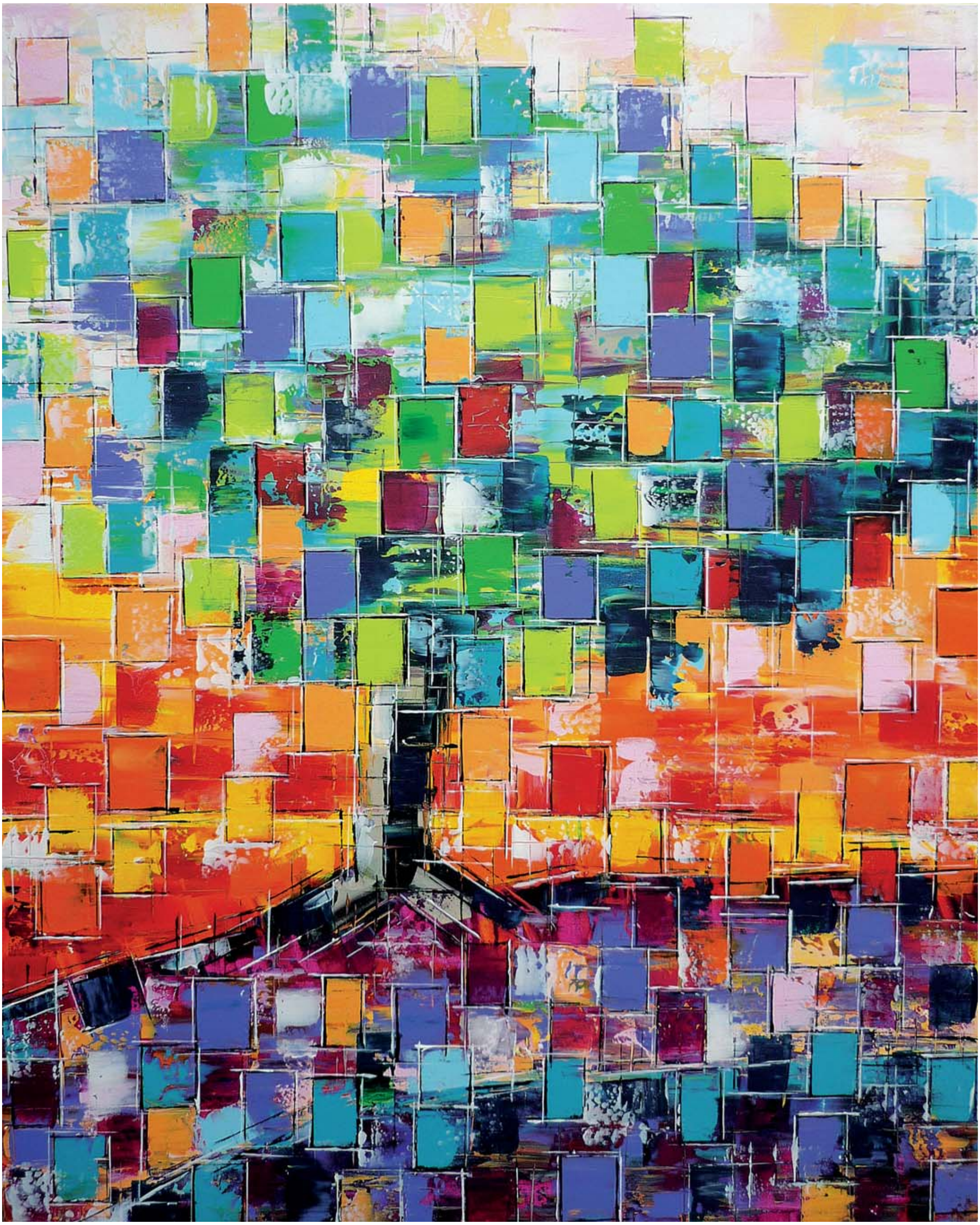
# 2014 REGISTRATION DOCUMENT
# ANNUAL FINANCIAL REPORT



People matter, results count.

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

# 2014 Registration Document

ANNUAL FINANCIAL REPORT

The French version of this Registration Document (Document de Reference) was filed with the Autorité des Marchés Financiers (AMF) on April 1, 2015, 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, 2013:

- 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 3, 2014 under no. D.14-0283 (pages 276 to 277 and 118 to 185, 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 3, 2014 under no. D.14-0283 (pages 186 to 209 and 210 to 211, respectively);
- the Statutory Auditors' special report on regulated agreements and commitments, set out in the registration document filed on April 3, 2014 under no. D.14-0283 (page 212).

2. 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 and 196, 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).

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, Lead Independent Director

Anne BOUVEROT

Yann DELABRIÈRE

Laurence DORS

Phil LASKAWY

Xavier MUSCA

Pierre PRINGUET

Bruno ROGER

Lucia SINAPI-THOMAS

Caroline WATTEEUW-CARLISLE

Kevin MASTERS, Representative of the International Works Council – Non-voting guest.

## STATUTORY AUDITORS

PricewaterhouseCoopers Audit

Represented by Françoise GARNIER

KPMG S.A.

Represented by Frédéric QUELIN

# Financial highlights

## CONSOLIDATED FINANCIAL STATEMENTS

| *in millions of euros* | 2010[1] | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|
| **Revenues** | **8,697** | **9,693** | **10,264** | **10,092** | **10,573** |
| Operating expenses | (8,089) | (8,950) | (9,435) | (9,235) | (9,603) |
| **Operating margin** | **608** | **743** | **829** | **857** | **970** |
| *% of revenues* | *7.0%* | *7.7%* | *8.1%* | *8.5%* | *9.2%* |
| **Operating profit** | **489** | **600** | **606** | **720** | **853** |
| *% of revenues* | *5.6%* | *6.2%* | *5.9%* | *7.1%* | *8.1%* |
| **Profit for the year attributable to owners of the Company** | **280** | **394** | **353** | **442** | **580** |
| *% of revenues* | *3.2%* | *4.1%* | *3.4%* | *4.4%* | *5.5%* |
| **Earnings Per Share** | | | | | |
| *Number of shares at December 31* | *155,770,362* | *155,770,362* | *161,770,362* | *160,317,818* | *163,592,949* |
| Earnings per share at December 31 *(in euros)* | 1.80 | 2.53 | 2.18 | 2.76 | 3.55 |
| Dividend per share for the year *(in euros)* | 1.00 | 1.00 | 1.00 | 1.10 | 1,20[2] |
| **GOODWILL AT DECEMBER 31** | **3,201** | **3,768** | **3,702** | **3,601** | **3,784** |
| **EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY AT DECEMBER 31** | **4,314** | **4,239** | **4,482** | **4,458** | **5,057** |
| **NET CASH AND CASH EQUIVALENTS AT DECEMBER 31** | **1,063** | **454** | **872** | **678** | **1,218** |
| **ORGANIC FREE CASH FLOW AT DECEMBER 31** | **359** | **164** | **496** | **455**[3] | **668** |
| **Average number of employees** | **97,571** | **114,354** | **121,829** | **128,126** | **137,747** |
| **Number of employees at December 31** | **108,698** | **119,707** | **125,110** | **131,430** | **143,643** |

*(1) 2010 figures were not adjusted for the application of IAS 19, revised,*
*(2) Subject to approval by the Combined Shareholders' Meeting of May 6, 2015,*
*(3) Before the €235 million exceptional contribution to a UK pension fund.*

# 1 Presentation of the Company and its activities

# 1.1 Milestones in the Group's history and its values

Key dates:

| | |
|---|---|
| 1967 | Creation of SoGETI by Serge Kampf, on October 1, in Grenoble (France). |
| 1970 | SoGETI and OBM (Organization Bossard Michel) agree to combine IT and consulting services. |
| 1971 | Creation of Eurinfor, "facilities management" company, by SoGETI with the Cofradel group and Lyonnaise de Banque. |
| 1973 | 7th "SoGETI Rencontres" in Djerba (Tunisia), the last "Rencontres" gathering to which all Group employees (440) are invited. |
| 1974 | SoGETI takes control of C.A.P. (the leading French IT services 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 George V, Paris. The first Annual Report is published (financial year 1975). |
| 1977 | The French authorities veto the acquisition of a stake in the Group by EDS. |
| 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 wins 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) mark, only half of which 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) that wil make up the Group's consulting arm. The invasion of Kuwait triggers a global economic crisis, which lasts 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. Bossard Consultants (in which the Group 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 rises to its highest ever level of 368.9 euros in March, making a stock market capitalization on that day of €44.5 billion. |
| 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 Bombay (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 away 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. |
| 2014 | Acquisition of Euriware in France and signing of a contract with AREVA. |

## 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 lie at the heart of all 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, having a relaxed attitude, 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 the ability to listen, to be flexible, agile and creative – 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 for operational effectiveness and digital transformation 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, cybersecurity and the Internet of Things (IoT). Capgemini's **143,650 employees** (as of 31/12/2014) are the guarantors of its results and of its commitment to its clients. They leverage the Group's performance, and also represent its corporate responsibility and sustainability undertakings on the ground.

## FOUR MAJOR BUSINESSES AND A RANGE OF SKILLS

- **Consulting Services**, which help to enhance the performance of organizations, based on in-depth knowledge of client industries and processes;
- **Local Professional Services (**Sogeti), which provide assistance and support to internal IT teams within client companies;
- **Application Services**, which devise, develop, implement and maintain IT applications covering the Group's system integration and application maintenance activities;
- **Other Managed Services**, which integrate, manage and/or develop either fully or partially, client's IT Infrastructure systems (or that of a group of clients), transaction services, on demand services 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, Cloud, Big Data, mobility, testing, cybersecurity, application management, infrastructure services and outsourcing.

