's share capital at December 31, 2013.

5.1.5 POTENTIAL DILUTION RESULTING FROM THE EXERCISE OF ALL SECURITIES GRANTING ACCESS TO THE COMPANY'S SHARE CAPITAL

If the maximum number of shares were issued at December 31, 2013 in respect of performance and free share grant plans, BSAAR warrants and "ORNANE 2013" bonds, the dilution would be 6.9%.

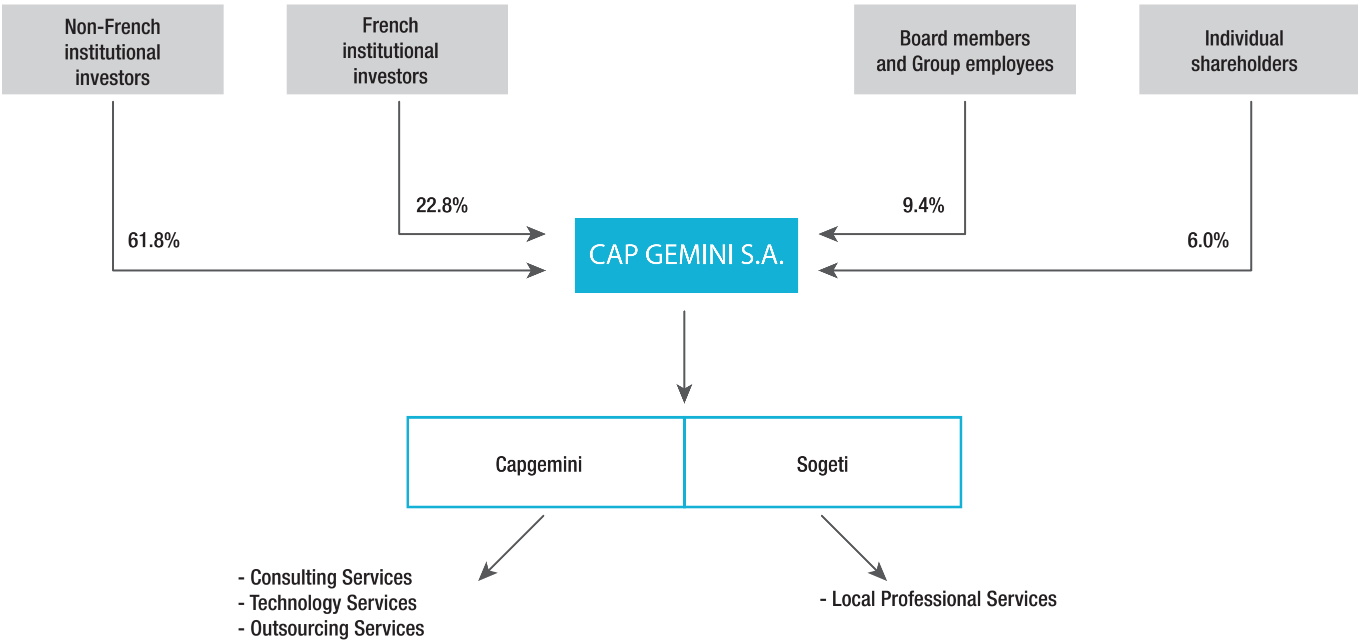
5.2 Cap Gemini and the stock market

At December 31, 2013, the share capital of Cap Gemini S.A. comprised 160,317,818 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 decrease in the number of shares between 2012 and 2013 was due to a share capital reduction through the cancellation of 2,925,711 treasury shares, the issue of 285,000 new shares following the vesting of performance shares and the issue of 1,188,167 shares in December 2013 on the conversion of OCEANE bonds issued in 2009 and maturing on January 1, 2014.

Cap Gemini shares are included in the CAC 40 and the Euronext 100 indexes and the Dow Jones STOXX and Dow Jones Euro STOXX European indexes. Between January 1 and December 31, 2013, the Cap Gemini share price on "Euronext Paris" increased from €33.71 to €49.13.

CAP GEMINI S.A. SHARE OWNERSHIP STRUCTURE AT DECEMBER 31, 2013

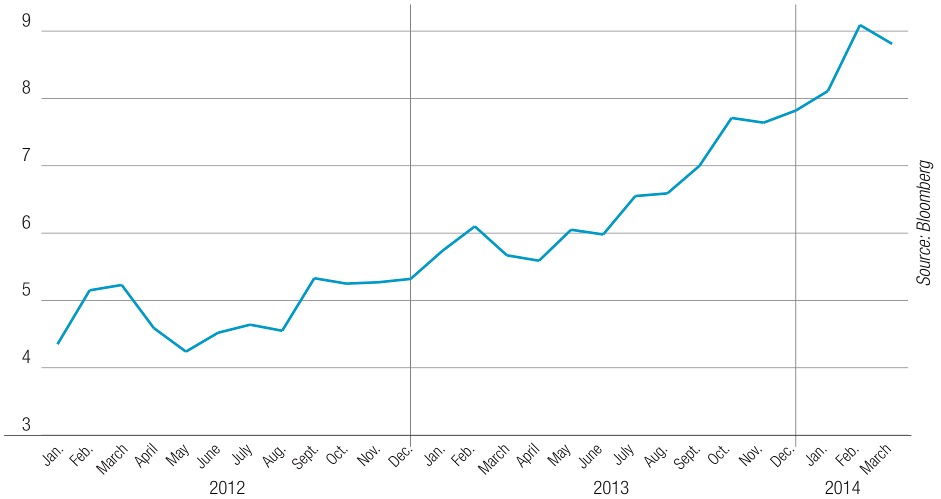
(*BASED ON A SHAREHOLDER SURVEY*)



STOCK MARKET CAPITALIZATION

From January 2012 to March 2014

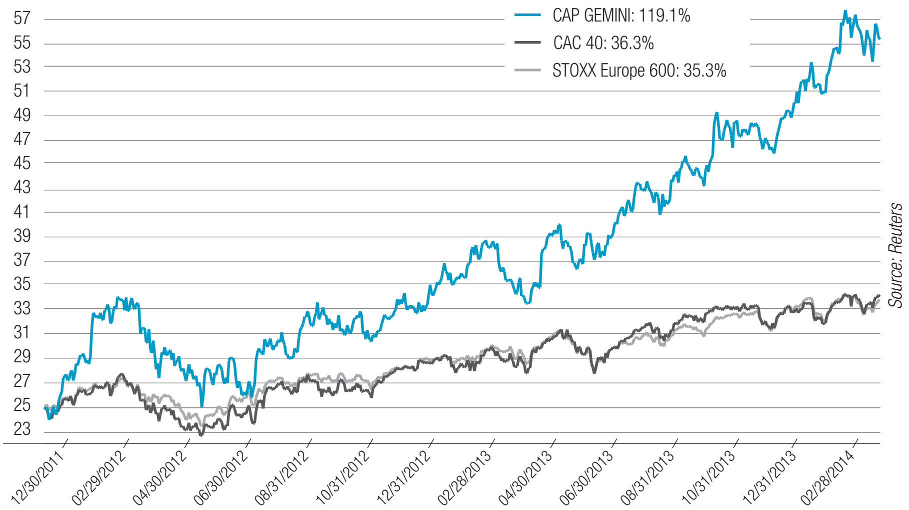
In billions of euros



SHARE PERFORMANCE

From December 31, 2011 to March 31, 2014

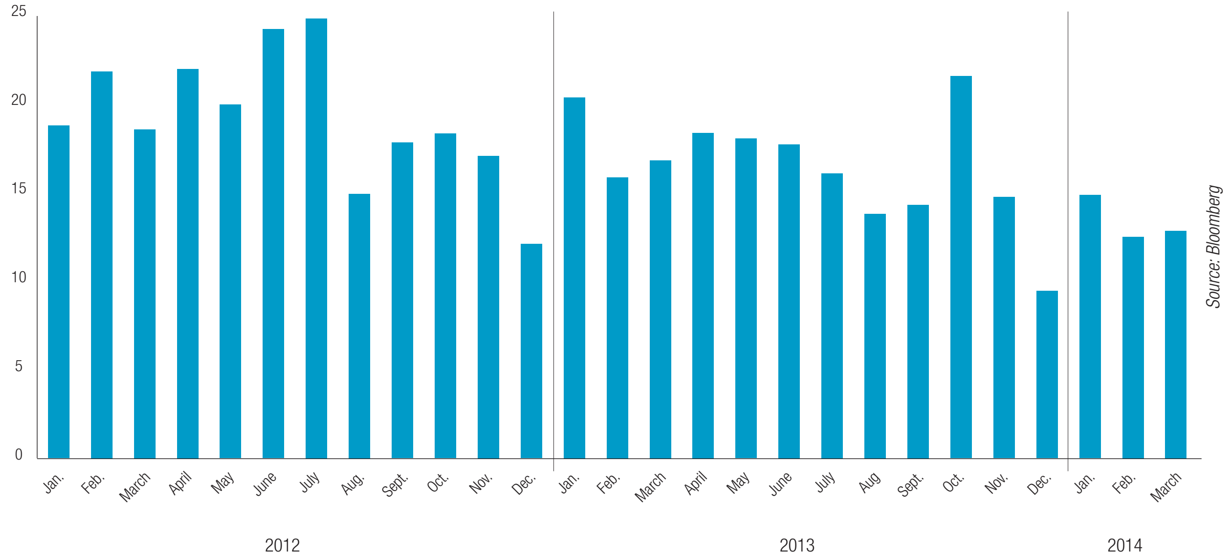
In euros



NUMBER OF TRADES PER MONTH

From January 2012 to March 2014

In millions of shares



SHARE PRICE AND TRADING VOLUME

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

					Trading volume		
		Share price *(in euros)*			Number of shares		
Month	**Number of trading days**	**High**	**Average**	**Low**	**Total**	**Average (daily)**	**Value** *(millions of euros)*
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
April 13	21	35.856	34.660	32.915	18,392,255	875,822	635.8
May 13	22	40.100	38.673	35.405	18,069,541	821,343	694.8
June 13	20	39.460	37.731	36.260	17,746,826	887,341	671.8
July 13	23	42.750	39.983	37.175	16,103,362	700,146	646.6
August 13	22	43.575	42.485	40.475	13,819,139	628,143	586.4
September 13	21	45.615	43.896	41.340	14,319,649	681,888	628.3
October 13	23	49.320	45.861	42.875	21,598,015	939,044	1,003.8
November 13	21	49.000	47.740	46.005	14,764,025	703,049	704.5
December 13	20	49.770	47.214	45.505	9,459,752	472,988	444.6
January 14	22	53.740	51.042	48.435	14,880,581	676,390	761.7
February 14	20	57.870	54.009	50.240	12,508,925	625,446	678.70
March 14	21	57.240	55.281	53.140	12,856,242	612,202	710.10

Source: Bloomberg

DIVIDENDS PAID BY CAP GEMINI

	Dividend distribution			
Year ended December 31	**In € millions**	**In % of net income**	**Number of shares**	**Dividend per share**
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
2013	176	40%	160,317,818	€1.10*

* *Recommended dividend submitted to the Annual Shareholders' Meeting of May 7, 2014.*

2014 PROVISIONAL FINANCIAL CALENDAR

First quarter 2014 revenue	April 29, 2014
First half 2014 results	July 31, 2014
Third quarter 2014 revenue	November 6, 2014
2014 results	February 19, 2015

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, 2013 is presented below. No shares carry double voting rights. At December 31, 2013, Cap Gemini held 68,800 of its own shares.

At December 31, 2013, there were 1,641 holders of registered shares.

Based on information received by the Company during the year, two shareholders 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 (Employee Savings Mutual Fund) which it manages (international employee share ownership plan);
- BlackRock, Inc. [1] acting on behalf of clients and managed funds, disclosed that it had raised its interest above the thresholds of 5% and then 10% of the Company's share capital and voting rights and then disclosed that it had reduced its interest below the 10% threshold.

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:

- AXA Investment Managers disclosed that it had raised its interest above the threshold of 1% of the Company's share capital and voting rights;
- Manning & Napier Advisors, LLC disclosed that it had reduced its interest below 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 thresholds of 1% and 2% of the Company's share capital and voting rights. On the most recent occasion, it raised its interest above the 2% threshold;
- Citigroup Global Markets Ltd 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;
- Crédit Suisse disclosed that it had raised and reduced its interest on numerous occasions (3 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;
- *Caisse des Dépôts et Consignations* disclosed that it had raised its interest above the threshold of 1% of the Company's share capital and voting rights;
- International Value Advisers, LLC disclosed that it had reduced its interest below the threshold of 1% of the Company's share capital and voting rights;
- Natixis Asset Management disclosed that it had raised its interest above the threshold of 2% 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 THE OWNERSHIP STRUCTURE OVER THE PAST THREE YEARS

	At December 31, 2011			At December 31, 2012			At December 31, 2013		
	Number of shares	% share capital	% voting rights	Number of shares	% share capital	% voting rights	Number of shares	% share capital	% voting rights
Serge Kampf	5,365,904	3.4	3.4	4,897,492	3.0	3.0	4,650,000	2.9	2.9
Paul Hermelin	227,048	0.1	0.1	227,048	0.1	0.1	227,048	0.1	0.1
Public (1) (bearer + registered)	142,745,303	91.7	91.7	143,391,840	88.6	88.6	145,189,110	90.6	90.6
Employee shareholders	5,228,857	3.4	3.4	10,682,199	6.6	6.6	10,182,860	6.4	6.4
Treasury shares (2)	2,203,250	1.4	1.4	2,571,783	1.6	1.6	68,800	0.0	0.0
Own shares	-	-	-	-	-	-	-	-	-
TOTAL	**155,770,362**	**100**	**100**	**161,770,362**	**100**	**100**	**160,317,818**	**100**	**100**

(1) Including share capital held by managers.
(2) At December 31, 2013, Cap Gemini S.A. held 68,800 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, 2013, the Company has 48,336 identifiable holders of bearer shares holding at least 50 shares.