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

- developed a global production capacity known as **Rightshore®** (making the best use of everyone's expertise wherever they are based, whether onshore; nearshore or offshore), which standardizes its processes while bringing them more into line with CMMI (an international reference model for software production);
- created an ecosystem of first rate **technology specialists** that allows it to react rapidly to the current changes and make the most of them;
- implemented a broad **portfolio of innovative offers** in key areas (e.g. Cloud, data management and analysis, mobility and testing), also incorporating new service models based on intellectual property. The Group also develops specific offers for certain sectors, enabling, for example, the digital transformation of energy companies and the rapid rise of connected vehicles in the automotive industry. Finally, Capgemini delivers comprehensive solutions covering all the aspects of a given sector.

## SOLUTIONS FOR 6 MAIN 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 seven sectors:

- **Manufacturing**: 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, Capgemini offers companies in the sector a wide range of solutions, which enable them to make substantial savings in the management of their IT systems and support 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;
- **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 works with financial establishments (especially **insurance and banking**) to rationalize and simplify their applications and infrastructures. Our main areas of intervention are mobility, smart data management, enhancing the client experience, and compliance with regulations;
- **Public sector:** Capgemini helps central administrations, companies, public agencies and major local authorities to implement their modernization programs and projects;
- **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.

## AN ECOSYSTEM OF TECHNOLOGY SPECIALISTS

Historically, Capgemini has established strategic partnerships with both leading technology allies and start-ups with specialized skills. Whether these partnerships are longstanding or more recent, the Group maintains its independence with respect to all its partners in order to remain free to choose those that best meet the expectations and challenges of its clients. In providing the best available technology, Capgemini enables its clients to stay one step ahead of the market.

Over the last two years, Capgemini has pursued a more selective technology partnership strategy with high added value. The objective: to fully capitalize on each of its alliances. Working with fewer, very innovative firms helps to enhance synergies for the joint development of new solutions. In 2014, Capgemini has strengthened its partnership with Intel, in the areas of big data, the Internet of Things and cybersecurity, with VMware, in the field of enterprise mobility, and Pivotal and Cloudera in the field of big data.

In parallel, the Group develops shorter-term collaborations with highly specialized start-ups in order to provide targeted responses to the specific industry challenges of its clients.

### Three groups of partners

- **Strategic partnerships** : EMC², HP, IBM, Microsoft, ORACLE, SAP and Salesforce.com;
- **The "new champions" (specialization)**:
  - Cloud: Amazon web services, Google, Netsuite, VMware
  - Big data: Cloudera, Informatica, Pega, Pivotal, SAS, Teradata,
- **In addition to:** Adobe, Cisco, box, CA technologies, Citrix, Dell, Drupal, Intel, Software AG, etc.

## 143,650 MEN AND WOMEN SERVING CAPGEMINI CLIENTS

"People Matter, Results Count": Capgemini's entire approach is summed up in its brand signature. After all, it is our people's talents that deliver the commitment and expertise we offer our clients. As at December 31, 2014, the Group had 143,643 employees - versus to 131,430 at the end of 2013. The number of employees exceeded the symbolic threshold of 50,000 in India. It reached 56,000 at the end of the year . The workforce is split on 5 continents: 62,035 in Europe, 59,792 in Asia-Pacific, 10,384 in North America, 10,268 in Latin America, and 1,164 in the Middle East and Africa. Over 120 nationalities are represented in over 40 countries.

The number of offshore employees grew sharply in 2014 (+17%). They now account for 47% of total headcount at Capgemini, up three points over one year.

In 2014, recruitment was at particularly high level in India and in Morroco, with over 1,000 employees in the latter.

To achieve these results while its industry is engaged in a battle for top talent, Capgemini uses several means:

- its websites (30% of new hires);
- external hiring portals (23%);
- applications forwarded or recommended by Group employees (22%);
- LinkedIn (13%). It should be noted that 35 employees now have "Certified Professional-Recruiter" certification from Linkedin;
- external hiring agencies (8%);
- other channels: 4%.

In 2014, a vast transformation plan was launched to bolster Capgemini talents. Its name, "Excellerate" is a combination of excellence and acceleration. For more information, see section® 1.5.

## CORPORATE RESPONSIBILITY AND SUSTAINABILITY: CAPGEMINI ACCELERATES

For Capgemini, CR&S is increasingly a driver of growth and performance. It helps the Group better meet the expectations of its clients and employees, while being more useful to society. All round the world, the Group and its employees tackle head on the issues of the regions in which they live and work, with a focus on four priority areas:

- reducing the environmental footprint of the Group;
- social commitment;
- the cultivation of talents;
- values and ethics.

2014 was marked by clear improvements, with **CR&S governance** strengthened at the highest levels of the firm. Significant progress was made on the **environment**. In India, Capgemini achieved ISO 14001 certification, which attests to a high performance 'environmental management system'. The Group also cut its greenhouse gas emissions by 14.9%, down from 2.7 tons to 2.3 tons per employee between 2013 and 2014. Its efforts were recognized by the CDP (Carbon Disclosure Project), an international organization that analyzes the impact of global companies on climate change.

In the area of **social engagement**, Capgemini launched the 'Global Community and Engagement Awards': this internal competition honors CR&S initiatives from employees. It has been very successful in mobilizing thousands of employees. Of particular note are the support for young graduates seeking employment in the Netherlands, awareness raising on sorting of electronic waste in Brazil and the mobilization for people with disabilities in Poland. A total of 139 projects from 17 countries were put forward. The 12 winners received financial support from the Group to pursue their activities.

For more information, see § 3.1.

## A FUNCTIONAL ORGANIZATION ADAPTED TO THE CLIENTS' NEEDS

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 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

Capgemini continuously adapts and enriches its catalog of multi-sectoral and multi-service offers. Since January 2014, a particular focus was placed on strengthening:

- **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;
- managing the 'data deluge'. **Insights and Data** helps leverage the tools available to companies and public and private bodies to tame and help make sense of big and fast data and make the right decisions at the right time. Capgemini also offers its clients the possibility to create a link between available data and the capacity to transform such data into economic values;
- **Cybersecurity**: Capgemini's mission is to guide and secure its clients' digital transformation, helping them define and implement their cybersecurity strategy while protecting their IT and industry systems and connected objects;
- **Digital Customer Experience**: this service allows Capgemini to help firms define their digital strategy and adopt customized platforms and solutions in order to transform the way in which they interact with their clients. **Mobility services** are its natural bedfellow, optimizing clients' access to their services through smartphones, tablets and other mobile terminals. Moreover the new era of the Internet of Things heralds numerous opportunities for optimization of the **Digital Supply Chain**;

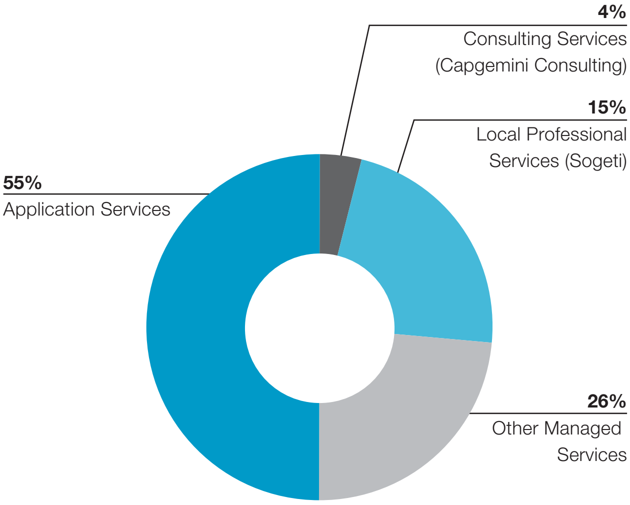
- Finally, Capgemini aims to help each client make the most of the **cloud**, offering a full range of services: consulting on strategy, service integration, data migration and optimization of applications for the cloud, assistance in piloting cloud infrastructure so as best to meet their needs (in terms of data storage and access; in the public, private or public/private sectors etc.).

### THE RIGHTSHORE® MODEL, A SPRINGBOARD TO GROWTH FOR THE GROUP

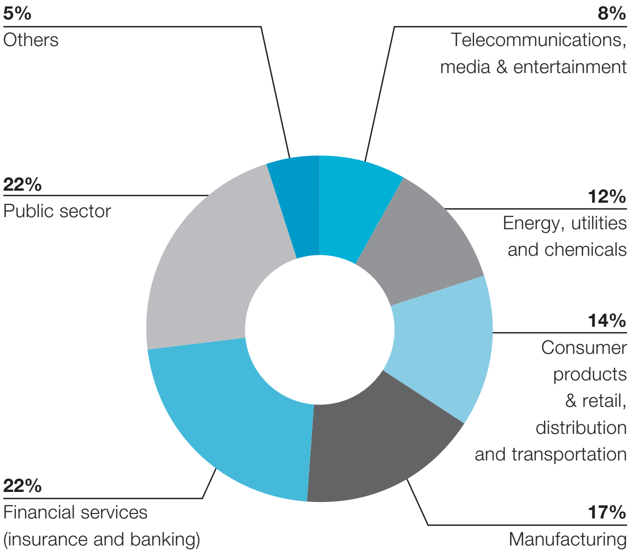
*Rightshore®, the global production model mentioned in the "Four major businesses" section of this document, is a growth driver and powerful competitive advantage for Capgemini. It played an important role in securing several major contracts in 2014 (see "Major contracts signed by Capgemini in 2014" section, page 18). Thus, to manage and transform the business applications of the Nordic oil company, Statoil ASA, the Group will draw on the combined expertise of its centers in Norway and India. Similarly, the extension of the contract with the Brazilian conglomerate Algar mobilizes the BPO of Blumenau in Brazil and Bangalore in India. The Rightshore® model is also a vital component of the new global Cybersecurity service offerings launched at the beginning of 2015 (see "New global service offerings launched by the Group" section, page 10). Its surveillance provision draws on five Security Operation Centers (SOC) located in France, the UK, Luxembourg and India.*

## REVENUE FOR 2014 (BY BUSINESS, SECTOR AND REGION)

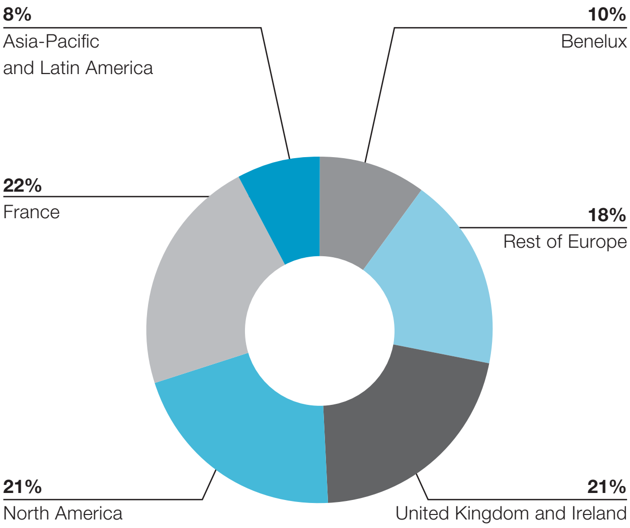
### BREAKDOWN OF REVENUE BY BUSINESS




### BREAKDOWN OF REVENUE BY SECTOR




### BREAKDOWN OF REVENUE BY COUNTRY OR REGION




*(1) Other Managed Services integrate, manage and/or develop, either fully or partially, the client's (or group of clients') IT infrastructure systems, transaction services, on-demand services and/or business activities (Business Process Outsourcing, BPO).*

# 1.3 Main Group subsidiaries and simplified organization chart

The Group performs its business activities mainly through 111 consolidated subsidiaries as listed in Note 32, List of the main consolidated companies by country, to the consolidated financial statements for the year ended December 31, 2014 (page 191) 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, Slovakia;
- 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;

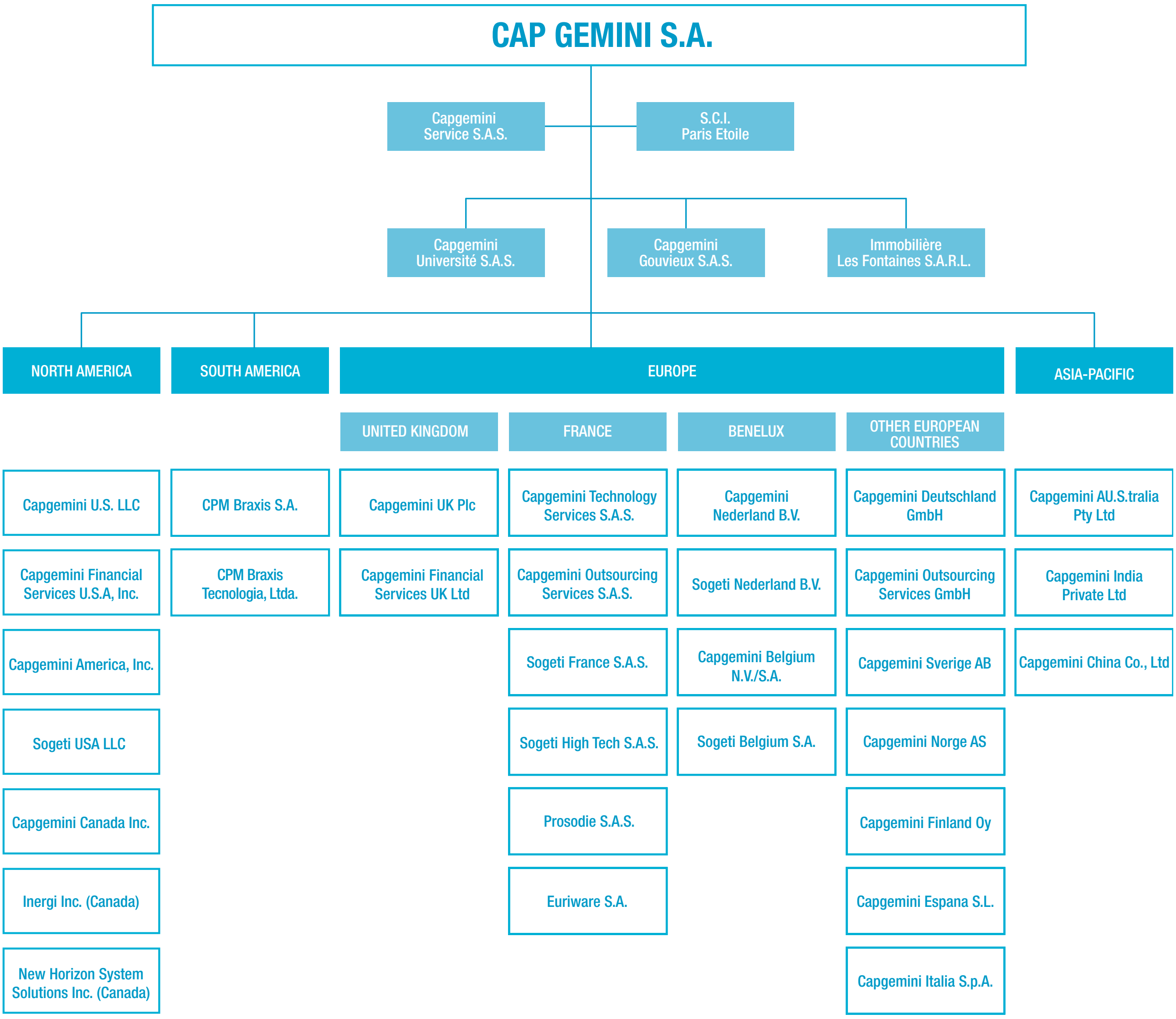
as well as operating subsidiaries held directly or indirectly via regional holding companies. The main operating subsidiaries are presented in the simplified organization chart below.

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 40 km (25 miles) north of Paris, owned by a real estate limited liability company, "Immobilière Les Fontaines";
- and 3 campus located in India.

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

# 1.4 The market and the competitive environment

Capgemini group is active in the professional IT services market as defined by Gartner, a US market analyst, worth €605 billion in 2014. Capgemini is ranked seventh in this global market, excluding Japan where the group has only a marginal market share since 2012 following a targeted acquisition.

North America is the largest global market representing 44% of worldwide activity. Western Europe is the second largest market representing approximately 29% of worldwide activity. The Group is ranked second in this market and is the leader in the Netherlands and France. Then comes Japan, with 11% of the market, the Asia-Pacific area with 10% and Latin America with 4%. Capgemini now operates in all these regions and had a global market share of approximately 1.7% in 2014

Gartner had segmented the market into consulting, development and integration, systems management (outsourcing) and business process management. This segmentation more or less reflects the Group's businesses, except that development and integration activities and systems management activities have been grouped together in the Application Services business. As these markets are extremely close there are a number of overlaps. For example, the applications market encompasses both development and maintenance activities and is at the crossroads of two Group businesses (Application services and Sogeti), as is IT infrastructures.

**The worldwide consulting market** is worth nearly €74 billion in total. Capgemini is ranked tenth globally and has strong market positions in Europe. Consulting is the most cyclical segment.

**The worldwide development and integration market** is estimated to be worth around €191 billion. Here, the Group ranks ninth in the world, and number two in Western Europe. The market is quite cyclical, especially for local professional services, which have short cycles (and contracts), while system integration activities have somewhat longer timeframes.

**The systems and business process management markets** consist for the most part of longer-term maintenance and operations contracts and cycles, which make them more resilient. The systems management market was worth an estimated €223 billion in 2014, and the Group is considered to be the ninth largest global player in this field. The business process management market is worth an estimated €117 billion, however Capgemini does not have a leading position in this market.

## COMPETITION

The Capgemini Group's competitors fall into four categories: global players, offshore players, regional players and specialists.

Global players include two IT giants, IBM and HP. Their presence in other similar technology markets, such as hardware and software, provides them with a broader overall market base for their customer relations. They are followed by pure IT services players, such as Accenture, Atos, CSC and CGI. This group of players also includes competitors who are part of groups offering a wider range of services encompassing audit and transaction services, that is Deloitte, KPMG, PriceWaterhouseCoopers and EY. Capgemini can claim membership 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 primarily presented in Japan but are starting to expand beyond their borders.

Offshore players (primarily Indian) have until now enjoyed the strongest growth and the largest among them, such as TCS, Infosys, Wipro, Cognizant and HCL, can claim to compete with the global players. Having established themselves in English-speaking countries, they are now focusing on continental European markets.

There are numerous regional players, as IT services present few entry barriers. However, these players generally do not have the geographical coverage or product depth of global players. The leading regional players in Europe are T-Systems, Indra and Steria, while North America has Lockheed Martin and SAIC.

Finally, specialist players encompass a range of competitors, from consulting firms to companies specializing in business process outsourcing such as Genpact.