No shares carry double voting rights.

(1) BlackRock's investment is held on behalf of clients, but the investment manager has the discretionary power to exercise the voting rights attached to the shares held, except at the express request of clients to retain control of their voting rights.

SHAREHOLDERS' AGREEMENTS

There are no shareholder agreements or pacts in force.

5.4 Share Buyback Program

5.4.1 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 2013 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 2013, a total of 5,560,909 shares were purchased on behalf of Cap Gemini S.A., at an average price of €39.45 per share, representing 3.47% of the share capital at December 31, 2013. During the same period, 5,695,053 Cap Gemini shares were sold at an average price of €39.52 per share, representing 3.55% of the share capital at December 31, 2013. At the year-end, the liquidity account balance comprised 68,800 treasury shares (0.04% of the share capital) for a total of approximately €13 million.

Excluding the liquidity contract, the Company held 2,368,839 of its own shares at December 31, 2012. At December 31, 2013, and following the various transactions described below, the Company no longer held any of its own shares, excluding the liquidity contract:

- purchase of 2,005,613 shares in January, February and April 2013, representing 1.25% of the share capital at December 31, 2013 at an average price of €34.90 per share;
- cancellation of 2,925,711 shares (corresponding to the aforementioned 2,005,613 shares and the 920,098 shares purchased in December 2012) representing 1.82% of the share capital at December 31, 2013;
- transfer of 548 shares to employees under the free share grant program;
- transfer of 7,796 shares to holders of redeemable share subscription or purchase warrants (BSAAR) who exercised their Cap Gemini share allotment rights in 2013;
- transfer of 1,440,397 shares to holders of "OCEANE 2009" bonds who exercised their Cap Gemini share allotment rights in 2013.

5.4.2 AUTHORIZATION TO CANCEL SHARES PURCHASED UNDER THE BUYBACK PROGRAM

The Shareholders' Meeting of May 23, 2013 authorized the Board of Directors to cancel, up to a maximum of 10% of the share capital, on one or several occasions, at its sole discretion, all or some of the Cap Gemini shares held by the Company pursuant to Article L. 225-209 of the French Commercial Code and to reduce the share capital accordingly.

This authorization was used twice in 2013 for a total of 2,925,711 shares:

- on February 20, 2013 by the Board of Directors: cancellation of 1,937,647 Cap Gemini shares bringing the share capital to €1,278,661,720 divided into 159,832,715 shares;
- on May 22, 2013 by the Board of Directors: cancellation of 988,064 Cap Gemini shares bringing the share capital to €1,273,037,208 divided into 159,129,651 shares.

Report of the Board of Directors and draft resolutions of the Combined Shareholders' Meeting of May 7, 2014

6

Each draft resolution is preceded by the corresponding section of the report of the Board of Directors on the draft resolutions.

6.1 Resolutions presented at the Ordinary Shareholders' Meeting

RESOLUTION 1

REVIEW AND APPROVAL OF THE 2013 COMPANY FINANCIAL STATEMENTS

In this resolution, we ask you to approve the Company financial statements of Cap Gemini for the year ended December 31, 2013, which show a profit for the year of €164,838,526.58.

FIRST RESOLUTION

The Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings and after having read:

- 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, 2013, showing net profit for the year of €164,838,526.58.

RESOLUTION 2

REVIEW AND APPROVAL OF THE 2013 CONSOLIDATED FINANCIAL STATEMENTS

In this resolution, we ask you to approve the consolidated financial statements of Cap Gemini for the year ended December 31, 2013, which show a profit for the year attributable to owners of the Company of €442 million.

SECOND RESOLUTION

The Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings and after having read:

- the Group management report of the Board of Directors for 2013, and
- the Statutory Auditors' report on the consolidated financial statements, approves the consolidated financial statements for the year ended December 31, 2013, showing net profit for the Group of €442 million.

RESOLUTION 3

REGULATED AGREEMENTS

In this resolution, we ask that you duly note the absence of any new regulated agreement during the year.

THIRD RESOLUTION

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.

RESOLUTION 4

NET INCOME APPROPRIATION AND DIVIDEND

During its meeting of February 19, 2014, the Board of Directors decided to recommend to the next Ordinary Shareholders' Meeting that the dividend be set at €1.10 per share for a total of €176,349,599.80.

Remaining distributable earnings for the year, i.e., €484,155,843.98, are allocated to retained earnings.

This dividend of €1.10 for each of the 160,317,818 shares bearing dividend rights on January 1, 2013, 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 Shareholders' Meeting, the Board of Directors proposes an ex-dividend date of Friday, May 16, 2014 and a dividend payment date of Wednesday, May 21, 2014.

FOURTH RESOLUTION

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, 2013 as follows:

■ net profit for the year	€164,838,526.58
■ no allocation to the legal reserve as it is fully funded	
i.e. a balance of:	€164,838,526.58
■ retained earnings of previous years:	€495,666,917.20
i.e. distributable earnings of:	€660,505,443.78
■ allocated to:	
payment of a dividend of €1.10 per share	€176,349,599.80 (1)
retained earnings for the balance	€484,155,843.98
giving a total of:	€660,505,443.78

(1) The total amount of the distribution is calculated based on the number of shares ranking for dividends at December 31, 2013, i.e. 160,317,818 shares, and could therefore change if this number varies between January 1, 2014 and the ex-dividend date.

It should be noted that the dividend, set at €1.10 per share, 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 May 16, 2014 and the dividend will be payable from May 21, 2014. 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: €162,055,362 for 2012 (€1 per share); €155,770,362 for 2011 (€1 per share) and €155,770,362 for 2010 (€1 per share). All of these dividends were fully eligible for the 40% tax rebate set out in Article 158.3.2 of the French Tax Code.

RESOLUTION 5

ADVISORY VOTE ON THE COMPONENTS OF COMPENSATION DUE OR AWARDED IN RESPECT OF FISCAL YEAR 2013 TO MR. PAUL HERMELIN, CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to the revised AFEP MEDEF Code issued in June 2013 with which Capgemini complies, the compensation of each executive corporate officer due or awarded in respect of fiscal year 2013 must be presented to the Shareholders' Meeting for an advisory vote. The following table summarizes the 2013 compensation components to Mr. Paul Hermelin, subject to shareholder advisory vote pursuant to the "say on pay" policy.

COMPONENTS OF COMPENSATION DUE OR AWARDED IN RESPECT OF FISCAL YEAR 2013 TO MR. PAUL HERMELIN, CHAIRMAN AND CHIEF EXECUTIVE OFFICER, SUBJECT TO SHAREHOLDERS' ADVISORY VOTE

	Amount or accounting value subject to vote	Presentation
Fixed compensation	**€1,452,000 (paid in 2013)**	The gross fixed compensation of €1,452,000 for fiscal year 2013 was approved by the Board of Directors on February 20, 2013 at the recommendation of the Selection & Compensation Committee. This amount was increased by 10% to reflect the change in Mr. Hermelin's role who became Chairman and Chief Executive Officer at the end of the Combined Shareholders' Meeting of May 24, 2012, the extension of his responsibilities and changes in and the internationalization of the Group since 2008, when his compensation was last modified. This increase is in line with the recommendations of the AFEP-MEDEF Code which state that changes to fixed compensation should be performed at relatively long intervals and it is on this basis that the 2014 compensation remains unchanged. The annualized increase in his theoretical compensation over the period is +1.9%. In addition, this compensation falls within the average for CAC 40 executives.
Annual variable compensation	**€1,150,900 (paid in 2014)**	During the Board of Directors' meeting of February 19, 2014, the Board, based on the audited and approved accounts and at the recommendation of the Selection & Compensation Committee, assessed the amount of Mr. Paul Hermelin's variable compensation for fiscal year 2013. The V1 component was calculated in accordance with quantifiable criteria and the following respective weightings, all relating to the financial results: 1) % attainment of the revenue objective: 30% weighting 2) % attainment of the operating margin rate: 30% weighting 3) % attainment of pre-tax net profit: 20% weighting 4) cumulated Free Cash Flow over the period 2012/2013: 20% weighting. Objectives 1, 2 and 3) were calculated with respect to the budget objectives approved by the Board of Directors' meeting of February 20, 2013 and objective 4) was assessed with respect to the range presented to the market at the beginning of the year. The attainment rates for these four objectives were 97.42%, 90.21%, 92.51% and 122.71%, respectively, giving total V1 compensation of €473,300. The six qualitative objectives determining the V2 component fell into two main categories of three objectives "Role of the Chairman and Organization" (40%) and "Sustainable performance of the Group" (60%). For the first category concerning the steady improvement in the Group's governance and the activities of the Board of Directors and the Group Management Board, the Selection & Compensation Committee focused particularly on the appraisal of the Board of Directors activities undertaken by an external consultant. For the second category of objectives, the Committee based its recommendations as far as possible on objective items and particularly: i) the Group 2015 strategic transformation management report, a quantitative tool comprising key transformation indicators approved by the Board of Directors in its 3-year plan and comprising an annualized market plan; ii) the realization of the ambitious optimization of the balance sheet financial structure. The Board highlighted in this respect the transactions performed during the year impacting the financial structure of the Group, with in particular the early redemption of the OCEANE bonds and the ORNANE bond issue acclaimed by the market and the €235 million contribution in the first half of the year to finance the funding shortfall on a UK pension fund; and iii) measurement of his personal involvement in the development of relations with the Group's key strategic clients and partners, measured by the frequency of client visits and the success of the Group "Rencontres" conference in San Francisco, with the significant presence of the Group's major partners. The Board validated the Committee's assessment of the analysis and level of attainment of these six objectives and set the amount of V2 compensation at €677,600 accordingly. In summary, the variable compensation approved by the Board for 2013 is €1,150,900, i.e. 79% of his fixed compensation for the same year and 118.9% of his theoretical variable compensation. Total fixed and variable compensation for 2013 is therefore €2,602,900, i.e. 107.75% of the theoretical compensation. The variable compensation due in respect of a given year is calculated based on the audited accounts approved by the Board at the beginning of Y+1 and is generally paid at the end of the first quarter of Y+1, or in the present case in March 2014 .
Deferred variable compensation	**N/A**	

	Amount or accounting value subject to vote	Presentation
Multi-year variable compensation	**N/A**	There is no multi-year variable compensation mechanism.
Exceptional compensation	**N/A**	No exceptional compensation was paid.
Stock options, performance shares or any other form of long-term compensation	**Performance shares €905,785** (accounting value)	50,000 shares granted subject to performance and presence conditions. The vesting of performance shares is contingent on the realization of both an external performance condition and an internal performance condition. The external performance condition accounts for 50% of the grant and is based on the comparative performance of the Cap Gemini share over a two year period against the average performance of a basket of 9 comparable companies in the same business sector and from at least 5 countries (Accenture/CSC/Atos/Tieto/Steria/CGI Group/Infosys/Sopra and Cognizant). Accordingly, no shares vest if the relative performance of the Cap Gemini share is less than 90% of the performance of the basket of comparable companies, while 100% of shares vest only if this relative performance is at 110% or above. The internal performance condition accounts for 50% of the grant and is based on Organic Free Cash Flow (OFCF) over the three-year period from 2012 to 2014. The minimum amount necessary for shares to vest is €750 million. Above this threshold, shares vest progressively on a straight-line basis, with the maximum grant requiring OFCF of €1 billion or more. The number of shares that may vest to the executive corporate officer may not exceed 0.03% of the share capital. Authorized by the Combined Shareholders' Meeting of May 24, 2012 Nineteenth resolution Grant authorized by the Board of Directors on February 20, 2013
Attendance fees	**Voluntary waiver**	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 2013 (as both Serge Kampf and he did for the last four years).
Valuation of benefits in kind	**€3,600 Contributions paid**	Unemployment insurance contributions paid on behalf of Paul Hermelin.

For more information on the compensation policy regarding Mr. Paul Hermelin, including any information components of his compensation which are not submitted to the vote of this Shareholders' meeting in compliance with the "say on pay" procedure, please refer to this Registration Document (page 52 et seq).

FIFTH RESOLUTION

Advisory vote on the components of compensation due or awarded in respect of fiscal year 2013 to Mr. Paul Hermelin, Chairman and Chief Executive Officer

The Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings, issues a favorable opinion on the components of compensation due or awarded in respect of fiscal year 2013 to Mr. Paul Hermelin, Chairman and Chief Executive Officer, as presented in the schedule entitled "Components of compensation due or awarded in respect of fiscal year 2013 to Mr. Paul Hermelin, Chairman and Chief Executive. Officer, subject to shareholders' advisory vote" in the Management Report appearing in the 2013 Reference Document of Cap Gemini.

RESOLUTIONS 6 TO 9

RENEWAL OF THE TERMS OF OFFICE OF THE PRINCIPAL STATUTORY AUDITORS AND APPOINTMENT OF NEW SUBSTITUTE STATUTORY AUDITORS

The terms of office of the principal statutory auditors and substitute statutory auditors will expire at the end of the Shareholders' Meeting of May 7, 2014.

The purpose of the sixth, seventh, eighth and ninth resolutions presented at the Ordinary Shareholders' Meeting is to renew the six-year term for the principal statutory auditors and appoint new substitute statutory auditors for the same term.

The Board of Directors recommends to the Shareholders' Meeting that the term of office of PricewaterhouseCoopers Audit and KPMG SA as principal statutory auditors be renewed for six years and that Mr. Jean-Christophe Georghiou and KPMG Audit I.S SAS be appointed as substitute statutory auditors.

The new signatory partners will be Françoise Garnier for PricewaterhouseCoopers Audit and Frédéric Quélin for KPMG SA.

The signatory partners for the principal statutory auditors, PricewaterhouseCoopers Audit and KPMG SA may not carry out continuously their duties beyond a term of six years and may be replaced by the latter at any time.

Information on the principal statutory auditors whose term of office will expire

PricewaterhouseCoopers Audit,

Member of the *Compagnie Régionale des Commissaires aux Comptes de Versailles,*

63, rue de Villiers, 92208 Neuilly-Sur-Seine Cedex

First appointed at the Ordinary Shareholders' Meeting of May 24, 1996

Signatory partner: Mrs. Françoise Garnier

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

First appointed at the Ordinary Shareholders' Meeting of April 25, 2002

Signatory partner: Mr. Jacques Pierre

Total fees received during the previous year by each principal statutory auditor and the members of their networks are indicated in the Reference Document.

Information on the substitute statutory auditors whose term of office will expire

Mr. Etienne Boris

63, rue de Villiers, 92208 Neuilly-Sur-Seine Cedex,

Substitute statutory auditor of PricewaterhouseCoopers Audit,

Appointed at the Ordinary Shareholders' Meeting of April 17, 2008

Mr. Bertrand Vialatte (1)

1, cours Valmy, 92923 Paris La Défense Cedex,

Substitute statutory auditor of KPMG S.A.,

Appointed at the Ordinary Shareholders' Meeting of April 17, 2008.

Information on the selection process

The Board of Directors informs you that the terms of office of the two principal statutory auditors, PricewaterhouseCoopers Audit (statutory auditors of the Group for 18 years) and KPMG (statutory auditors of the Group for 12 years) expire at the end of this Shareholders' Meeting.

The Audit Committee closely studied the position of your statutory auditors and the appropriateness of performing a call for bids. Given:

- the existence of joint statutory auditors,
- the implementation of a comprehensive internal rotation process between the two firms in 2012 (change in regions audited by each firm), which they intend to repeat during the future term of office,
- the quality of the work performed and the reactivity and professionalism of both firms is recognized by local operating entities throughout the world and at Group level. The added value provided to the Group (through their knowledge of our businesses and of the operation of the Group) during a period of transformation of the finance function, is a key asset.

The Audit Committee recommended to the Board of Directors the renewal of the terms of office of the two statutory audit firms. This proposal is in line with the recent European audit reform which accepts total terms of office of up to 24 years where there is a joint statutory audit.

(1) Died February 8, 2014.

SIXTH RESOLUTION

Renewal of the term of office of a principal statutory auditor

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 six-year period the term of office as principal statutory auditor of PricewaterhouseCoopers Audit, whose registered office is located at 63, rue de Villiers, Neuilly-sur-Seine (92208), expiring today. 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, 2019.

SEVENTH RESOLUTION

Renewal of the term of office of a principal statutory auditor

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 six-year period the term of office as principal statutory auditor of KPMG SA, whose registered office is located at 3, cours du Triangle, Paris–La Défense Cedex (92939), expiring today. 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, 2019.

EIGHTH RESOLUTION

Appointment of a new substitute statutory auditor

At the recommendation of the Board of Directors, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings, appoints as substitute statutory auditor for PricewaterhouseCoopers Audit and for the latter's term of office, Mr. Jean-Christophe Georghiou, residing 63, rue de Villiers, Neuilly-sur-Seine (92208), to replace Mr. Etienne Boris.

NINTH RESOLUTION

Appointment of a new substitute statutory auditor

At the recommendation of the Board of Directors, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings, appoints as substitute statutory auditor for KPMG SA and for the latter's term of office, KPMG Audit I.S. SAS, whose registered office is located at 3, cours du Triangle Immeuble Le Palatin Paris La Défense Cedex (92939), to replace Mr. Bertrand Vialatte.

RESOLUTIONS 10 TO 18

GOVERNANCE – BOARD OF DIRECTORS' COMPOSITION

In the tenth resolution, the Board of Directors asks you to ratify the directorship of Mrs. Anne Bouverot, coopted by the Board of Directors on October 8, 2013 to replace Mr. Bernard Liautaud for the remaining term of his office, that is until the Ordinary Shareholders' Meeting held to approve the financial statements for the year ending December 31, 2016.

Mrs. Anne Bouverot meets the criteria of an independent director. Director General of the global association of mobile network operators *(GSM Association)* and before that Vice President for Mobile Services with France Telecom Group, Mrs. Anne Bouverot brings her expertise in the mobile phone sector to the Board.

In the eleventh to eighteenth resolutions you are asked to vote on:

- the renewal of the term of office as director of Mr. Serge Kampf, Honorary Chairman and founder of Capgemini Group, for a period of four years, that is until the close of the Ordinary Shareholders' Meeting held to approve the financial statements for the year ending December 31, 2017. The founder of the Group in 1967, which he chaired until May 24, 2012 and of which he is currently the Vice-Chairman of the Board of Directors, Mr. Serge Kampf plays an essential role in affirming the Group's ambitions mindful of its founding values. He has chaired the Ethics & Governance Committee since its creation;
- the renewal of the term of office as director of Mr. Paul Hermelin, Chairman and Chief Executive Officer, for a period of four years, that is until the close of the Ordinary Shareholders' Meeting held to approve the financial statements for the year ending December 31, 2017. If the Shareholders' Meeting renews his term of office, the Board of Directors intends to confirm him in his duties of Chairman of the Board and Chief Executive Officer;
- the renewal of the term of office as director of Mr. Yann Delabrière, for a period of four years, that is until the close of the Ordinary Shareholders' Meeting held to approve the financial statements for the year ending December 31, 2017. Mr. Yann Delabrière meets the criteria of an independent director. He is Chairman of the Cap Gemini Audit Committee. He brings to the Board his significant experience as a director and executive manager of international groups in both the industrial and financial sectors. The Audit Committee benefits from his authority and significant experience in accounting and financial issues;
- the renewal of the term of office as director of Mrs. Laurence Dors, for a period of four years, that is until the close of the Ordinary Shareholders' Meeting held to approve the financial statements for the year ending December 31, 2017. Mrs. Laurence Dors meets the criteria of an independent director. She is a member of the Strategy & Investment Committee. She brings to the Board extensive experience in governance and compliance issues acquired through her executive management positions and on the Boards of Directors of listed and unlisted companies;
- the renewal of the term of office as director of Mr. Phil Laskawy, for a period of four years, that is until the close of the Ordinary Shareholders' Meeting held to approve the financial statements for the year ending December 31, 2017. Mr. Phil Laskawy meets the criteria of an independent director until the expiry of the term of his current office. He is a member of the Audit Committee and contributes through his extensive financial expertise to the work of this committee. He also brings his knowledge of the US economic and financial environment to the Board of Directors;
- the appointment of Mr. Xavier Musca, for a period of four years, that is until the close of the Ordinary Shareholders' Meeting held to approve the financial statements for the year ending December 31, 2017. Mr. Xavier Musca will meet the criteria of an independent director. Born in 1960, Mr. Musca commenced his professional career with the Inspectorate General of Finance, before transferring to the Treasury Department, where he became Director General in 2007. He later joined the office of the President of the Republic as Deputy Secretary General and then Secretary General from 2009 to 2012. In these various roles Mr. Musca was a key player in international monetary and financial negotiations of recent years. Since 2012, he is Deputy Chief Executive Officer of Crédit Agricole S.A. responsible, in particular, for international retail banking, asset management and insurance. He has considerable experience in financial services sector regulations and activities, a sector where the Group realizes over one-fifth of its revenues;
- the renewal of the term of office as director of Mr. Bruno Roger, for a period of four years, that is until the close of the Ordinary Shareholders' Meeting held to approve the financial statements for the year ending December 31, 2017. Mr. Bruno Roger is a member of the Ethics & Governance Committee and the Strategy & Investment Committee. He brings to the Board his highly reputed expertise gained as a director of global companies and through his responsibilities in an international financial group, as well as his expertise in merger and acquisition transactions; and
- the appointment of Mrs. Caroline Watteeuw-Carlisle, for a period of four years, that is until the close of the Ordinary Shareholders' Meeting held to approve the financial statements for the year ending December 31, 2017. Mrs. Caroline Watteeuw-Carlisle will meet the criteria of an independent director. A US national of Belgian origin, Mrs. Watteeuw-Carlisle was until recently Chief Technology Officer of PepsiCo Group, which she joined in 2004. She has considerable experience in technologies and theirs uses, particularly in serving consumer goods companies, whether in the management of production or client relationship processes, a key innovation area for social and digital networks. Her experience in this area will make a key contribution to the Group's strategic thinking.

If the Combined Shareholders' Meeting of Cap Gemini follows the recommendations of the Board of Directors, the latter's composition will be renewed, with one-third of directors present for less than one year and more feminine, with female directors making up more than one-third of the Board, well above the minimum requirement of the Copé-Zimmerman Law. There will also be seven independent directors as defined by the criteria set out in the AFEP-MEDEF code. The Board will bring together a range of complementary professional and cultural profiles.

Based on an external assessment performed in 2013, the Board of Directors also noted that its structure enabled a controlled transition between the Founding Chairman, Mr. Serge Kampf, and his successor, Mr. Paul Hermelin. Should the latter's term of office be renewed by the Combined Shareholders' Meeting, the Board has decided that the Governance of the Group should comprise sustainable checks and balances between Executive Management and the Board of Directors. Accordingly, the composition of the Ethics & Governance Committee will be widened to ensure a majority of members are independent directors and the chair will be entrusted to an independent director. This individual will also be established as a "lead independent director", with rights and responsibilities that will be defined in the Internal Rules of the Board of Directors.

Mr. Serge Kampf, Honorary Chairman and founder of Capgemini Group, will continue, as Vice-Chairman of the Board of Directors, to play a key role in affirming the Group's ambitions mindful of its founding values, within both the Board of Directors and the Ethics & Governance Committee.

TENTH RESOLUTION

Ratification of the appointment of Mrs. Anne Bouverot as a director

At the recommendation of the Board of Directors, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings, ratifies the provisional appointment of Mrs. Anne Bouverot as a director by the Board of Directors on October 8, 2013 to replace Mr. Bernard Liautaud, who resigned from his directorship. 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.

ELEVENTH RESOLUTION

Renewal of the term of office as director of Mr. Serge Kampf

At the recommendation of the Board of Directors, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings, renews for a four-year period the term of office as director of Mr. Serge Kampf, which expires at the close of this meeting. This new term of office will therefore expire at the close of the Ordinary Shareholders' Meeting held to approve the financial statements for the year ending December 31, 2017.

TWELFTH RESOLUTION

Renewal of the term of office as director of Mr. Paul Hermelin

At the recommendation of the Board of Directors, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings, renews for a four-year period the term of office as director of Mr. Paul Hermelin, which expires at the close of this meeting. This new term of office will therefore expire at the close of the Ordinary Shareholders' Meeting held to approve the financial statements for the year ending December 31, 2017.

THIRTEENTH RESOLUTION

Renewal of the term of office as director of Mr. Yann Delabrière

At the recommendation of the Board of Directors, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings, renews for a four-year period the term of office as director of Mr. Yann Delabrière, which expires at the close of this meeting. This new term of office will therefore expire at the close of the Ordinary Shareholders' Meeting held to approve the financial statements for the year ending December 31, 2017.

FOURTEENTH RESOLUTION

Renewal of the term of office as director of Mrs. Laurence Dors

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 Mrs. Laurence Dors, 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, 2017.

FIFTEENTH RESOLUTION

Renewal of the term of office as director of Mr. Phil Laskawy

At the recommendation of the Board of Directors, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings, renews for a four-year period the term of office as director of Mr. Phil Laskawy, which expires at the close of this meeting. This new term of office will therefore expire at the close of the Ordinary Shareholders' Meeting held to approve the financial statements for the year ending December 31, 2017.

SIXTEENTH RESOLUTION

Appointment of Mr. Xavier Musca as a director

At the recommendation of the Board of Directors, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings, appoints Mr. Xavier Musca as a director for a four-year period. This 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, 2017.

SEVENTEENTH RESOLUTION

Renewal of the term of office as director of Mr. Bruno Roger

At the recommendation of the Board of Directors, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings, renews for a four-year period the term of office as director of Mr. Bruno Roger, which expires at the close of this meeting. This new term of office will therefore expire at the close of the Ordinary Shareholders' Meeting held to approve the financial statements for the year ending December 31, 2017.

EIGHTEENTH RESOLUTION

Appointment of Mrs. Caroline Watteeuw-Carlisle as a director

At the recommendation of the Board of Directors, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings, appoints Mrs. Caroline Watteeuw-Carlisle as a director for a four-year period.

This 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, 2017.

RESOLUTION 19

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 2013 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. At the year-end, the liquidity account balance comprised 68,800 shares (0.04% of the share capital).

Excluding the liquidity agreement, the Company held 2,368,839 of its own shares at December 31, 2012. At December 31, 2013, and following the various transactions described below, the Company no longer held any of its own shares, excluding the liquidity agreement:

- **purchase of 2,005,613 shares in January, February and April 2013;**
- **cancellation of the aforementioned shares and 920,098 shares purchased in December 2012;**
- **transfer of 548 shares to employees under the free share grant program;**
- **transfer of 7,796 shares to holders of redeemable share subscription or purchase warrants (BSAAR) who exercised their share allotment rights in 2013;**
- **transfer of 1,440,397 shares to holders of "OCEANE 2009" bonds who exercised their share allotment rights in 2013.**

On November 25, 2013, the Chief Executive Officer decided to reallocate these shares held since 2008 for grant to employees and corporate officers. They are now held for grant to holders of securities granting access to the Company's share capital and, in particular, holders of "OCEANE 2014" bonds.