## MARKET TRENDS

In addition to the main structural change in the IT services market triggered by the spectacular development of offshore services (launched in the early 2000s by Indian service companies), we now have the rapid development of cloud computing, the emergence 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. The industrial sectors in particular have started using a potentially revolutionary technology, the “internet of things”. Indian service companies have attacked the North American market, supplying a skilled and inexpensive offshore workforce, allowing them to propose very low prices. Accordingly, they have rapidly gained market share, especially in the most accessible segments (reengineering, maintenance and applications development) and in English-speaking countries (USA, UK, Canada and others). Today, they are steadily extending their expertise into more complex segments (software package installation) and non-English-speaking countries (mainly the Nordic countries, and then the Netherlands, Germany and France). To counter this trend, all players and in particular those with global reach, such as Capgemini, have greatly increased their presence in India and are adapting their production models to enable and then increase the participation of their offshore teams in the development of client projects: this has allowed them to restore margins and reduce prices in order to stay competitive. Offshore 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. As announced for a number of 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 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 computing 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. 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 as a result of consumers using various forms of equipment (computers, smartphones, tablets) and due to 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. 2014 saw an upsurge in the general awareness of our clients of the challenges Big Data represents for their industries. We expect significant growth in demand for these services, aimed at experimenting and implementing new technology platforms capitalizing on new client interaction models or developing innovative new services.

# 1.5 2014, a year of strong growth

In 2014 the Group's two performance levers, innovation and competitiveness, helped it outperform the objectives set at the beginning of the year. With revenue of €10.573 billion, the 2014 fiscal year featured good organic growth (+3.4%) that sped up at year-end (+5.5% in the fourth quarter). The dynamic performance was also seen in the major 9.2% jump in operating margin (up 70 basis points over 2013) and major generation of Organic Free Cash Flow (€668 million), both despite a sluggish economic context in continental Europe.

In a relentlessly demanding competitive environment, this performance confirms the validity of Capgemini's strategy for innovation and competitiveness. Innovation fuelled the entire value chain, from the portfolio of offers and sales arrangements to customer project implementation and team training. Competitiveness was optimized in two ways: through offshoring and the ongoing globalization of production, and by rolling out industrialization methods throughout the chain of IT services. With these measures, the Group consolidated its appeal to customers with both an offer and services featuring high added-value and the best price-quality ratio.

The Group is already present in over 40 countries, and it continued to bolster its presence in rapidly developing regions such as Latin America and Asia-Pacific.

## ASSERTING OURSELVES AS OUR CUSTOMERS' PARTNER OF CHOICE

With competition now globalized and taking on a completely new shape, far-reaching changes in consumer habits sparked by Generation Y (the 18-34 year-olds), and widespread cyberattacks, companies are operating in an increasingly complex environment that is dictated by technology. Over the years, Capgemini has developed a ability to combine detailed IT expertise with an in-depth understanding of industry-specific challenges. To an increasing extent, this has set the Group apart as the natural strategic partner for its customers.

### Providing comprehensive answers

Today, companies all face the double challenge of consolidating fundamentals through boosted competitiveness, and anticipating changes to their markets through innovation to reinvent their business and create new kinds of added value. Against this backdrop, their expectations go beyond a simple technological solution. That is why Capgemini is organized to provide comprehensive answers drawing on all its business lines and areas of expertise: Consulting Services, Outsourcing Services, BPO, analytics, testing, Cloud, and cybersecurity.

At the beginning of 2015, the Group overhauled its marketing approach to focus on the two main technological facing customers: digital transformation and operational efficiency. The objective is to be able to coordinate all Group offers consistently to meet customer expectations with a unified voice. The strategy also led the Group to merge the Mobility offer into Digital Customer Experience (DCX).

Parallel to this, Capgemini has reinforced its ability to deal with new issues end-to-end, by creating two new comprehensive offers in cybersecurity and data leveraging (its Insights & Data offer).

This new, cross-disciplinary approach promotes the appearance of disruptive solutions that are tailored to individual customer needs.

### Consolidating industry-specific offers

Capgemini was already a leader in the energy and public utilities sectors, and had designed a specific offer for each industry. In 2014, the Group decided to go to the next level by developing comprehensive, end-to-end solutions to the industry changes facing clients. Utilities were the first industry to benefit. In coming years, the approach will be applied to Consumer Products & Retail, Distribution & Transportation, banking, and insurance.

With the involvement of all the Group's Utilities experts, Capgemini is now able to accompany its clients in the digital transformation of their entire value chain, making them real services enterprises rather than just energy providers, thanks to its package of dedicated solutions (u2es: *from utilities to energy services*). Some examples are:

- the smart electricity metering systems and real-time simulation tools developed by its subsidiary Sogeti High Tech;
- a cloud platform to collect data concerning the use of these systems, within the "Infrastructures" business line;
- and teams to continuously monitor that the systems run correctly, with the support of BPO.

Without forgetting the development of business line applications by Application Services teams, and the complete advisory services provided by Capgemini Consulting.

In 2014, this new offer, which combines all its major businesses, helped the Group retain the trust of Hydro One, the electricity transmission corporation of Ontario (Canada). The goal of this new five-year agreement is to transform Hydro One's business processes, and develop high value-added services for its 1.4 million clients.

In 2014, Capgemini took over Euriware, Areva's former outsourcing services and IS integration subsidiary, thus consolidating its know-how in engineering and industrial IT. Euriware has developed unique know-how in industrial infrastructure management for its clients in energy, industry and defense, particularly in the field of cybersecurity for sensitive sites and Product Lifecycle Management.

### Accelerating customers' digital transformation and promoting "useful" innovation

This year, digital transformation reached new stage of maturity for companies. Customers now want to act quickly to seize advantages before their competitors do. As a result, the innovation cycle no longer exceeds six to nine months. To speed the work up, Capgemini has adapted by creating skill centers around all digital transformation issues. Internally, this approach draws on the skills of experts from all the Group's business lines, particularly Capgemini Consulting, and externally, specialized start-ups able to meet ultra-niche issues. Since 2014, Capgemini has collaborated with Iterate, a new American digital lab that selects start-ups hyper-specialized in mass retail.

Another factor speeding up transformation is innovation, which Capgemini only considers meaningful if it is useful and applied. A network of forty Innovation Labs worldwide unites players from different horizons on innovative experiments. These Labs enable clients to gain a better understanding of what innovation can bring, by testing new technologies, discovering best practices, learning how these can be applied to their industries and, in the long run, producing innovative solutions in partnership with them. The most recent, Lab'innovation, opened in Suresnes (France) in 2014. Here, customers can "see" industrial plants in virtual reality using an Oculus Rift headset, or steer a drone in order to inspect an industrial site or offshore wind power plant.

### Operational efficiency: managing complexity and lowering costs

With the constant addition of new systems, applications, and platforms to the legacy environment from innovation, companies' IT systems often become highly complex. The Group has developed an arsenal of business lines and offers in order to handle this complexity on behalf of its clients: Infrastructures, Outsourcing Solutions, BPO and Testing. The Next Generation Application Management offer provides innovative, industrialized, performance-oriented solutions for permanent cost reduction. To keep lowering development times, the Group is more quickly deploying methods like automation and DevOps, a software development method involving co-work between designers, developers, and operations teams.

#### THE LEADING DIGITAL BOOK: CAPGEMINI LEAVES ITS MARK ON DIGITAL TRANSFORMATION

*"***Leading Digital: Turning Technology into Business Transformation***" is a genuine guidebook to digital transformation, which summarizes three years of research during which 400 companies were monitored by Capgemini Consulting and* **MIT***. To understand its impact, the authors George Westerman (MIT), Andrew McAfee (MIT), Didier Bonnet (Capgemini Consulting) – focused on organizations whose core business is unrelated to technology. Their conclusion is incontrovertible: the competition is set to roll over all companies that do not implement a program of digital transformation. It is a burning issue that has made the book a bestseller: since its release in October 2014, it has been the top seller on Amazon in the Business Information Technology category. A strong testament to Capgemini's expertise in digital transformation, "Leading Digital" has been presented to customers in some fifty events in Europe and the United States, including Oracle OpenWorld '14, before an audience of 20,000 company heads and technological partners.*

## MAJOR CONTRACTS SIGNED BY CAPGEMINI IN 2014

In 2014, the order book went up 13% over 2013 thanks to a large number of major contracts with global giants. Reinforcing or renewing existing partnerships demonstrates the trust customers have in the Group to support their digital transformation and consolidate their operational efficiency. These contracts also attest to Capgemini's global growth, since they encompass all its business lines and brands. Here are some examples (for a more comprehensive list, see section 4.1.1, "Significant events of 2014", page 132).

### Hydro One, electricity transmission corporation of Ontario (Canada)

Hydro One chose Capgemini's Canadian subsidiary to support the overhaul of its business processes. This contract, which has been renewed for five years, draws on all the Group's business lines. It reaffirms Hydro One's confidence, twelve years running, in Capgemini's ability to be its technological partner. Managing 97% of Ontario's high voltage power lines, Hydro One serves over 1.4 million customers. It is one of the largest power companies in North America.

### AREVA, world leader in nuclear energy

In May 2014, the French Group Areva and Capgemini finalized their partnership agreement. One part of the agreement covers Capgemini's acquisition of Euriware and its subsidiaries, while another part covers a major agreement for outsourcing services and IS integration, amounting to one billion euros over ten years. The long-term partnership covers the operation and transformation of Areva's information system.

### Honeywell, American industrial group (products and services for aerospace, defense, home automation and automobiles)

Honeywell chose Capgemini as its service provider to transform its accounting and finance department. The goal is to streamline the group's processes to improve efficiency. In the five-year agreement, Capgemini will take on a portion of Honeywell's accounting and invoice processing. To do so, Capgemini will draw on its Business Process Outsourcing (BPO) center of excellence in Bangalore, India, and on its Global Enterprise Model transformation methodology.

### First Data, global leader in payment solutions and services

Capgemini was chosen by American firm First Data Corporation to jointly develop new generation payment technologies based on the Vision*PLUS*® and AccessPLUS solutions. With this agreement, the competitive advantage of First Data's portfolio of offers joins hands with Capgemini's expertise in industry-specific financial services. The goal is to meet changing consumer needs by offering new functionalities in terms of payment, data security, customer loyalty, and mobility.