As the authorization granted by the Ordinary Shareholders' Meeting of May 23, 2013 is only valid for eighteen 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;**
- **grant or sell the shares thus acquired to employees and/or corporate officers, in connection with the grant of performance shares, 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;**
- **purchase shares to be retained with a view to remitting them in the future in exchange or payment for potential external growth transactions;**
- **cancel any of the shares purchased.**

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 eighteen months. The total amount of such purchases may not exceed €1.1 billion and the maximum authorized unit purchase price is €75 per share, these purchases taking place within the scope of Articles L. 225-209 et seq. of the French Commercial Code and European Regulation 2273/2003 of December 22, 2003 pursuant to Directive 2003/6/EC of January 28, 2003, known as the «Market Abuse» directive in relation to buy-back programs and the stabilization of financial instruments.

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 offerings for Company shares.

This new authorization shall supersede, for its unused portion, the previous authorization.

It forms part of the active management of dilution.

Pursuant to the law, a description of the share buyback program will be published prior to the Shareholders' Meeting.

NINETEENTH RESOLUTION

Authorization to the Board of Directors, for a period of 18 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 maximum amount of €1,100 million and a maximum purchase price of €75 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 purchase or arrange the purchase of 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 (French Financial Markets Authority),
- grant or sell shares thus purchased 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 grant 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.

This program is also intended to enable the implementation of any market practice authorized in the future by the AMF and, more generally, the performance of all other transactions complying with applicable regulations.

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 offerings for Company shares.

The Combined Shareholders' Meeting:

- resolves that the total amount of purchases may not exceed €1.1 billion and that the maximum unit purchase price may not exceed €75 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 in the form of allocating shares to shareholders 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 Combined Shareholders' Meeting delegates to the Board of Directors the power to adjust, where necessary, the aforementioned maximum unit price to take account of the impact of these transactions on the share value;
- 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 exceed 5% of the share capital; and
  - when shares are bought back to encourage liquidity under the conditions defined in the General Regulations of the AMF, 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 sub-delegation subject to applicable law) to:

- decide and implement this authorization;
- set the terms and conditions ensuring the preservation, where necessary, of the rights of holders of securities granting access to the Company's share capital or performance share allotment rights in accordance with legal, regulatory and contractual provisions;
- 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 eighth resolution adopted by the Combined Shareholders' Meeting of May 23, 2013.

6.2 Resolutions presented at the Extraordinary Shareholders' Meeting

RESOLUTION 20

AUTHORIZATION TO CANCEL SHARES PURCHASED UNDER THE BUYBACK PROGRAMS AND REDUCE THE SHARE CAPITAL ACCORDINGLY

The Shareholders' Meeting of May 23, 2013 authorized the Board of Directors to cancel, up to a maximum of 10% of the share capital, on one or several occasions, at its sole discretion, all or some of the Cap Gemini shares held by the Company pursuant to Article L 225-209 of the French Commercial Code and to reduce the share capital accordingly.

This authorization was used twice in 2013 for a total of 2,925,711 shares:

- **on February 20, 2013 by the Board of Directors: cancellation of 1,937,647 Cap Gemini shares bringing the share capital to €1,278,661,720 divided into 159,832,715 shares;**
- **on May 22, 2013 by the Board of Directors: cancellation of 988,064 Cap Gemini shares bringing the share capital to €1,273,037,208 divided into 159,129,651 shares.**

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 Shareholders Meeting.

TWENTIETH RESOLUTION

Authorization to the Board of Directors, for a period of 24 months, to cancel shares held or that will be held by the Company under the share buyback programs and to reduce the share capital accordingly

In accordance with 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 Company's shares held by it (the Company) pursuant to Article L. 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 ninth resolution adopted by the Combined Shareholders' Meeting of May 23, 2013.

RESOLUTIONS 21 TO 29

FINANCIAL AUTHORIZATIONS

A breakdown of the financial delegations of authority currently granted to the Board of Directors is summarized in the table of current authorizations appended to the Management report integrated in the 2013 Reference Document of Cap Gemini. These delegations of authority were granted by the Extraordinary Shareholders' Meeting of May 24, 2012 for a period of twenty-six months, expiring July 24, 2014.

Shareholders are reminded that during 2013, the Board of Directors used the fifteenth resolution adopted by the extraordinary session of the Combined Shareholders' Meeting of May 24, 2012 in October 2013 to issue by way of a private placement, 5,958,587 bonds redeemable in cash and or in new shares and/or in existing shares (ORNANE) representing a nominal amount of €47,668,696 (i.e. just over 25% of the authorized maximum amount of €185 million) and an issue amount of €399,999,945.

This issue, performed under particularly favorable terms and conditions for Cap Gemini (zero coupon and issue premium of 42.5%), was used to partially finance the repurchase of approximately 85% of OCEANE bonds convertible and/or exchangeable for new or existing shares maturing on January 1, 2014 in the amount of €687 million.

The Board of Directors asks you to grant new delegations of authority for a period of twenty-six months, enabling it to perform the issues authorized by prevailing regulations, in order to continue its strategy and access resources tailored to the development of Capgemini Group.

Generally speaking, these delegations seek to allow the Board of Directors to decide the issue of new shares and the issue of securities granting access to the Company's share capital, either through the issue of ordinary shares or the presentation of existing shares. These securities granting access to the Company's share capital may take the form of debt or equity securities. Finally, these delegations will enable the Board of Directors to issue securities granting a right to allocation of debt instruments.

For the purposes of these new financial authorizations, you are asked in the twenty-first and twenty-second resolutions to set the following general ceilings:

- a maximum par value amount for share capital increases by capitalizing additional paid-in capital, reserves, profits or other amounts, unchanged of €1.5 billion ;
- a maximum par value amount for share capital increases carried out by issuing ordinary shares and/or securities granting access to the Company's share capital with, without or with cancellation of pre-emptive subscription rights, unchanged of €500 million (approximately 39% of the Company's share capital at December 31, 2013) and a maximum issue amount for issues of securities granting access to the Company's share capital or granting a right to allocation of debt instruments with, without or with cancellation of pre-emptive subscription rights increased to €4.5 billion given share price trends (from €3.5 billion previously);
- a maximum par value amount for share capital increases without or with cancellation of pre-emptive subscription rights reduced to €125 million (i.e. just under 10% of the Company's share capital at December 31, 2013 instead of 15% previously) and a maximum issue amount for issues of securities granting access to the Company's share capital or granting a right to allocation of debt instruments without or with cancellation of pre-emptive subscription rights, unchanged of €1.25 billion.

The resolutions concerning employee share ownership contain their own separate ceilings and are not concerned by these general ceilings.

Those delegations of authority, if adopted by shareholders, will supersede, from the date of the Combined Shareholders' Meeting, the delegations with the same effect granted previously.

Pursuant to the AMF recommendation, we present for your vote separate resolutions seeking delegations of authority to the Board of Directors for each type of transaction.

Should the Board of Directors use one or more of these delegations of authority, the statutory auditors will issue a special report for the attention of the Shareholders' Meeting.

Delegation of authority to the Board of Directors to increase the share capital by a maximum amount of €1.5 billion by capitalizing additional paid-in capital or reserves (twenty-first resolution).

This resolution seeks to renew the delegation of authority granted to the Board of Directors to increase the share capital by a maximum amount of €1.5 billion by capitalizing additional paid-in capital, reserves, profit or other amounts.

It is an extraordinary resolution subject to quorum and majority rules for Ordinary Shareholders' Meetings.

It seeks to allow the issue of new shares and their allocation without consideration to shareholders and/or an increase in the par value of existing shares.

TWENTY-FIRST RESOLUTION

Delegation of authority to the Board of Directors, for a period of 26 months, to increase the share capital by a maximum amount of €1.5 billion by capitalizing additional paid-in capital or reserves

In accordance with Articles L. 225-129, L. 225-129-2 and L. 225-130 of the French Commercial Code, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings and after having read the Board of Directors' report:

- delegates to the Board of Directors the authority to decide one or more share capital increases by capitalizing additional paid-in capital, reserves, profit or other amounts in the form of allocating shares without consideration or raising the par value of existing shares, or by using such two methods jointly;
- resolves that, within the scope of this authorization, the par value amount of share capital increases by capitalizing reserves may not exceed €1.5 billion, this ceiling being increased, where applicable, by the par value amount of shares to be issued to preserve the rights of holders of securities granting access to the Company's share capital or performance share allotment rights;
- authorizes the Board of Directors, with the power of sub-delegation, to implement this authorization in accordance with the conditions set by law and, in particular, to decide that fractional rights will not be transferable, that the corresponding shares will be sold and that the proceeds from the sale will be allocated to the holders of such rights, to make all necessary adjustments to take account of the impact of this transaction and to determine all other conditions ensuring the preservation, where applicable, of the rights of holders of securities granting access to the Company's share capital or performance share allotment rights.

This authorization is granted for a period of 26 months as from the date of this Shareholders' Meeting and supersedes the authorization given in the eleventh ordinary resolution adopted by the Combined Shareholders' Meeting of May 24, 2012.

TWENTY-SECOND RESOLUTION

Setting of general ceilings on the delegations of authority resulting from the following seven resolutions

The Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Extraordinary Shareholders' Meetings, and after having read the Board of Directors' report, resolves to set as follows:

- the total amount of share issues <u>with, without or with cancellation of shareholders' pre-emptive subscription rights</u> that may be carried out pursuant to the authorizations given to the Board of Directors in the seven resolutions hereafter: twenty-third, twenty-fourth, twenty-fifth, twenty-sixth, twenty-seventh, twenty-eighth and twenty-ninth resolutions:
  - the total par value amount (excluding share premiums) of share capital increases that may thus be carried out by issuing shares or securities granting access to the Company's share capital may not exceed €500 million (approximately 39% of the share capital at December 31, 2013), to which will be added, where applicable, the par value of the shares to be issued to preserve the rights of holders of securities granting access to the Company's share capital or performance share allotment rights, it being specified that this limit will not apply to share capital increases by capitalizing additional paid-in capital, reserves, profit or other amounts. In the case of a share capital increase by capitalizing additional paid-in capital, reserves, profit or other amounts in the form of allocating shares without consideration during the period of validity of these delegations of authority, the maximum par value amount (excluding share premiums) referred to above will be adjusted based on the ratio between the number of shares issued and outstanding before and after the transaction,
  - the total nominal amount of debt instruments authorized on the issue of securities granting access to the Company's share capital or granting a right to allocation of debt instruments, may not exceed €4.5 billion;
- the total amount of share issues <u>without or with cancellation of pre-emptive subscription rights</u> that may be carried out pursuant to the authorizations given to the Board of Directors in the six resolutions hereafter: twenty-fourth, twenty-fifth, twenty-sixth, twenty-seventh, twenty-eighth and twenty-ninth resolutions:
  - the total par value amount (excluding share premiums) of share capital increases that may thus be carried out by issuing shares or securities granting access to the Company's share capital may not exceed €125 million (approximately 10% of the share capital at December 31, 2013), to which will be added, where applicable, the par value of the shares to be issued to preserve the rights of holders of securities granting access to the Company's share capital or performance share allotment rights, it being specified that this limit will not apply to share capital increases

by capitalizing additional paid-in capital, reserves, profit or other amounts. In the case of a share capital increase by capitalizing additional paid-in capital, reserves, profit or other amounts in the form of allocating shares without consideration during the period of validity of these delegations of authority, the maximum par value amount (excluding share premiums) referred to above will be adjusted based on the ratio between the number of shares issued and outstanding before and after the transaction,

- the total nominal amount of debt instruments authorized on the issue of securities granting access to the Company's share capital or granting a right to allocation of debt instruments, may not exceed €1.25 billion.

Delegation of authority to the Board of Directors to issue, with pre-emptive subscription rights, ordinary shares and/or securities granting access to the Company's share capital or granting a right to allocation of debt instruments (twenty-third resolution)

This resolution seeks to renew the delegation of authority granted to the Board of Directors to issue, with pre-emptive subscription rights, ordinary shares and/or securities granting access to the Company's share capital or granting a right to allocation of debt instruments, subject to the following ceilings in addition to the general ceilings detailed above:

- **a maximum par value amount for share capital increases likely to result from the issue of shares or securities granting access to the Company's share capital of €500 million (i.e. approximately 39% of the Company's share capital at December 31, 2013); and**
- **a maximum issue amount for securities granting access to the Company's share capital or granting a right to allocation of debt instruments of €4.5 billion.**

In principle, shareholders have a "pre-emptive subscription right" to all issues of ordinary shares or securities granting access to the Company's share capital, that may be detached and traded during the subscription period. More specifically, this means that each shareholder has the right to subscribe, during a period of at least five trading days following the opening of the subscription period, for a number of new shares proportionate to his/her existing interest in the share capital.

Share subscription warrants may also be issued pursuant to this delegation, through the free grant of existing shares to warrant holders.