### Statoil, Norwegian oil group

Statoil entrusted the management and transformation of its business line applications to Capgemini, to support its plans for international growth. To provide development and maintenance services, Capgemini draws on SAP®-based solutions, its Next Generation Application Management platform, and its teams in Norway and India. The new, potentially ten-year agreement reinforces the existing partnership.

### European Commission

Capgemini signed a three-year contract with the European Commission to deploy the EU Open Data core platform. The objective is to set up, launch, and operate a single portal gathering the public data of all 39 European countries. In this way, data will be accessible to all European residents via Internet. By the agreement, Capgemini Consulting will coordinate all members and outsourcers involved in the project.

### Crédit Agricole, French retail bank

Backelite, a subsidiary of Capgemini Prosodie specializing in mobile services development, designed Ma Banque, Crédit Agricole's new multi-platform mobile app. Made available in July 2014, it had already been downloaded 2.5 million times by the end of December. Based on an entirely redesigned interface and customer journey, Ma Banque offers a feature that is unique on its market: booking an appointment with a banking agent. The app is another building block in Crédit Agricole's approach to excellence in customer relationships.

### PostNL, the Dutch postal service

The Dutch postal service chose Sogeti for consulting in relation to its cloud strategy. Capgemini's Local Professional Services subsidiary helped PostNL define its roadmap to migrate over 30 applications to Azure, Microsoft's public Cloud. Sogeti now manages the new Cloud platform.

### Algar, one of Brazil's largest conglomerates

Capgemini became the exclusive BPO provider for Algar, which now benefits from Capgemini's Global Enterprise Model to centralize all back-office functions. It can call on the Group's BPO services centers in Blumenau, Brazil, and Bangalore, India, to carry out its transformation projects and develop outside of Brazil.

### GDF Suez, global energy player

French group GDF Suez, one of the leading world power, natural gas, and energy services companies, chose Capgemini to support the transformation of its IS system. The objective is to overhaul GDF Suez's SAP application portfolio to significantly lower management costs. Capgemini's ability to think outside the box for application management made all the difference.

## OFFERING USEFUL INNOVATION TO CLIENTS

In 2014, Capgemini consolidated its portfolio of SMAC offers (Social, Mobile, Analytics, Cloud). Group revenue generated from these offers rose 25%. Capgemini also positioned itself, alone or with technological partners, on the market for the Internet of Things (IoT).

The following is a selection of its most notable advances in terms of innovation across the year.

### EMPHASIS ON JOINT INNOVATION FOR SMAC

In 2014, Capgemini speeded up synergies with its technological partners to jointly develop new solutions for the fast-growing SMAC markets (Social, Mobile, Analytics, Cloud, IoT). The Group reinforced its partnerships with Intel for Big Data, IoT, and cybersecurity; with VMware for corporate mobility; and with Pivotal and Cloudera for Big Data.

### Big Data & Analytics solutions

Capgemini rolled out two new offers with **Cloudera**, the leading platform for Big Data built on Apache™ Hadoop®. The objective is to make it easier for their clients to set up new Big Data projects, by combining the American firm's cutting-edge Big and Fast Data engineering with the Group's know-how in analytics and insights. ***Enterprise Data Hub Accelerator*** helps companies define and execute their first project. ***Data Science-as-a-Service*** delivers predictions that derive insights from Big Data to make business decisions.

To help clients continuously improve how data is used, Capgemini has also shored up its ***Business Data Lake*** offer developed with **Pivotal**, a software publisher specializing in Big Data and Cloud development platforms. Working with **Informatica** on this project, the world's top independent software provider, will help turn raw data into usable data faster.

### Cloud solutions

In 2014, Capgemini filled out its portfolio of Cloud offers by partnering with **VMware**, a leading American group in cloud and virtualization infrastructures. This involves providing clients pre-packaged solutions from which they choose those services and suppliers best suited to their industry and needs. The objective is to help companies concentrate on creating added value for their business while managing their place amongst the plethora of service providers involved in their Cloud solution.

The Group also rolled out ***Virtual Company***, a scalable, cloud-based BPO solution (Business Process Outsourcing). Designed with **NetSuite**, Virtual Company helps clients adapt faster in disruptive environments. Other alliances, for example **Amazon Web Services** and **Microsoft**, have enabled us to enrich our Cloud offer.

### Mobility solutions

For companies mindful of protecting sensitive data and controlling employee access using hierarchies, Capgemini and **VMware** pooled their know-how to launch **corporate mobility solutions** in partnership with **AirWatch**, a specialist in this field. Together, they offer a "turnkey" platform to manage all types of mobile terminals online, thus keeping a firm grasp on the complexities arising from Choose Your Own Device (i.e. employees using their own terminal or the one provided by their company).

### Internet of Things: moving forward alongside clients

In the game-changing field of Internet of Things (IoT), Capgemini is innovating alongside its clients to ensure quick and concrete business application. Specializing in engineering and technology consulting, Sogeti and Sogeti High Tech created 200 prototypes for connected thing solutions for their clients in the past two years. The prototypes are based on the development of technologies to collect and aggregate data from sensors. From 2015 on, some of these projects will help clients derive business benefits from data generated in real time by sensors.

In the automobile industry, Capgemini works with several major global manufacturers, such as BMW and Mercedes-Benz, on telematics. The objective is to use vehicle-generated data to improve the driving experience.

Capgemini also works with several players in manufacturing and energy on IoT convergence and the complete digitalization of their manufacturing equipment and infrastructures.

## TWO NEW GLOBAL OFFERS ADDRESSING MAJOR CLIENT ISSUES

At the beginning of 2015, Capgemini rolled out two new global offers with packaged, industrialized services that can be replicated in all countries where the Group is present.

### Cybersecurity: a complete range of services

This major digital transformation issue facing clients was given its own dedicated global line of services in February 2015. Its added value includes its access to the expertise of 2,500 cybersecurity professionals (consultants, network architects, ethical hackers who do intrusion tests to identify threats, etc.); a large ecosystem of technological partners; and a worldwide network of five Security Operations Centers (SOC). Thanks to this arrangement, Capgemini offers clients a complete range of services: consulting, protection of all systems (information, industrial, connected things) and 24/7 surveillance.

### Insights & Data: quickly transforming data into information

In one year, the Group significantly consolidated its ability to make Big Data a source of information for its clients' business activities. The Insights & Data range of services launched during the first quarter of 2015 joins Capgemini and Capgemini Consulting's Big Data experience with a new approach focusing on data use (insights). In particular, Capgemini developed an innovative technological platform called "Insights as-a-service" to help clients analyze consumer-generated data in real time and actively adapt their business processes – all this, without the initial investment cost of data science and IT infrastructure.

## COMPETITIVENESS AS A PERFORMANCE FACTOR

In order to always offer clients solutions with the best value for money, Capgemini continued to boost its competitiveness in 2014, in particular through two key levers.

First, it increased its offshore headcount, reaching more than 56,000 employees in India and one thousand in Morocco by year-end. Additionally, the Group invested and continued consolidating its global production model based on aligning its production capacities with its portfolio of offers. In 2014, Capgemini's Infrastructures services finished globalizing their teams, bringing about a two-figure gain in profitability and more competitive services for customers.

A second major factor boosting the Group's competitiveness was the deployment of industrialization methods over its entire chain of IT services, from design to operations. This involved gradually standardizing and automating the most common services. For activities like Business Process Outsourcing (BPO) or application maintenance, the Group has already registered an increase in competitiveness of up to 5% per year.

In 2014, the Group sped up the implementation of this industrialization strategy in three areas:

- **industrializing the logistics chain**, to continually optimize the use of available human resources and materials. These initiatives helped reduce unused resources by re-assigning them to new projects that will drive growth for the Group;
- **standardizing production methods and infrastructure, testing, and development services**, for increased productivity. In these areas, implementing standardized solutions leads to a 10% gain in productivity each year;
- **automating certain tasks**, to boost efficiency and agility of services rendered to clients. Today, this concerns many areas for which the simplest tasks may be grouped together and standardized, such as application testing, quality controls on source codes, or incident management and prediction.

In recent years, the Group has also sped up the deployment of a very agile software development method known as **DevOps**. By increasing cooperation between design, development, and operation teams, DevOps reduces development time. After experimenting with the method for the solutions in its own catalogue of proprietary offers, Ready2Series, Capgemini now develops many projects using DevOps for its clients.

## TALENTS: TRANSFORMING TO BETTER SERVE CLIENTS

In 2014, a vast transformation plan was launched to boost talent within Capgemini. Christened "Excellerate", it is grounded in several actions.

### STRENGTHENING THE LEADERS OF TODAY AND MATURING THOSE OF TOMORROW

Capgemini leaders are at the forefront of the Group's transformation. An annual "talent review" is organized to detect and provide support for talents. The review is performed by their supervisors and takes into account not merely employee performance, but also potential.

Tailored "acceleration programs", such as specific training, are set up to help the most promising leaders mature. The principle is to promote the best talents before external applicants are recruited. Capgemini is also investing to develop a simpler, more dynamic mobility policy to encourage a wider range of vocations.

### RIGHT KNOW-HOW, RIGHT PLACE, RIGHT TIME

Capgemini clients face extremely rapid economic, technological, and societal changes.

To help them cope, a first initiative increases the agility of Group employees. Two concrete examples are "reskilling", to bring skills up to market requirements, and support solutions for employees planning to change careers outside of Capgemini. For example, in the Netherlands, some 300 people have benefited from coaching to bring their career plans to fruition. This initiative is to be rolled out on the Group's European markets in 2015.