TWENTY-THIRD RESOLUTION

Delegation of authority to the Board of Directors, for a period of 26 months, to issue, with pre-emptive subscription rights, ordinary shares and/or securities granting access to the Company's share capital or granting a right to allocation of debt instruments

In accordance with Articles L. 225-129, L. 225-129-2, L. 225-132, L. 228-92 and L. 228-93 of the French Commercial Code, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Extraordinary Shareholders' Meetings, and after having read the Board of Directors' report and the Statutory Auditors' special report:

- delegates to the Board of Directors the authority to issue, on one or several occasions, in such proportions and at such times and by the methods and on the terms that it deems fit, in France and/or other countries, in euros or any other currency or unit of account established by reference to several currencies, ordinary shares of the Company and/or securities granting access to the Company's share capital, immediately and/or in the future, or granting a right to the allocation of debt instruments issued by the Company;
- resolves that the shares and securities issued within the scope of this authorization will be subject to the following ceilings, in addition to the general ceilings set in indent one of the twenty-second resolution:
  - the total par value amount (excluding share premiums) of share capital increases that may thus be carried out by issuing shares or securities granting access to the Company's share capital may not exceed €500 million (approximately 39% of the share capital at December 31, 2013), to which will be added, where applicable, the par value of the shares to be issued to preserve the rights of holders of securities granting access to the Company's share capital or performance share allotment rights. In the case of a share issue by capitalizing additional paid-in capital, reserves, profit or other amounts in the form of allocating shares without consideration during the period of validity of this delegation of authority, the maximum par value amount (excluding share premiums) referred to above will be adjusted based on the ratio between the number of shares issued and outstanding before and after the transaction,
  - the total nominal amount of debt instruments authorized on the issue of securities granting access to the Company's share capital or granting a right to allocation of debt instruments, may not exceed €4.5 billion;
- resolves that, if the Board of Directors makes use of this delegation of authority:
  - shareholders will have a pre-emptive right and may subscribe, pursuant to their priority rights, for ordinary shares and securities issued pursuant to this resolution in proportion to the number of shares held by them, and the Board of Directors is authorized to establish pre-emptive subscription rights for excess shares and to provide for an extension clause exclusively aimed at satisfying pre-emptive subscription orders for excess shares that could not be satisfied,
  - if subscriptions by shareholders pursuant to their priority rights pro rata to their existing holdings, as well as to any shares not taken up by other shareholders, do not cover the total amount

of the share issue, the Board of Directors may implement, in the order it determines, some or all of the options offered by Article L. 225-134 of the French Commercial Code and particularly offer to the public all or some of the shares not subscribed;

- resolves that share subscription warrants may also be issued without consideration to holders of existing shares pursuant to this authorization and that the Board of Directors may decide that fractional rights may not be traded or transferred and that the corresponding shares will be sold;
- authorizes the Board of Directors, with the power of sub-delegation, to implement this authorization in accordance with the conditions set by law and, in particular, to decide the terms and conditions of securities issued (and amend, where applicable, said terms and conditions during the life of the relevant securities in accordance with applicable formalities), to determine the conditions ensuring the preservation of the rights of holders of securities granting access to the Company's share capital or performance share allotment rights and to offset the share issue costs against the related premiums and deduct from these issue premiums the amounts necessary to bring the legal reserve to one-tenth of the new share capital after each increase.

This authorization is granted for a period of 26 months as from the date of this Shareholders' Meeting and supersedes the authorization given in the thirteenth resolution adopted by the Combined Shareholders' Meeting of May 24, 2012.

Delegations of authority to the Board of Directors to issue ordinary shares and/or securities granting access to the Company's share capital or granting a right to the allocation of debt instruments, with cancellation of pre-emptive subscription rights (twenty-fourth to twenty-sixth resolutions)

Depending on market conditions and the category of investor concerned by the issue and the type of securities issued (institutional investors, private individuals, France, international), it may be preferable, or even necessary, to cancel pre-emptive subscription rights in order to place the securities under the best conditions, particularly where the speed of the transaction is key to its success, or where the issue is performed on foreign financial markets. This cancellation can facilitate the Company's access to capital through more favorable issue conditions.

The Board of Directors is therefore asking you today to provide it with the ability to cancel pre-emptive subscription rights for certain of these resolutions.

The **twenty-fourth resolution** seeks the renewal of the delegation of authority granted to the Board of Directors to issue, by way of a public offering with cancellation of pre-emptive subscription rights, ordinary shares and/or securities granting access to the Company's share capital or granting a right to allocation of debt instruments.

Pursuant to this delegation, the Board of Directors may introduce, in favor of shareholders, a priority right for the period and by the methods it deems fit. As for pre-emptive subscription rights, the priority right applies proportionally to the number of existing shares held, however, it cannot be traded. The exercise period for this right will be set by the Board of Directors but cannot be less than the minimum period provided for by prevailing regulatory provisions at the issue date (currently at least three trading days).

The **twenty-fifth resolution** seeks the renewal of the delegation of authority granted to the Board of Directors to issue, with cancellation of pre-emptive subscription rights, ordinary shares and/or securities granting access to the Company's share capital or granting a right to allocation of debt instruments, by way of a private placement solely targeting providers of portfolio management investment services for the account of third parties or qualified investors or a restricted group of investors, provided such investors are acting on their own account.

This delegation provides the Company with greater flexibility in accessing the market, by enabling it to rapidly access qualified investors as defined by regulations. This flexibility will allow the Company to perform placements under the most favorable conditions, particularly where rapid performance is key to success. For example, this delegation was used for the ORNANE bond issue in October 2013, performed at particularly favorable terms and conditions for Cap Gemini.

Pursuant to the delegations covered by the **twenty-fourth and twenty-fifth resolutions**, the price of ordinary shares issued or the shares to which the securities issued in accordance with these delegations may confer entitlement, must be at least equal to the minimum provided for by prevailing regulatory provisions at the issue date (currently, the weighted average price of the Company's share on the NYSE Euronext Paris regulated market during the three trading days preceding the date on which the price is set, potentially reduced by a discount of up to 5%). The issue price of securities granting access to the Company's share capital will be such that the amount immediately collected by the Company plus, where applicable, any amount that is likely to be collected subsequently by the Company, will be, for each share issued as a result of the issue of these securities, at least equal to this amount.

In addition to the aforementioned general ceilings, these two resolutions are subject to the following ceilings:

- a maximum par value amount for share capital increases likely to result from the issue of shares or securities granting access to the Company's share capital of €125 million (i.e. just under 10% of the Company's share capital at December 31, 2013); and
- a maximum nominal amount of debt instruments authorized on the issue of securities granting access to the Company's share capital or granting a right to allocation of debt instruments of €1.25 billion.

Pursuant to these two resolutions, where subscriptions do not cover the total amount of the share issue, the Board of Directors may restrict the amount of the transaction to the amount of subscriptions received, provided this amount is at least equal to three-quarters of the issue decided.

The **twenty-sixth resolution** seeks to authorize, as permitted by law, the Board of Directors on the issue of ordinary shares of the Company or securities granting access to the Company's share capital, with cancellation of pre-emptive subscription rights, by public offering or private placement in application of the twenty-fourth or twenty-fifth resolutions, to derogate from the minimum issue price for ordinary shares provided for by regulatory provisions as indicated above, by setting the issue price for ordinary shares of the Company, at the initiative of the Board of Directors, at least equal to:

(i) the average price of the Company's share on the NYSE Euronext Paris regulated market, weighted for trading volumes on the last trading day preceding the setting of the issue price, or

(ii) the average price of the Company's share on the NYSE Euronext Paris regulated market, weighted for trading volumes on the trading day when the issue price is set,

in both cases potentially reduced by a discount of up to 5%.

In certain market situations, high volatility can be an obstacle to performing a placement under the conditions provided for by regulations, in terms of the 5% discount on the 3-day average share price. This delegation would provide more flexibility in the performance of placements by reducing the benchmark period while maintaining a maximum discount of 5%.

The issue price of securities granting access to the Company's share capital will be such that the amount immediately collected by the Company plus, where applicable, any amount that is likely to be collected subsequently by the Company, is, for each share issued as a result of the issue of these securities, at least equal to this amount.

The maximum par value amount of the share capital increase resulting from the implementation of this resolution may not exceed 10% of the share capital. The securities issued pursuant to this resolution will, of course, also be offset against the ceilings set in the two aforementioned draft resolutions and the general ceilings set in the twenty-second resolution.

TWENTY-FOURTH RESOLUTION

Delegation of authority to the Board of Directors, for a period of 26 months, to issue, by way of a public offering with cancellation of pre-emptive subscription rights, ordinary shares and/or securities granting access to the Company's share capital or granting a right to allocation of debt instruments

In accordance with Articles L. 225-129, L. 225-129-2, L. 225-135, L. 225-136, L. 228-92 and L. 228-93 of the French Commercial Code, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Extraordinary Shareholders' Meetings, and after having read the Board of Directors' report and the Statutory Auditors' special report:

- delegates to the Board of Directors the authority to issue by way of a public offering, on one or several occasions, in such proportions and at such times and by the methods and on the terms that it deems fit, in France and/or other countries, in euros or any other currency or unit of account established by reference to several currencies, ordinary shares of the Company and/or securities granting access to the Company's share capital, immediately and/or in the future, or granting a right to the allocation of debt instruments issued by the Company;
- resolves that the shares and securities issued within the scope of this authorization will be subject to the following ceilings, in addition to the general ceilings set in indents one and two of the twenty-second resolution:
  - the total par value amount (excluding share premiums) of share capital increases that may thus be carried out by issuing shares or securities granting access to the Company's share capital may not exceed €125 million (approximately 10% of the share capital at December 31, 2013), to which will be added, where applicable, the par value of the shares to be issued to preserve the rights of holders of securities granting access to the Company's share capital or performance share allotment rights. In the case of a share issue by capitalizing additional paid-in capital, reserves, profit or other amounts in the form of allocating shares without consideration during the period of validity of this delegation of authority, the maximum par value amount (excluding share premiums) referred to above will be adjusted based on the ratio between the number of shares issued and outstanding before and after the transaction,
  - the total nominal amount of debt instruments authorized on the issue of securities granting access to the Company's share capital or granting a right to allocation of debt instruments, may not exceed €1.25 billion;
- resolves to cancel pre-emptive subscription rights to these shares and securities granting access to the Company's share capital that may be issued pursuant to this authorization, giving the Board of Directors the power, however, to provide for a priority right for the shareholders to all or part of the issue, during the period and by the methods that it deems fit in accordance with applicable legal and regulatory provisions;
- resolves that the price of the ordinary shares issued, or the shares to which the securities granting access to the Company's share capital issued in accordance with this authorization may confer entitlement, will be at least equal to the minimum provided by prevailing regulatory provisions at the issue date (currently, the weighted average price of the Company's share on the NYSE Euronext Paris regulated market during the three trading days preceding the date on which the price is set, potentially reduced by a discount of up to 5%);
- resolves that the issue price of securities granting access to the Company's share capital will be such that the amount immediately collected by the Company plus, where applicable, any amount that is likely to be collected subsequently by the Company, is, for each share issued as a result of the issue of these securities, at least equal to the amount set out in the preceding paragraph;
- resolves that if subscriptions do not cover the total amount of the share issue, the Board of Directors may restrict the amount of the transaction to the amount of subscriptions received, provided this amount is at least equal to three-quarters of the issue decided;
- authorizes the Board of Directors, with the power of sub-delegation, to implement this authorization in accordance with the conditions set by law and, in particular, to decide the terms and conditions of securities issued (and amend, where applicable, said terms and conditions during the life of the relevant securities in accordance with applicable formalities), to determine, if necessary, the conditions ensuring the preservation of the rights of holders of securities granting access to the Company's share capital or performance share allotment rights and to offset the share issue costs against the related premiums and deduct from these issue premiums the amounts necessary to bring the legal reserve to one-tenth of the new share capital after each increase.

This authorization is granted for a period of 26 months as from the date of this Shareholders' Meeting and supersedes the authorization given in the extraordinary fourteenth resolution adopted by the Combined Shareholders' Meeting of May 24, 2012.

TWENTY-FIFTH RESOLUTION

Delegation of authority to the Board of Directors, for a period of 26 months, to issue, by way of a private placement with cancellation of pre-emptive subscription rights, ordinary shares and/or securities granting access to the Company's share capital or granting a right to allocation of debt instruments

In accordance with Articles L. 225-129-2, L. 225-135, L. 225-136, L. 228-92 and L. 228-93 of the French Commercial Code, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Extraordinary Shareholders' Meetings, and after having read the Board of Directors' report and the Statutory Auditors' special report:

- delegates to the Board of Directors the authority to issue by way of an offering as set out in paragraph II of Article L. 411-2 of the French Monetary and Financial Code (Code monétaire et financier), on one or several occasions, in such proportions and at such times and by the methods and on the terms that it deems fit, in France and/or other countries, in euros or any other currency or unit of account established by reference to several currencies, ordinary shares of the Company and/or securities granting access to the Company's share capital, immediately and/or in the future, or granting a right to the allocation of debt instruments issued by the Company;
- resolves that the shares and securities issued within the scope of this authorization will be subject to the following ceilings, in addition to the general ceilings set in indents one and two of the twenty-second resolution:
  - the total par value amount (excluding share premiums) of share capital increases that may thus be carried out by issuing shares or securities granting access to the Company's share capital may not exceed €125 million (approximately 10% of the share capital at December 31, 2013), to which will be added, where applicable, the par value of the shares to be issued to preserve the rights of holders of securities granting access to the Company's share capital or performance share allotment rights. In the case of a share issue by capitalizing additional paid-in capital, reserves, profit or other amounts in the form of allocating shares without consideration during the period of validity of this delegation of authority, the maximum par value amount (excluding share premiums) referred to above will be adjusted based on the ratio between the number of shares issued and outstanding before and after the transaction,
  - the total nominal amount of debt instruments authorized on the issue of securities granting access to the Company's share capital or granting a right to allocation of debt instruments, may not exceed €1.25 billion;
- resolves to cancel pre-emptive subscription rights to these shares and securities that may be issued pursuant to this authorization;
- resolves that the price of the ordinary shares issued, or the shares to which the securities granting access to the Company's share capital issued in accordance with this authorization may confer entitlement, will be at least equal to the minimum provided by prevailing regulatory provisions at the issue date (currently, the weighted average price of the Company's share on the NYSE Euronext Paris regulated market during the three trading days preceding the date on which the price is set, potentially reduced by a discount of up to 5%);
- resolves that the issue price of securities granting access to the Company's share capital will be such that the amount immediately collected by the Company plus, where applicable, any amount that is likely to be collected subsequently by the Company, is, for each share issued as a result of the issue of these securities, at least equal to the amount set out in the preceding paragraph;
- resolves that if subscriptions do not cover the total amount of the share issue, the Board of Directors may restrict the amount of the transaction to the amount of subscriptions received, provided this amount is at least equal to three-quarters of the issue decided;
- authorizes the Board of Directors, with the power of sub-delegation, to implement this authorization in accordance with the conditions set by law and, in particular, to decide the terms and conditions of securities issued (and amend, where applicable, said terms and conditions during the life of the relevant securities in accordance with applicable formalities), to determine, if necessary, the conditions ensuring the preservation of the rights of holders of securities granting access to the Company's share capital or performance share allotment rights and to offset the share issue costs against the related premiums and deduct from these issue premiums the amounts necessary to bring the legal reserve to one-tenth of the new share capital.

This authorization is granted for a period of 26 months as from the date of this Shareholders' Meeting and supersedes the authorization given in the fifteenth extraordinary resolution adopted by the Combined Shareholders' Meeting of May 24, 2012.

TWENTY-SIXTH RESOLUTION

Authorization to the Board of Directors, for a period of 26 months, on the issue of ordinary shares or securities granting access to the Company's share capital with cancellation of pre-emptive subscription rights, to set the issue price in accordance with the terms set by the Shareholders' Meeting, up to a maximum of 10% of the share capital by 12-month period

In accordance with Article L. 225-136 of the French Commercial Code, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Extraordinary Shareholders' Meetings, and after having read the Board of Directors' report and the Statutory Auditors' special report, authorizes the Board of Directors, on the implementation of the twenty-fourth or twenty-fifth resolutions, to derogate from the conditions for setting the issue price of ordinary shares of the Company provided in said resolutions and to set the issue price as follows:

- the issue price of ordinary shares of the Company will be, at the initiative of the Board of Directors, at least equal to:

  (i) the average price of the Company's share on the NYSE Euronext Paris regulated market, weighted for trading volumes on the last trading day preceding the setting of the issue price, or (ii) the average price of the Company's share on the NYSE Euronext Paris regulated market, weighted for trading volumes on the trading day when the issue price is set, in both cases potentially reduced by a discount of up to 5%;
- the issue price of securities granting access to the Company's share capital, immediately or in the future, will be such that the amount immediately collected by the Company plus, where applicable, any amount that is likely to be collected subsequently by the Company, is, for each share issued as a result of the issue of these securities, at least equal to the amount set out in the preceding paragraph;
- the maximum par value amount of the share capital increase resulting from the implementation of this resolution may not exceed 10% of the share capital by 12-month period, as well as the ceilings set in the twenty-second resolution against which it is offset.

This authorization is granted for a period of 26 months as from the date of this Shareholders' Meeting.

Delegation of authority to the Board of Directors to increase the number of securities to be issued in the event of a share capital increase with or with cancellation of pre-emptive subscription rights (twenty-seventh resolution)

In the event of a share capital increase with or with cancellation of pre-emptive subscription rights performed pursuant to the twenty-third, twenty-fourth, twenty-fifth or twenty-sixth resolutions, this resolution seeks to delegate to the Board of Directors the authority to perform an additional issue often referred to as a "green shoe" option.

Where this option is exercised, the additional issue must take place within 30 days of the subscription closure and is limited to 15% of the initial issue. The issue price of the new securities shall be identical to the price of the initial issue.

The additional securities issued pursuant to this "green shoe" option will, of course, be offset against the ceilings set in the four aforementioned draft resolutions and the general ceilings set in the twenty-second resolution.

TWENTY-SEVENTH RESOLUTION

Delegation of authority to the Board of Directors, for a period of 26 months, to increase the number of securities to be issued in the event of a share capital increase with or with cancellation of pre-emptive subscription rights and with a «green shoe» option, where subscription requests exceed the number of securities on offer

The Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Extraordinary Shareholders' Meetings, and after having read the Board of Directors' report and the Statutory Auditors' special report, delegates its authority to the Board of Directors (including the power of sub-delegation subject to applicable law), within the scope of issues performed with or without pre-emptive subscription rights and decided based on the authorizations granted to the Board of Directors pursuant to the four preceding resolutions (twenty-third, twenty-fourth, twenty-fifth and twenty-sixth resolutions), to increase the number of securities initially offered under the conditions and within the limits provided for by Articles L. 225-135-1 and R. 225-118 of the French Commercial Code and within the limit of the ceilings provided for in such resolutions and for the term of such resolutions.

Delegation of authority to the Board of Directors to issue ordinary shares or securities granting access to the Company's share capital in consideration for contributions in kind to the Company of shares or securities granting access to share capital (twenty-eighth resolution)

This resolution seeks to enable the Company to remunerate contributions in kind with ordinary shares or securities granting access to the Company's share capital rapidly, without having to convene a new Extraordinary Shareholders' Meeting, which would require a substantial amount of time and represent a significant cost. In this context, the Board of Directors will be able to decide the terms and conditions of securities issued, approve the value of securities contributed to the Company based on the Reporting Accountant's report, issue such shares or securities and amend the bylaws accordingly.

These issues decided pursuant to the twenty-eighth resolution would be limited to 10% of the share capital and will, of course, be offset against the general ceilings set in the twenty-second resolution.

TWENTY-EIGHTH RESOLUTION

Delegation of authority to the Board of Directors, for a period of 26 months, to issue ordinary shares or securities granting access to the Company's share capital in consideration for contributions in kind to the Company of shares or securities granting access to share capital, up to a maximum of 10% of the share capital

In accordance with Articles L. 225-129 et seq., L. 225-147 and L. 228-92 of the French Commercial Code, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Extraordinary Shareholders' Meetings, and after having read the Board of Directors' report and the Statutory Auditors' special report:

- delegates to the Board of Directors, with the power of sub-delegation, to the extent authorized by law) the authority to issue, up to a maximum of 10% of the share capital, ordinary shares or securities granting access to the Company's share capital in consideration for contributions in kind to the Company of shares or securities granting access to share capital where the provisions of Article L.225-148 of the French Commercial Code do not apply; it is specified that this ceiling will be increased, where applicable, by the par value amount of shares to be issued to preserve the rights of holders of securities granting access to the Company's share capital or performance share allotment rights;
- resolves that the shares and securities issued within the scope of this authorization will be offset against the general ceilings set in indents one and two of the twenty-second resolution;
- notes that existing shareholders of the Company will not have a pre-emptive right to subscribe for any shares and/or securities issued pursuant to this authorization, as the exclusive purpose of such issues will be to provide payment for contributions in kind;
- authorizes the Board of Directors to implement this authorization and, in particular, to decide the terms and conditions of securities issued (and amend, where applicable, said terms and conditions during the life of the relevant securities in accordance with applicable formalities), to determine, if necessary, the conditions ensuring the preservation of the rights of holders of securities granting access to the Company's share capital or performance share allotment rights, to approve the value of contributions, to issue such shares or securities, to offset the share issue costs against the related premiums and deduct from these issue premiums the amounts necessary to bring the legal reserve to one-tenth of the new share capital after each increase and to amend the bylaws accordingly.

This authorization is granted for a period of 26 months as from the date of this Shareholders' Meeting and supersedes the authorization given in the extraordinary seventeenth resolution adopted by the Combined Shareholders' Meeting of May 27, 2012.

Delegation of authority to the Board of Directors to issue ordinary shares and/or securities granting access to the Company's share capital or, provided that the first security is a share, granting a right to allocation of debt instruments in consideration for shares tendered to any public exchange offering made by the Company (twenty-ninth resolution)

This resolution seeks to enable the Company to remunerate shares tendered to any public exchange offering made by the Company in France or another country in accordance with local rules, for the securities of a company whose shares are traded on a regulated market of a member State of the EEA or the OECD.

In addition to the general ceilings set in the twenty-second resolution, issues decided pursuant to the twenty-ninth resolution will be subject to the following ceilings:

- **the total par value amount (excluding share premiums) of share capital increases that may thus be carried out by issuing ordinary shares or securities granting access to the Company's share capital may not exceed €125 million (i.e. just under 10% of the Company's share capital at December 31, 2013);**
- **the total nominal amount of debt instruments authorized on the issue of securities granting access to the Company's share capital or granting a right to allocation of debt instruments, may not exceed €1.25 billion.**

TWENTY-NINTH RESOLUTION

Delegation of authority to the Board of Directors to issue ordinary shares and/or securities granting access to the Company's share capital or, provided that the first security is a share, granting a right to allocation of debt instruments in consideration for shares tendered to any public exchange offering made by the Company

In accordance with Articles L. 225-148, L. 225-129 and L. 228-92 of the French Commercial Code, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Extraordinary Shareholders' Meetings, and after having read the Board of Directors' report and the Statutory Auditors' special report:

- delegates to the Board of Directors the authority to decide, on one or several occasions, the issue of ordinary shares and/or securities granting access to the Company's share capital or, provided that the first security is a share, granting a right to allocation of debt instruments in consideration for shares tendered to any public offering with an exchange component made by the Company in France or another country in accordance with local rules (e.g. as part of a "reverse merger") for securities satisfying the conditions set out in Article L. 225-148 of the French Commercial Code;
- resolves that the shares and securities issued within the scope of this authorization will be subject to the following ceilings, in addition to the general ceilings set in indents one and two of the twenty-second resolution:
  - the total par value amount (excluding share premiums) of share capital increases that may thus be carried out by issuing ordinary shares or securities granting access to the Company's share capital may not exceed €125 million (approximately 10% of the share capital at December 31, 2013), to which will be added, where applicable, the par value of the shares to be issued to preserve the rights of holders of securities granting access to the Company's share capital or performance share allotment rights. In the case of a share issue by capitalizing additional paid-in capital, reserves, profit or other amounts in the form of allocating shares without consideration during the period of validity of this delegation of authority, the maximum par value amount (excluding share premiums) referred to above will be adjusted based on the ratio between the number of shares issued and outstanding before and after the transaction,
  - the total nominal amount of debt instruments authorized on the issue of securities granting access to the Company's share capital or granting a right to allocation of debt instruments, may not exceed €1.25 billion;
- notes that existing shareholders of the Company will not have a pre-emptive right to subscribe for any shares and/or securities issued pursuant to this authorization, as the exclusive purpose of such issues will be to provide payment for securities tendered to public offerings with an exchange component made by the Company;
- notes that the price of the shares and securities issued under this authorization will be set based on the laws applicable to public exchange offers;
- authorizes the Board of Directors (with the power of sub-delegation) to implement this authorization in accordance with the conditions set by law and, in particular, to decide the terms and conditions of securities issued (and amend, where applicable, said terms and conditions during the life of the relevant securities in accordance with applicable formalities), to determine, if necessary, the conditions ensuring the preservation of the rights of holders of securities granting access to the Company's share capital or performance share allotment rights and to offset the share issue costs against the related premiums and deduct from these issue premiums the amounts necessary to bring the legal reserve to one-tenth of the new share capital after each increase.

This authorization is granted for a period of 26 months as from the date of this Shareholders' Meeting and supersedes the authorization given in the eighteenth extraordinary resolution adopted by the Combined Shareholders' Meeting of May 24, 2012.

RESOLUTIONS 30 & 31

DELEGATIONS OF POWERS TO DEVELOP EMPLOYEE SHARE OWNERSHIP (THIRTIETH AND THIRTY FIRST RESOLUTIONS)

Pursuant to the provisions of Article L.225-102 of the French Commercial Code, the Board of Directors reminds 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 6.35% of the Company's share capital at December 31, 2013.

As part of its employee incentive policy and in order to align employee interests with those of shareholders, the Board of Directors wishes to continue making the Company's share capital accessible to a large number of employees in accordance with legislation applicable in the countries where the Group operates.

To this end, the Board of Directors asks you today (thirtieth resolution) to delegate to it, for a period of 26 months, the authority to issue ordinary shares or securities granting access to the Company's share capital reserved for members of Capgemini Group savings plans. The Board of Directors may also, where appropriate, allocate, without consideration, shares or securities granting access to the Company's share capital in full or partial substitution for the 20% discount referred to below and/or in respect of the employer contribution subject to the conditions and limits set out in Article L. 3332-21 of the Labor Code.

Pursuant to this resolution, your are asked to cancel in favor of members of a Group savings plan, pre-emptive subscription rights to the shares and securities granting access to the Company's share capital that may be issued under this authorization and to waive entitlement to any shares and securities granting access to the Company's share capital that may be allocated without consideration pursuant to this resolution.

Subscription price: pursuant to the law, the issue price of the new shares may neither exceed the average price of the Company's share on the NYSE Euronext Paris market over the 20 trading days preceding the decision of the Board of Directors nor be lower than this average by more than 20%, it being specified that the Board of Directors or Chief Executive Officer may, where applicable, reduce or cancel the discount potentially decided to take account, in particular, of legal and tax regimes applicable outside France or choose to substitute in full or in part the allocation, without consideration, of shares and/or securities granting access to the Company's share capital for this maximum 20% discount. Note that for the 2009 and 2012 operations, the Board of Directors set the discount at only 15%.

Ceiling: the number of shares that may be issued pursuant to this authorization, including as a result of shares or securities granting access to the Company's share capital potentially allocated without consideration in full or partial substitution of the discount and/or the employer contribution in accordance with the conditions set by Article L. 3332-21 of the Labor Code, may not exceed six million shares with a par value of €8 (i.e. approximately 3.75% of the share capital at December 31, 2013).

This delegation (thirtieth resolution) is completed by a second resolution (thirty-first resolution), for a period of eighteen months, which seeks to delegate powers to the Board of Directors to enable employees of certain non-French companies whose head offices are located in countries where applicable legal and/or tax regulations make it difficult to implement shareholding schemes, to benefit from an employee savings operation at economic terms and conditions comparable to those offered to other employees.