Another initiative helps employees take professional development courses to stay up to date with the market. That is the role of Capgemini University, which delivered over 3 million hours of training in 2014. The University developed 577 virtual lessons and MOOCs (Massive Open Online Courses). It also increased the number of international campus weeks organized near Paris, with 24 events in 2014. During these campus weeks, "co-creation challenges" help Group experts tackle real strategic problems in conjunction with clients. For example, **Ferro**, a global leader in high technology materials, benefited from one of these challenges in 2014.

Capgemini University's accreditation from the prestigious European Foundation for Management Development was also renewed. The **EFMD** has over 800 members from the worlds of academia, business and public services, from 81 countries. Capgemini is one of sixteen corporate universities selected, and the only one from its industry.

### RECRUITMENT: INNOVATING IN THE BATTLE TO ATTRACT TALENT

For several years, Capgemini has hired over 30,000 employees per year. In 2014, that figure almost reached 40,000. To boost its recruitment policy and attract the most suitable applicants around the world, the Group places its trust in innovative solutions. For example, it stepped up its use of LinkedIn, with 2,200 employees recruited through this channel in 2014. This is a genuine advantage in establishing more direct contact with applicants and finding stronger matches for the Group's needs.

In France, the Group launched Digistart, a Facebook video contest offering students the chance to win an internship. In India, technology aficionados were able to enter the second Tech Challenge, a large online game that identifies the best computer developers. Finally, there was the third season of Capgemini Super Techies Show, a reality show created in India for young professionals and students to take on technological challenges encountered by large companies. This year the participants came from six different countries.

### SPEEDING UP TO SUSTAIN GROUP PERFORMANCE

In 2015, Capgemini will continue deploying its talent transformation plan, Excellerate. The plan is based on a medium-term overview of the skills the Group will need in the future, as determined by business line heads.

These transformations are discussed in-depth with social partners, particularly the International Works Council (IWC), made up of employees' representatives from around the world, and Capgemini's Board of Directors has invited IWC Secretary Kevin Masters to participate in its meetings.

### ETHICS AT CAPGEMINI: EVERYBODY IS CONCERNED

*Upon entering Capgemini, new employees sign the charter of ethics at the same time as their work contract. In 2014, the Group made three e-learning modules compulsory for all employees. These deal with major ethical subjects: fighting corruption, competition laws, and the Group charter of ethics. Refresher courses are also planned for 2015. In two years, fifty workshops on ethics were also organized with top managers from all the Group's entities worldwide.*

*For the third consecutive year, the Group was name "One of the World's Most Ethical Companies®" by the Ethisphere Institute (United States).*

### PROMOTING DIVERSITY: A BUSINESS CHALLENGE

*Capgemini clients face a wide variety of business challenges. Team diversity is one lever for meeting these challenges. In 2014, the Group rolled out an awareness-raising initiative on "unconscious biases". Top managers participated in a series of sessions delivered by a known expert on the topic. Capgemini continued to promote gender equality and equal opportunity in all its entities through its women@capgemini program. It also pursued its initiatives for disabled individuals. For example, a specific university diploma was developed in partnership with the Cergy-Pontoise University (France) and four other large French groups: Atos, Crédit Agricole, Dassault Systèmes and Orange. It aims to train disabled students in cutting-edge technologies.*

## CAPGEMINI RECOGNIZED AS A LEADER IN ITS INDUSTRY

In 2014, Capgemini received recognition in several forms from independent bodies and analysts.

### Thought leadership

First, Capgemini Consulting was named one of the Top 4 **"Thought Leaders"** by Source Consulting. The quality of Capgemini research was applauded in the firm's global ranking of consulting firm publications. Since the creation of the Digital Transformation Research Institute, Capgemini Consulting has jumped ten places in two years.

## Distinctions awarded to Capgemini by analysts

- IDC has positioned Capgemini as a Leader in the Business Analytics IT Consulting and Systems Integration Services 2014 MarketScape[(1)]; and in the Worldwide Business Analytics BPO 2014 MarketScape[(2)].
- Forrester has positioned Capgemini in the Leaders category in The Forrester Wave™: Enterprise Mobile App Services Providers – Large Providers, Q1 2015.[(3)]
- Gartner has positioned Capgemini as a Leader in the Magic Quadrant for Finance and Accounting BPO.*[(4)]
- Forrester has positioned Capgemini in the Leaders category in the Global Infrastructure Outsourcing Wave™, Q1 2015.[(5)]
- Gartner has positioned Capgemini as a Leader in the Magic Quadrant for Oracle Application Implementation Services, Worldwide *[(6)] and as a Leader in the Magic Quadrant for SAP Application Management Service Providers, Worldwide.*[(7)]
- Ovum has positioned Capgemini as a Leader in the Decision Matrix report for Outsourced Testing Services.[(8)]

## Distinctions awarded by technological partners

Over the year, Capgemini received twelve prizes from its technological partners, including EMC, HP, IBM, Microsoft, Pegasystems, Salesforce, SAP, Teradata and VMware. These accolades acknowledge the Group's excellence, capacity for innovation, and successful partnerships.

## Capgemini, "One of the World's Most Ethical Companies®"

For the third year running, the Group was named "One of the World's Most Ethical Companies®" by the United States' Ethisphere Institute. The title recognizes Capgemini's on-going commitment to ethics and corporate social responsibility.

## Capgemini Campus, the only corporate campus in Europe to hold an Ecolabel

Les Fontaines, Capgemini's global campus in the Paris region, had its European Ecolabel renewed in 2014. Les Fontaines opened in 2003, and is the only corporate campus in Europe to hold an Ecolabel.

## Quality training

Capgemini University's accreditation from the prestigious European Foundation for Management Development **(EFMD)** was renewed. The EFMD gathers over 800 members of academia, the corporate world, and public services from 81 countries. Capgemini is one of sixteen corporate universities chosen, and the only one from its industry. It also received four Excellence Awards from learning research and analyst firm **Brandon Hall**, for outstanding learning programs.

## Recognition for commitment to the environment

The Group was recently named a leader in Climate Change Performance by the Carbon Disclosure Project (CDP). CDP is an international organization that analyses the impact of large international companies on climate change. With this honor, Capgemini become one of ten French companies listed amongst the 2014 "CDP Climate Change Performance Leaders".

*(1) IDC: "IDC MarketScape: Worldwide Business Analytics Consulting and Systems Integration Services 2014 Vendor Assessment," Ali Zaidi, May 2014*

*(2) IDC: "IDC MarketScape: Worldwide Business Analytics BPO 2014 Vendor Assessment," Mukesh Dialani, July 2014*

*(3) "The Forrester Wave™: Enterprise Mobile App Services Providers – Large Providers, Q1 2015," Forrester Research Inc., March 5, 2015*

*(4) Gartner, Inc.: "Magic Quadrant for Finance and Accounting BPO," Cathy Tornbohm, May 28, 2014*

*(5) "The Forrester Wave™: Global Infrastructure Outsourcing, Q1 2015, Forrester Research Inc., January 13, 2015*

*(6) Gartner, Inc.: "Magic Quadrant for Oracle Application Implementation Services," Alex Soejarto, Susanne Matson, December 3, 2014*

*(7) Gartner, Inc.: "Magic Quadrant for SAP Application Management Service Providers, Worldwide," Frances Karamouzis, Gilbert van der Heiden, Kris Doering, October 16, 2014*

*(8) Ovum: "Ovum Decision Matrix: Selecting an Outsourced Testing Service Provider, 2014–2015," Thomas Reuner, January 6, 2015*

* *Gartner does not endorse any vendor, product or service depicted in its research publications, and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner research publications express the opinions of Gartner's research organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.*

## CAPGEMINI PUBLICATIONS: A 360° VIEW OF CUSTOMER ISSUES

Anticipating company issues, analyzing major market trends, and deciphering the impact of new technologies on business: these are also Capgemini missions. To this end, the Group produces several dozen reports and case studies each year. These publications, which are written by Capgemini teams, often in conjunction with recognized partners, are benchmarks in their fields.

Here is a selection of reports and case studies published in 2014, in chronological order.

Find complete copies of all Group publications at capgemini.com/thought-leadership.

**THINGS – Internet of Business Opportunities –** VINT Report Things[1]: This Sogeti publication, the first in a series of four reports on the Internet of Things (IoT), invites companies to approach this new market from the angle of its uses and usefulness.

**Staying Ahead in the Cyber Security Game –** What Matters Now: Since cyber security is now one of the risks that all companies must manage, this joint Sogeti-IBM publication provides an overview of the issues and actions to be taken without delay. In particular, the book discusses "bring-your-own-device" security measures, and how to detect IT breaches in companies.

**World Insurance Report:** Prepared along with Efma, an association of over 80% of the world's major financial institutions, this report draws up an annual panorama of the insurance industry. In 2014, although insurers enjoyed greater profitability, the customer survey of 15,500 customers in over 30 countries revealed a low rate of satisfaction (32%). It becomes apparent that digital transformation must speed up to improve the customer experience.

**Application Landscape Report:** Revealing a problem of "overloaded", "redundant", or "obsolete" IT applications, this study of 1,000 CIOs from sixteen countries reveals that 76% of those surveyed believe that it is crucial to rationalize their IT system. The challenge is to introduce applications that allow for companies' digital transformation, to boost their competitive advantage.

**World Retail Banking Report:** This panorama of the retail banking sector is published annually in conjunction with Efma. For the first time in three years, its poll of 17,000 customers in 32 countries reveals a sharp drop in satisfaction. The challenge for this sector is to meet the needs of generation Y, who are much more tech-savvy than their elders.