The share capital increases decided pursuant to this authorization may not confer entitlement to subscribe to more than two million shares, it being specified that the total of all share capital increases decided pursuant to this resolution and the preceding resolution may not confer entitlement to subscribe to more than six million shares with a par value of €8.

Pursuant to this delegation, you are asked to cancel pre-emptive subscription rights to the shares issued pursuant to this authorization and to reserve subscription rights to categories of beneficiary satisfying the following characteristics:

(i) employees and corporate officers of companies related to the Company;

(ii) employee shareholding UCITS or other vehicles, with or without a legal personality, invested in shares of the Company;

(iii) any bank or bank subsidiary that has set-up at the Company's request a structured offer for employees or corporate officers of companies related to the Company, whose head offices are located outside France, presenting an economic profile comparable to that of an employee shareholder scheme set-up pursuant to a share capital increase performed under the preceding resolution.

THIRTIETH RESOLUTION

Delegation of powers to the Board of Directors, for a period of 26 months, to issue ordinary shares and/or securities granting access to the Company's share capital, with cancellation of pre-emptive subscription rights, to members of Capgemini Group savings plans up to a maximum amount of €48 million and at a price set in accordance with the provisions of the French Labor Code

In accordance with Articles L. 225-129-1 and L. 225-138-1 of the French Commercial Code and Article L. 3332-1 et seq. of the French Labor Code and in order also to satisfy the provisions of Article L. 225-129-6 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. delegates to the Board of Directors the authority to perform a share capital increase, on one or several occasions, by issuing shares or securities granting access to the Company's share capital reserved for members of a Group savings plan *(Plan d'Epargne d'Entreprise)*, it being specified that the Board of Directors may also, where applicable, allocate, without consideration, shares or securities granting access to the Company's share capital in full or partial substitution for the discount referred to in sub-paragraph 3 and/or in respect of the employer contribution subject to the conditions and limits set out in Article L. 3332-21 of the French Labor Code;
2. resolves that the number of shares that may be issued pursuant to this authorization, including as a result of shares or securities granting access to the Company's share capital potentially allocated without consideration in full or partial substitution of the discount and/or the employer contribution in accordance with the conditions set by Article L. 3332-21 of the French Labor Code, may not exceed six million (6,000,000) shares with a par value of eight (8) euros and that this amount does not take account of any additional shares to be issued, in accordance with applicable legislative, regulatory and, where applicable, contractual provisions, providing for other adjustments to preserve the rights of holders of securities and other rights granting access to the share capital;
3. resolves that the issue price of the new shares may neither exceed the average price of the Company's share on the NYSE Euronext Paris market over the 20 trading days preceding the decision of the Board of Directors nor be lower than this average by more than 20%, it being specified that the Board of Directors or Chief Executive Officer may, where applicable, reduce or cancel the discount potentially decided to take account, in particular, of legal and tax regimes applicable outside France or choose to substitute in full or in part the allocation, without consideration, of shares and/or securities granting access to the Company's share capital for this maximum 20% discount;
4. resolves to cancel in favor of members of a Group savings plan(s), pre-emptive subscription rights to the shares and securities granting access to the Company's share capital that may be issued under this authorization and to waive entitlement to any shares and securities granting access to the Company's share capital that may be allocated without consideration pursuant to this resolution;
5. authorizes the Board of Directors, under the conditions of this authorization, to sell shares to members of a company or group savings plan (or equivalent) as provided in Article L. 3332-24 of the French Labor Code, it being specified that the par value amount of any shares sold with a discount to members of one or several employee savings plans covered by this resolution will be deducted from the ceiling set in paragraph 2 above;
6. delegates full powers to the Board of Directors, including the power of sub-delegation subject to applicable law, in particular to:
   - resolve whether the shares or securities will be subscribed directly by employee members of the Group savings plans or through an Employee Savings Mutual Fund (Fonds Commun de Placement d'Entreprise, FCPE),
   - determine the companies whose employees may benefit from the subscription offer,
   - determine whether employees should be granted a period to pay up their securities,
   - set the opening and closing subscription dates and the issue price of the securities,
   - allocate, within the limits set by Article L. 3332-21 of the French Labor Code, shares without consideration or securities granting access to the Company's share capital and set the nature and amount of reserves, profits and additional paid-in capital to be capitalized,
   - determine the number of new shares to be issued and the reduction rules applicable in the event of over-subscription,
   - set the conditions ensuring the preservation of the rights of holders of securities granting access to the Company's share capital or performance share allotment rights,
   - offset share issue costs and the cost of issuing securities granting access to the Company's share capital against the related premiums and deduct from these issue premiums the amounts necessary to bring the legal reserve to one-tenth of the new share capital after each increase,
   - decide to postpone performance of the share capital increase.

This authorization is granted for a period of 26 months as from the date of this Shareholders' Meeting.

THIRTY-FIRST RESOLUTION

Delegation of powers to the Board of Directors, for a period of 18 months, to perform a share capital increase with cancellation of pre-emptive subscription rights, in favor of employees of certain non-French subsidiaries at terms and conditions comparable to those offered pursuant to the preceding resolution

In accordance with Articles L. 225-129-1 and L. 225-138 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' report:

1. notes that for employees of certain non-French companies of Capgemini Group, related to the Company within the meaning of Article L.225-180 of the French Commercial Code and Article L.3344-1 of the French Labor Code, the applicable legal and/or tax regulations of the country in which these companies have their registered offices, make it difficult to implement the shareholding schemes proposed to Group employees pursuant to share capital increases performed under the preceding resolution;
2. delegates to the Board of Directors the authority to increase the share capital of the Company, on one or several occasions, in such proportions and at such times that it deems fit, by issuing shares with cancellation of pre-emptive subscription rights to the categories of beneficiary defined below;
3. resolves to cancel pre-emptive subscription rights to the shares issued pursuant to this authorization and to reserve subscription rights to categories of beneficiary satisfying the following characteristics: (i) employees and corporate officers of companies related to the Company within the meaning of Article L. 225-180 of the French Commercial Code and Article L. 3341-1 of the French Labor Code, whose head offices are located outside France; (ii) and/or employee shareholding UCITS or other vehicles, with or without a legal personality, invested in shares of the Company, where the holders of units or shares are the individuals referred to in point (i) of this paragraph; and/or (iii) any bank or bank subsidiary that has set-up at the Company's request a structured offer for employees or corporate officers of companies related to the Company within the meaning of Article L. 225-180 of the French Commercial Code and Article L.3344-1 of the French Labor Code, whose registered offices are located outside France, presenting an economic profile comparable to that of an employee shareholder scheme set-up pursuant to a share capital increase performed under the preceding resolution presented to this Combined Shareholders' Meeting;
4. resolves that where this authorization is used, the issue price of the new shares to be issued pursuant to this authorization may neither be more than 20% below the average price of the Company's share over the 20 trading days preceding the decision of the Board of Directors or the Chief Executive Officer setting the subscription opening date for a share capital increase performed pursuant to the preceding resolution adopted by this Combined Shareholders' Meeting, nor exceed this average; the Board of Directors or Chief Executive Officer may reduce or cancel any discount granted, where it is deemed appropriate, in particular to take account of legal, accounting and tax regimes applicable locally;
5. resolves that the share capital increase(s) decided pursuant to this authorization may not confer entitlement to subscribe to more than two million (2,000,000) shares and that this amount does not take account of any additional shares to be issued, in accordance with applicable legislative, regulatory and, where appropriate, contractual provisions, providing for other adjustments to preserve the rights of holders of securities and other rights granting access to the Company's share capital; it is specified that the total of all share capital increases decided pursuant to this resolution and the preceding resolution may not confer entitlement to subscribe to more than six million (6,000,000) shares with a par value of eight (8) euros;
6. delegates full powers to the Board of Directors (including the power of delegation subject to applicable law) to use this authorization, on one or several occasions, in particular to:
   - set the list of beneficiaries, from among the above categories, for each issue and the number of shares to be subscribed by each beneficiary,
   - determine the subscription package to be presented to employees in each country, taking account of applicable local legal constraints and select the countries among those where the Group has subsidiaries and the said subsidiaries whose employees can participate in the operation,
   - decide the maximum number of shares to be issued, within the limits set in this resolution and note the definitive amount of each share capital increase,
   - set the dates and all other terms and conditions of such share capital increases in accordance with applicable law,
   - set the conditions ensuring the preservation of the rights of holders of securities granting access to the Company's share capital or performance share allotment rights,
   - offset share issue costs against the related premiums and deduct from these issue premiums the amounts necessary to bring the legal reserve to one-tenth of the new share capital,
   - decide to postpone performance of the share capital increase.

This authorization is granted for a period of 18 months as from the date of this Shareholders' Meeting.

Amendment of paragraph 2) of Article 11 of the bylaws on the minimum number of shares to be held by each director (thirty-second resolution)

Article 11.2) of the Company's bylaws states that each director must hold at least one hundred (100) Company shares throughout their term of office.

The Board of Directors proposes this year to increase the minimum number of shares to be held by each director throughout their term of office to one thousand (1,000) shares, instead of one hundred (100) shares.

As this resolution concerns an amendment to the bylaws, it is subject to quorum and majority rules for Extraordinary Shareholders' Meetings.

THIRTY-SECOND RESOLUTION

Amendment of paragraph 2) of Article 11 of the bylaws on the minimum number of shares to be held by each director

The Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Extraordinary Shareholders' Meetings, and after having read the Board of Directors' report, resolves to amend paragraph 2) of Article 11 of the bylaws, "Board of Directors", as follows:

"2) Each director must hold at least one thousand (1,000) Company shares throughout their term of office."

The rest of the article remains unchanged.

THIRTY-THIRD 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 7, 2014 – TWENTIETH 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, March 28, 2014
PricewaterhouseCoopers Audit

Françoise Garnier
Partner

Paris La Défense, March 28, 2014
KPMG Audit
Division of KPMG S.A.

Jacques Pierre
Partner

STATUTORY AUDITORS' REPORT ON THE ISSUE OF SHARES AND/OR SECURITIES WITH AND/OR WITH CANCELLATION OF PRE-EMPTIVE SUBSCRIPTION RIGHTS COMBINED SHAREHOLDERS' MEETING OF MAY 7, 2014 – TWENTY-THIRD TO TWENTY-NINTH RESOLUTIONS

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in accordance with Articles L. 228-92 and L. 225-135 *et seq.* of the French Commercial Code (*Code de commerce*), we hereby report to you on the proposed delegations of authority to the Board of Directors to carry out various issues of ordinary shares and/or securities, as submitted to you for approval.

Based on its report, the Board of Directors is asking for authorization:

- for a period of 26 months, to decide on the following transactions and set the final terms and conditions of these issues and proposes to cancel pre-emptive subscription rights, if necessary:
  - issues of ordinary shares and and/or securities granting access to the Company's share capital or granting a right to allocation of debt instruments, with pre-emptive subscription rights (23rd resolution),
  - issues, by way of a public offering, of ordinary shares and/or securities granting access to the Company's share capital or granting a right to allocation of debt instruments, with cancellation of pre-emptive subscription rights (24th resolution),
  - issues, by way of an offering as set out in paragraph II of Article L. 411-2 of the French Monetary and Financial Code (*Code monétaire et financier*), of ordinary shares and/or securities granting access to the Company's share capital or granting a right to allocation of debt instruments, with cancellation of pre-emptive subscription rights (25th resolution),
  - issues of ordinary shares and/or securities granting access to the Company's share capital or granting a right to allocation of debt instruments in the event of a public exchange offering made by the Company (29th resolution);
- pursuant to the 26th resolution and on the implementation of the delegations of authority granted by the 24th and 25th resolutions, to set the issue price up to the annual legal limit of 10% of the share capital;
- for a period of 26 months, to set the terms and conditions of issues of ordinary shares and/or securities granting access to the Company's share capital, in consideration for contributions in kind to the Company of shares or securities granting access to share capital (28th resolution) for up to 10% of the share capital.

Pursuant to the 22nd resolution, the total par value amount of capital increases that may thus be carried out by issuing ordinary shares and/or securities granting access to the Company's share capital, immediately or in the future, may not exceed €500 million pursuant to the 23rd, 24th, 25th, 26th, 27th, 28th and 29th resolutions, it being specified that in connection with issues with cancellation or without pre-emptive subscription rights, this amount may not exceed €125 million. Pursuant to these same resolutions, the total par value amount of issues of securities granting access to the Company's share capital, or granting a right to the allocation of debt instruments may not exceed €4.5 billion, reduced to €1.25 billion in connection with issues with cancellation or without pre-emptive subscription rights.

These ceilings include the additional securities to be issued on the implementation of the delegations of authority referred to in the 23rd, 24th 25th and 26th resolutions, under the conditions set forth in Article L. 225-135-1 of the French Commercial Code, should you adopt the 27th resolution.

The Board of Directors is responsible for preparing a report in accordance with Articles R. 225-113 *et seq.* of the French Commercial Code. Our role is to express an opinion on the fairness of the quantified data extracted from the financial statements, on the proposed cancellation of pre-emptive subscription rights and on certain other information pertaining to these transactions as presented in this report.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to this engagement. Such procedures consisted in verifying the content of the Board of Directors' report as it relates to these transactions and the terms and conditions governing the determination of the issue price of the shares to be issued.

Subject to a subsequent examination of the terms and conditions of the proposed issues, we have nothing to report concerning the proposed method of determining the issue price of the shares to be issued, as described in the Board of Directors' report with respect to the 24th, 25th and 26th resolutions.

In addition, as the Board of Directors' report does not specify the methods for determining the issue price of shares to be issued in connection with the implementation of the 23rd, 28th and 29th resolutions, we do not express an opinion on the elements used to calculate the share issue price.

As the final terms and conditions of the issues have not been determined, we do not express an opinion thereon and, consequently, on the proposed cancellation of pre-emptive subscription rights on which you are being asked to vote in the 24th, 25th and 26th resolutions.

In accordance with Article R. 225-116 of the French Commercial Code, we will issue an additional report, if necessary, on the use of these delegations by your Board of Directors in the event of issues of securities granting access to the Company's share capital and/or granting a right to the allocation of debt instruments or issues of shares with cancellation of pre-emptive subscription rights.

The Statutory Auditors

Neuilly-sur-Seine, March 28, 2014
PricewaterhouseCoopers Audit

Françoise Garnier
Partner

Paris La Défense, March 28, 2014
KPMG Audit
Division of KPMG S.A.

Jacques Pierre
Partner

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STATUTORY AUDITORS' REPORT ON THE ISSUE OF ORDINARY SHARES AND/OR SECURITIES GRANTING ACCESS TO THE COMPANY'S SHARE CAPITAL RESERVED FOR MEMBERS OF A COMPANY SAVINGS PLAN COMBINED SHAREHOLDERS' MEETING OF MAY 7, 2014 – THIRTIETH RESOLUTION

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in accordance with Articles L. 228-92 and L. 225-135 *et seq.* of the French Commercial Code (*Code de commerce*), we hereby report to you on the proposed share capital increase through the issue of ordinary shares and/or securities granting access to the Company's share capital, with cancellation of pre-emptive subscription rights, for a maximum par value amount of €48 million, reserved for members of a Capgemini Group company savings plan, as submitted to you for approval.

Shareholders are asked to approve this share capital increase pursuant to Article L. 225-129-6 of the French Commercial Code and Article L. 3332-18 *et seq.* of the French Labor Code (*Code du travail*).

Shareholders are asked to grant the Board of Directors, based on its report, for a period of 26 months, the authority to set the terms and conditions of this transaction and, within the limits set by Article L. 332-21 of the Labor Code, to allocate without consideration shares or securities granting access to the Company's share capital and cancel your pre-emptive subscription rights to the shares and securities to be issued.

The Board of Directors is responsible for preparing a report in accordance with Articles R. 225-113 *et seq.* of the French Commercial Code. Our role is to express an opinion on the fairness of the quantified data extracted from the financial statements, on the proposed cancellation of pre-emptive subscription rights and on certain other information pertaining to the issuance as presented in this report.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to this engagement. Such procedures consisted in verifying the content of the Board of Directors' report as it relates to this transaction and the terms and conditions governing the determination of the issue price of the shares to be issued.

Subject to a subsequent examination of the final terms and conditions of the proposed share capital increase, we have nothing to report concerning the proposed method of determining the issue price of the shares to be issued, as described in the Board of Directors' report.

As the final terms and conditions of the share capital increase have not been determined, we do not express an opinion thereon and, consequently, on the proposed cancellation of pre-emptive subscription rights on which you are being asked to vote.

In accordance with Article R. 225-116 of the French Commercial Code, we will issue an additional report on the use of this delegation by your Board of Directors.

The Statutory Auditors

Neuilly-sur-Seine, March 28, 2014
PricewaterhouseCoopers Audit

Françoise Garnier
Partner

Paris La Défense, March 28, 2014
KPMG Audit
Division of KPMG S.A.

Jacques Pierre
Partner

STATUTORY AUDITORS' REPORT ON THE SHARE CAPITAL ISSUE WITH CANCELLATION OF PRE-EMPTIVE SUBSCRIPTION RIGHTS IN FAVOR OF EMPLOYEES OF CERTAIN NON-FRENCH SUBSIDIARIES COMBINED SHAREHOLDERS' MEETING OF MAY 7, 2014 – THIRTY-FIRST RESOLUTION

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in accordance with Articles L. 225-135 *et seq*. of the French Commercial Code (*Code de commerce*), we hereby report to you on the proposed share capital increase through the issue of ordinary shares, with cancellation of pre-emptive subscription rights, for a maximum par value amount of €16 million (it being noted that the total par value amount of share capital increases decided pursuant to this resolution and the thirtieth resolution may not exceed €48 million), reserved for employees of certain non-French subsidiaries of Capgemini Group, as submitted to you for approval.

Shareholders are asked to grant the Board of Directors, based on its report, for a period of 18 months, the authority to set the terms and conditions of this transaction and to cancel your pre-emptive subscription rights to the ordinary shares to be issued.

The Board of Directors is responsible for preparing a report in accordance with Articles R. 225-113 and R. 225-114 of the French Commercial Code. Our role is to express an opinion on the fairness of the quantified data extracted from the financial statements, on the proposed cancellation of pre-emptive subscription rights and on certain other information pertaining to the issuance as presented in this report.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to this engagement. Such procedures consisted in verifying the content of the Board of Directors' report as it relates to this transaction and the terms and conditions governing the determination of the issue price of shares.

Subject to a subsequent examination of the final terms and conditions of the proposed share capital increase, we have nothing to report concerning the proposed method of determining the issue price of the ordinary shares to be issued, as described in the Board of Directors' report.

As the final terms and conditions of the share capital increase have not been determined, we do not express an opinion thereon and, consequently, on the proposed cancellation of pre-emptive subscription rights on which you are being asked to vote.

In accordance with Article R. 225-116 of the French Commercial Code, we will issue an additional report on the use of this delegation by your Board of Directors.

The Statutory Auditors

Neuilly-sur-Seine, March 28, 2014
PricewaterhouseCoopers Audit

Françoise Garnier
Partner

Paris La Défense, March 28, 2014
KPMG Audit
Division of KPMG S.A.

Jacques Pierre
Partner

7 Additional information

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.

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 & 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 [1], 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.

(1) Including Technical Assistance/Local Professional Services 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 company law.

In addition, the Shareholders' Meeting may decide to distribute a dividend out of distributable reserves, subject to compliance with French company 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 enabling their identification, 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.

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. The crossing of the threshold must be notified to the Company within fifteen (15) days of the date when the shares causing the threshold to be attained or crossed are recorded in the shareholder's account. 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.

The law no. 2014-384 of March 29, 2014 amended Article L. 255-123 of the French Commercial Code introducing an automatic double voting right for registered shares, except where specifically provided to the contrary in the bylaws. This amendment only takes effect after a period of two years and, accordingly, there will be no double voting rights before March 29, 2016.

7.1.13 CHANGES IN SHAREHOLDER RIGHTS

Changes in the share capital or the rights attached to shares are subject to compliance with French company law alone, as the bylaws do not contain any specific provisions in this respect.

7.1.14 RIGHTS, PRIVILEGES AND RESTRICTIONS RELATING TO SHARES

In addition to the voting right conferred by law, each share confers entitlement to a portion of the profits and any liquidation surplus, in direct proportion to the number and par value of outstanding shares.

No preferential rights are attached to any specific class of shares or category of shareholder.

7.1.15 PROVISIONS OF THE BYLAWS OR OTHER PROVISIONS THAT COULD DELAY, DEFER OR PREVENT A CHANGE IN CONTROL

Not applicable.

7.1.16 PROVISIONS OF THE BYLAWS GOVERNING ADMINISTRATIVE AND MANAGEMENT BODIES

Appointment of directors and duration of terms of office

The Company has a Board of Directors comprised of a minimum of three and a maximum of eighteen members, who must be individuals. Directors are appointed by Shareholders' Meeting for a period of four years.

In addition, a director representing employee shareholders is also appointed by Shareholders' Meeting for a period of four years when, at the end of a fiscal year, the percentage of share capital held by employees of the Company and companies related to it within the meaning of Article L. 225-180 of the French Commercial Code, represents over 3% of the Company's share capital.

The director representing employee shareholders is elected by Ordinary Shareholders' Meeting from a choice of two candidates nominated in accordance with the provisions of the law and the bylaws. This director is not taken into account in determining the maximum number of directors pursuant to Article L. 225-17 of the French Commercial Code.

Age limit for directors

Pursuant to Article 11.4) of the bylaws, the number of directors over seventy-five (75) years of age at the end of each Shareholders' Meeting called to approve the company financial statements, may not exceed one-third (rounded up to the nearest whole number where appropriate) of the total number of directors in office.

Age limit for the Chairman and Chief Executive Officer

The age limit for the exercise of the duties of Chairman of the Board of Directors is as follow:

- seventy (70) years of age when he/she also holds the position of Chief Executive Officer; and
- seventy-nine (79) years of age when he/she does not hold the position of Chief Executive Officer.

In both cases, the term of office expires at the end of the first Ordinary Shareholders' Meeting following the Chairman's birthday.

Where the functions of Chairman and those of Chief Executive Officer are separated, the functions of Chief Executive Officer expire the day of the first Ordinary Shareholders' Meeting following his/her seventieth birthday.

Minimum investment of directors in the share capital of the Company

Pursuant to Article 11.2) of the bylaws, each director must hold at least one hundred (100) shares in the Company throughout their term of office.

The board of Directors through the thirty-second resolution submitted to the Combined Shareholders' meeting vote proposes to increase the minimum number of shares to be held by each director throughout their term of office to one thousand (1,000) shares from one hundred (100) previously.

Majority rules within the Board of Directors

Decision are taken in accordance with quorum and majority rules provided by law, except for the decision regarding the two possible methods for the Company's General Management. Where voting is tied, the Chairman of the Company has the casting vote.

General Management

The General Management of the Company is assumed by either the Chairman of the Board of Directors (who therefore holds the title of Chairman and Chief Executive Officer), or by another individual appointed by the Board of Directors, who holds the title of Chief Executive Officer. The Board of Directors chooses between these two possible methods for the Company's General Management, voting with a two-thirds majority of all directors.

On April 4, 2012, at the recommendation of the Chairman at the time, Mr. Serge Kampf, the Board of Directors decided to reunite the functions of Chairman and Chief Executive Officer and appointed the Chief Executive Officer, Mr. Paul Hermelin, to the position of Chairman and Chief Executive Officer (for further details, please refer to Chapter 2 of this Registration Document).

Internal Rules of Operation and Board Special Committees

Please refer to Chapter 2 of this Registration Document.

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	Finance
Hubert Giraud	Human Resources
Patrick Nicolet	Infrastructure Services/Operating Control Latin America
Salil Parekh	Application Services One/Operating Control Sogeti
Olivier Sevillia	Application Services Two/Operating Control Capgemini Consulting, Prosodie and BPO

- an Executive Committee comprising the GMB and 12 additional members:

John Brahim	Application Services Two
Pierre-Yves Cros	Development
Lanny Cohen	Technologies
Philippe Grangeon	Marketing and Communications
Xavier Hochet	Consulting
François Hucher	Production / Methods and Support
Aruna Jayanthi	India and Large Accounts Sweden
Jean-Baptiste Massignon	Corporate Secretarial Services
Paul Nannetti	Global Sales and Portfolio
Luc-François Salvador	Asia Pacific
Chris Stancombe	Business Process Outsourcing
Hans Van Waayenburg*	Local Professional Services (Sogeti)

* *Hans van Waayenburg joined the Executive Committee on March 14, 2014 and as such is not included in the information presented in Note 28 to the consolidated financial statements for the year ended December 31, 2013.*

- and Group directors reporting directly to the Chairman and Chief Executive Officer:

Philippe Christelle	Internal Audit
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

Tél. : 01 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 Comptes de Versailles.*

63, rue de Villiers, 92208 Neuilly-sur-Seine, Cedex,

represented by Mrs. Françoise Garnier

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 Mr. Jacques Pierre

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

Mr. 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.

Mr. Bertrand Vialatte [1]

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.

(1) Mr. Bertrand Vialatte died on February 8, 2014.

FEES PAID BY THE GROUP TO THE STATUTORY AUDITORS AND MEMBERS OF THEIR NETWORKS

in thousands of euros Excluding VAT	KPMG				PwC			
	Amount		%		Amount		%	
	2013	2012	2013	2012	2013	2012	2013	2012
Audit								
Statutory audit, certification of the consolidated and separate financial statements	2,985	2,845	69%	68%	2,548	3,112	57%	63%
■ Issuer	407	482	9%	11%	425	572	10%	12%
■ Fully-consolidated subsidiaries	2,578	2,363	60%	57%	2,123	2,540	47%	51%
Other services directly related to the statutory audit engagement (1)	428	135	10%	3%	561	354	12%	7%
■ Issuer	295	29	7%	0%	416	29	9%	1%
■ Fully-consolidated subsidiaries	133	106	3%	3%	145	325	3%	6%
SUB-TOTAL	**3,413**	**2,980**	**79%**	**72%**	**3,109**	**3,466**	**69%**	**70%**
Other services								
Legal, tax and employee-related advisory services	123	151	3%	3%	17	91	0%	2%
Other (2)	760	1,035	18%	25%	1,392	1,398	31%	28%
SUB-TOTAL	**883**	**1,186**	**21%**	**28%**	**1,409**	**1,489**	**31%**	**30%**
TOTAL	**4,296**	**4,166**	**100%**	**100%**	**4,518**	**4,955**	**100%**	**100%**

(1) Fees presented in other services directly related to the statutory audit engagement mainly consist of due diligence procedures performed in respect of acquisitions and financial transactions.

(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 2013 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.

The statutory auditors issued a report on the consolidated financial statements for the year ended December 31, 2013 presented in this document. This report is presented on page 184 and contains technical observations on the impact of the first-time application of IAS 19 revised, *Employee Benefits*, and on the change in the presentation of the consolidated income statement following the amendement to the definition of operating margin.

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 3, 2014

Paul Hermelin

Chairman and Chief Executive Officer

Cross-reference tables

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8.1 Information required under Commission Regulation (EC) no.809/2004

N/A : not applicable

8.2 Annual Financial Report cross reference table

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N/A : not applicable

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