**Cars Online – Generation Connected:** Each year, this study prepares an overview of changes to the role of car manufacturers and dealers in the customer experience. The 2014 edition shows that consumer expectations for connected services must constitute the main driver of innovation in the automotive industry – both in terms of the customer experience and on-board car features.

**E-Government Benchmark:** As part of a partnership with the European Commission, this poll assesses the implementation of the eGovernment 2015 action plan. Adopted in 2011 by the Member States, the program aims to extend the availability of online public services. The 2014 report reveals that although public services are now widely paperless, use has dropped due to slow, difficult access and a lack of information. The study surveys 28,000 EU citizens every year, and will be continued until 2019.

**The Internet of Things: Are Organizations Ready For A Multi-Trillion Dollar Prize?:** How should companies react to the rise of the Internet of Things? What pitfalls must be avoided? Based on the experience of the most advanced connected things players, this Capgemini Consulting study paints a comprehensive portrait of this market that presents such immense potential.

**World & Asia-Pacific Wealth Reports:** Jointly produced with the Royal Bank of Canada, these yearly reports are the global benchmark for tracking changes to wealthy populations, and their wealth management expectations. Despite a sharp increase in wealth and in trust in wealth managers, the 2014 report reveals that the latter's performances satisfy fewer and fewer HNWIs, who expect more personalized services.

**Third Party Logistics study:** For 19 years, this study[1] has tracked changes in the global third party logistics market. Upcoming challenges include adapting to omni-channel commerce and inventing new models of the logistics chain.

**Digital Shopper Relevancy:** Despite the fact that interactions between consumers and shops become more digital with each passing year, the role of social media in the shopping journey tends to be overestimated. That is the finding of the second edition of this study carried out in eighteen countries and surveying 18,000 buyers who use digital channels. The report also highlights a sharp contrast between the habits in mature and developing markets, and presents an overview of digital shopper segments by country.

**World Payments Report:** According to this annual report published with the Royal Bank of Scotland, cashless transactions continue to grow in popularity, particularly mobile payments.

**World Quality Report:** The quality of IT applications is becoming strategic for companies. This sixth World Quality Report jointly produced with Sogeti and HP is based on a survey of 1,500 individuals in 25 countries. It reveals that testing budgets are constantly on the rise (26% of IT costs in 2014, compared to 18% in 2012). Another finding is that, for the first time, companies are giving priority to new projects (such as mobility or Big Data) rather than maintaining the legacy system.

**European Energy Markets Observatory:** Each year, this report analyses the progress European energy markets make towards the energy transition goals set by the European Union. The 2014 edition shows that electricity markets remain unstable and that gas supplies are uncertain. Against this backdrop, the report concludes that the measures adopted by the European Commission in 2014 are insufficient to ensure a secure supply of energy in Europe.

*(1) Study jointly produced by Capgemini Consulting, PennState University, Korn Ferry International executive recruitment firm, and Penske Logistics.*

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



## INVESTMENT POLICY

In 2014, Capgemini purchased Euriware (1,900 employees and revenues of €220 million).

This acquisition was accompanied by the signature of a €1 billion contract with the vendor group, Areva.

In 2015, the Group wishes to strengthen its presence outside Europe and particularly in North America. The development of the technology portfolio will also remain one of the priorities of the Group's external growth policy.

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

## 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 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 20 to the consolidated financial statements);
- a good level of liquidity and durable financial resources, which means:
  - maintaining an adequate level of available funds (€2,230 million at December 31, 2014), supplemented by a €750 million multi-currency syndicated line of credit secured on July 30, 2014 and maturing on July 30, 2019 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 20 to the consolidated financial statements) representing just 12% of total contractual cash flows at December 31, 2014.

### 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 August 2014, 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 11, 18, 20 and 22 to Capgemini's consolidated financial statements in this Registration Document.

# 1.7 Risk analysis

## IDENTIFICATION OF RISKS

This risk analysis section was drafted following a coordinated process involving several Group stakeholders. Of particular note among the departments that play a key role in identifying major risks are the Internal Audit, Finance, Insurance, Legal, Human Resources, Security and Mobility departments.

More generally, the Group has implemented a risk control system involving various parties operating at different levels of the organization, including:

- Group Management, which 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 which 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 which 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.

The overall risk management and internal control system is described in the report of the Chairman of the Board of Directors (page 70 and seq.) of this Registration Document. The risk management and control procedures presented below are also described in this context.

## RISKS RELATING TO OPERATIONS AND THE STRATEGY

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.

### 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 business units affected.

The general economic context and more precisely restrictions affecting public bodies in the various countries subject to budgetary constraints, may weigh on our activities. A continued slowdown in the activity of certain economic sectors in which our clients operate would also limit their ability to invest and according impact the results of the Group in a certain number of segments.

### COMPETITION

The IT consulting and services business is highly competitive. A large number of players, both French and international, operate with substantial resources, giving them significant scope for action, both financial and operational.

The Group's inability to understand, satisfy or anticipate the current and future needs of our clients and prospective clients by launching relevant services on the market, could impact our financial results.

Furthermore, the concentration of players in this market could offer opportunities or be prejudicial to the Group.

### 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 14 to Capgemini's consolidated financial statements, page 166 ).

### 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.

### 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 18 to the consolidated financial statements, page 172). The detailed list of the Group's biggest clients is strategic information and is not communicated.

The contribution of the Group's main clients to Group revenues (as a percentage of total revenues) is as follows:

| | 2014 |
|---|---|
| Top five clients | 15% |
| Top ten clients | 20% |

## OPERATIONAL RISKS

### RISK CONCERNING PROJECT PERFORMANCE

Despite the formal review and approval procedure for all contractual commitments given by the Group to its clients, suppliers and sub-contractors, 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, 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.

### 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 could encounter difficulties attracting, developing or retaining the key skills necessary to the exercise of its activities. The loss of talent or a team could also follow an acquisition or a change in Group or entity management.

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.

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 87 and seq.).

### INFORMATION SYSTEMS

New technologies (cloud computing, "Bring your own device", etc.) and new practices (social networks, mobility, etc.) inevitably expose the Group to new risks. Risks relating to cyber criminality in all its forms could lead to a loss of data, delays in the delivery of our projects, service interruptions at our clients, or additional costs that could impact the reputation or financial health of the Group.

The systems underlying the publication of the Group's consolidated financial statements also 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.

#### SERVICE CONTINUITY

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 and other Asian and Latin America countries. 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.

#### 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 3.4.3 Engaging with stakeholders, our suppliers and business partners, page 121 and seq.).

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.

#### GEOPOLITICS

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 38% 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).

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 an unstable 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 economic performance.

Finally, a dedicated international insurance program has been set-up to provide assistance to all employees covering their security, healthcare and potential repatriation (for more information please refer to the Insurance section of this document).

### LEGAL RISKS

Capgemini Group provides a range of services to its clients who in turn operate in a variety of business sectors. All services relating to a given project are covered by contracts signed with our clients as well as our suppliers and sub-contractors (software, IT hardware, host sites, etc.) when implementing tailored solutions. Each contract is governed by specific regulations that could negatively impact our activities. Other factors such as the size and geographical locations of the Group also expose it to legal and tax risks.

#### CONTRACTS

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.

### 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.

Even if measures are taken to limit any negative impact on our activities or our reputation of non-compliance with regulations governing our activities, failure to take account of regulations or an error in interpreting such regulations, would expose the Group to financial and reputation risks.

### LITIGATION

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

Nonetheless, at the date of this report, 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 24 to Capgemini's consolidated financial statements page 186).

## FINANCIAL RISKS

The Group Finance Department is responsible for the control, monitoring and supervision of financial risks and is present in each country and each business unit.

The variety of its activities and geographic locations exposes the Group to a number of financial risks, described below, which, depending on their materiality, can have a significant impact on the results and reputation of the Group.

### EQUITY RISK

For the Group, equity risk would consist of unfavorable movements in the stock market value of listed companies in which the Group holds investments.

However, the Group does not hold any shares for financial investment purposes, and does not have any interests in listed companies. It does, however, hold 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 (see Note 11 to Capgemini's consolidated financial statements).

### CREDIT AND COUNTERPARTY RISK

Capgemini Group would be exposed to credit and counterparty risk in respect of its asset financial instruments if the relevant debtor was unable to fulfill all or part of its commitments.

Financial assets which could expose the Group to 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 (see Note 22 to Capgemini's consolidated financial statements).

### LIQUIDITY RISK

Liquidity risk for the Group could correspond to a temporary or permanent inability to fulfill all or part of its commitments in respect of its financial liabilities (including in particular borrowings and accounts and notes payable) and the inability to find new sources of financing in order to maintain the balance between revenue and expenditure. Such a risk would also limit the Group's ability to finance its activities and the investment necessary for its development.

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.

In this context, the Company undertook a specific review of its liquidity risk and considers it is able to meet future scheduled payments (see Note 20 to Capgemini's consolidated financial statements).

### INTEREST RATE RISK

The Group's Income Statement could be impacted by interest rate risk if unfavorable movements in interest rates had a negative impact on future net finance costs and financial flows of the Group.

The Group's exposure to interest rate risk must also 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 (see Note 22 to Capgemini's consolidated financial statements).

### 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 (see Note 22 to Capgemini's consolidated financial statements).

### RISKS RELATING TO EMPLOYEE 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 (see Note 23 to Capgemini's consolidated financial statements).

## 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 employee benefits insurance is overseen by a joint governance body representing the Finance Department and the Group Human Resources 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 equipments under Group's responsibility. The Group's insurance policy for transferring risks to the insurance and reinsurance 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 foreseeable 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, which is key for clients, is designed, taken out and managed centrally at Group level. Any entity in which Cap Gemini SA has 50% or more ownership (direct or indirect control), is insured by a worldwide integrated Group insurance program covering the financial consequences of their commercial general liability and professional indemnity, i.e., any damage caused to third parties within the course of our usual business activities, everywhere in the world. This insurance program is structured in layers contracted with highly reputable 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 evolution of the worldwide insurance and reinsurance markets.

The €30 million primary layer of this program is reinsured through a consolidated captive 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 455 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.

### EMPLOYEE BENEFITS AND MOBILITY INSURANCE

The Group uses specialist companies to train and assist its employees throughout the world. Risks concerning medical emergencies, personal security, assistance and repatriation of employees working outside their home countries, is managed centrally at Group level via global insurance policies.

Employee benefits insurance programs (death and disability, healthcare, medical costs, pensions, etc.) are tied to the different benefits received by employees and are generally managed by the human resources departments in each country. The Group Insurance and Human Resources Departments are jointly responsible for the management and international coordination of these programs. The main objectives are to ensure the compliance of current schemes and develop, standardize and improve them in accordance with the different legal systems in the countries concerned and to optimize traditional and alternative risk transfer/financing mechanisms.

### OTHER RISKS

Crime and fidelity coverage (especially for information systems) is managed centrally at Group level via a global insurance program. All other risks – including motor vehicle, transport of goods, and employer liability for accidents at work – are insured locally using insurance policies that reflect local regulations.

Pollution risks are low in an intellectual services business, and Capgemini is not specifically 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 and reinsurance market.

# 2 Corporate governance and Internal control

# 2.1 Organization and activities of the Board of Directors



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 revised in June 2013;
- 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 in October 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 1996, 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 held 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 two 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.

## 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. Only four members of this team remain 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" at 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 and was elected director by the Shareholders' Meeting in May 2000. Michel Jalabert died in 2013. 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), Bernard Liautaud (2009-2013), Ruud van Ommeren (2000-2014) and Terry Ozan (2000-2014).

At the end of the Shareholders' Meeting of May 7, 2014, the Board comprised 12 directors, four of whom 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):

- ▶ eight directors were appointed or reappointed by this Shareholders' Meeting for a period of four years; their terms of office will therefore expire the day of the Combined Shareholders' Meeting held to approve the 2017 financial statements:
  - Laurence Dors, Serge Kampf, Bruno Roger, Paul Hermelin, Phil Laskawy and Yann Delabrière were reappointed for a period of four years,
  - Caroline Watteeuw-Carlisle and Xavier Musca were appointed directors for the first time;
- ▶ Daniel Bernard and Pierre Pringuet, Board members since 2005 and 2009, respectively, whose terms of office were renewed for four years by the Combined Shareholders' Meeting of May 23, 2013 and which will therefore expire in the Spring of 2017, the day of the Combined Shareholders' Meeting held 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 held to approve the 2016 financial statements, whose cooption was ratified by this same Shareholders' Meeting;
- ▶ 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 held to approve the 2015 financial statements.

Throughout recent years, the Board of Directors' composition has changed on 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) and increased female presence (proportion of women increased to 33%). The continued representation on the Board of a range of nationalities is confirmed with 33% of directors of foreign nationality or dual nationality or conducting their main activity outside France.

Since July 2014, the Secretary of the International Works Council, Mr. Kevin Masters, attends the meetings of the Board of Directors as a permanent guest. His participation contributes to the diversity of experiences and viewpoints expressed.



| | **Composition after the 2013 Shareholders' Meeting** | **Composition after the 2014 Shareholders' Meeting** | **Composition after the 2015 Shareholders' Meeting** |
|---|---|---|---|
| Percentage of independent directors | 67% | 58% | 58% |
| Percentage of female directors | 17% | 33% | 33% |
| Average age of directors | 65 | 64 | 65 |
| Average total term of office | 10 | 7 | 8 |
| Percentage of directors of foreign nationality, dual nationality or residing outside France | 42% | 33% | 33% |

#### REVIEW OF THE PERSONAL SITUATION OF DIRECTORS WITH RESPECT TO THE INDEPENDENCE CRITERIA LAID DOWN BY THE AFEP-MEDEF CODE

| | **Is not and has not been within the last 5 years, an employee or executive corporate officer of the company or an employee or director of its parent company or a company that it consolidates** | **Is not an executive corporate officer of a company in which the company holds directly or indirectly a directorship or in which an employee designated as such or an executive corporate officer of the company (currently or within the last 5 years) holds a directorship** | **Is not a customer, supplier, corporate bank or financing bank:<br>▪ material for the company or its group;<br>▪ or for which the company or the group represents a material share of activity** |
|---|---|---|---|
| Serge KAMPF | | | X |
| Paul HERMELIN | | | X |
| Daniel BERNARD | X | X | X |
| Anne BOUVEROT | X | X | X |
| Yann DELABRIERE | X | X | X |
| Laurence DORS | X | X | X |
| Phil LASKAWY | X | X | X |
| Xavier MUSCA | X | X | X |
| Pierre PRINGUET | X | X | X |
| Bruno ROGER | X | X | X |
| Lucia SINAPI-THOMAS | | X | X |
| Caroline WATTEEUW-CARLISLE | X | X | X |

*(1) Pursuant to the AFEP-MEDEF Code, a director only loses his/her status as independent as a result of this criteria on expiry of the term of office during which he/she exceeds the 12-year threshold.*

NI: not independent

I: independent

| Does not have close family ties with a corporate officer | Has not been the Statutory Auditor of the Company in the last 5 years | Has not been a director of the Company for more than 12 years[1] | Does not represent a shareholder participating in the control of the Company or its parent company | Directors' position |
|---|---|---|---|---|
| X | X | | X | NI |
| X | X | | X | NI |
| X | X | X | X | I |
| X | X | X | X | I |
| X | X | X | X | I |
| X | X | X | X | I |
| X | X | | X | NI |
| X | X | X | X | I |
| X | X | X | X | I |
| X | X | | X | NI |
| X | X | X | X | NI |
| X | X | X | X | I |

## 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:**
2018

**Number of shares held at Dec. 31, 2014:**
4,340,240

**OFFICES HELD IN 2014 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:**
2018

**Number of shares held at Dec. 31, 2014:**
147,048

**OFFICES HELD IN 2014 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 LATIN AMERICA S.A.S.
- SOGETI FRANCE 2005 S.A.S.
- CAPGEMINI 2010 S.A.S.
- CAPGEMINI 2015 S.A.S.

Chief Executive Officer of:
- CAPGEMINI SERVICE S.A.S.
- CAPGEMINI NORTH AMERICA, INC. (U.S.A.)

Director of:
- CGS HOLDINGS LTD (UK)
- CAPGEMINI AUSTRALIA PTY LTD (UNTIL 05/09/2014)
- CAPGEMINI FINANCIAL SERVICES INTERNATIONAL, INC. (U.S.A.)

Chairman of the Supervisory Board of:
- CAPGEMINI N.V. (THE NETHERLANDS)

Director of:
- AXA

### DANIEL BERNARD

**Date of birth:**
February 18, 1946

**Nationality:**
French

**First appointment:**
2005

**Expiry of term of office:**
2017

**Number of shares held at Dec. 31, 2014:**
1,000

**OFFICES HELD IN 2014 AND CURRENT OFFICES**

**Principal office**

Chairman of:
- PROVESTIS

**Other offices**

Chairman of the Board of Directors of:
- KINGFISHER plc
- MAF RETAIL GROUP

Honorary Chairman of:
- LA FONDATION HEC

Senior Advisor of:
- TOWERBROOK CAPITAL PARTNERS, L.P.

**Other offices held during the last five years outside the Group**

Director of:
- ALCATEL LUCENT

Chairman of:
- LA FONDATION HEC

## ANNE BOUVEROT

**Date of birth:**
March 21, 1966

**Nationality:**
French

**First appointment:**
2013

**Expiry of term of office:**
2017

**Number of shares held at Dec. 31, 2014:**
1,000

### OFFICES HELD IN 2014 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 DELABRIÈRE

**Date of birth:**
December 19, 1950

**Nationality:**
French

**First appointment:**
2004

**Expiry of term of office:**
2018

**Number of shares held at Dec. 31, 2014:**
2,550

### OFFICES HELD IN 2014 AND CURRENT OFFICES

**Principal office**

Chairman and Chief Executive Officer of:
- FAURECIA

**Other offices**

Director of:
- SOCIÉTÉ GÉNÉRALE

## LAURENCE DORS

**Date of birth:**
March 16, 1956

**Nationality:**
French

**First appointment:**
2010

**Expiry of term of office:**
2018

**Number of shares held at Dec. 31, 2014:**
1,000

### OFFICES HELD IN 2014 AND CURRENT OFFICES

**Principal office**

Senior Partner of:
- ANTHENOR PARTNERS

**Other offices**

Director of:
- CRÉDIT 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 SYSTÈMES

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:**
2018

**Number of shares held at Dec. 31, 2014:**
1,000[(1)]

### OFFICES HELD IN 2014 AND CURRENT OFFICES

**Principal office**

Chairman (non executive) of:
- FANNIE MAE (USA) (UNTIL MARCH 2014)

**Other offices**

Director of:
- HENRY SCHEIN, INC.
- LAZARD LTD
- LOEWS CORPORATION

**Other offices held during the last five years outside the Group**

Director of:
- GENERAL MOTORS CORPORATION (USA)

*(1) During 2014, Phil Laskawy donated 6,600 shares to his children.*

## XAVIER MUSCA

**Date of birth:**
February 23, 1960

**Nationality:**
French

**First appointment:**
2014

**Expiry of term of office:**
2018

**Number of shares held at Dec. 31, 2014:**
1,000

### OFFICES HELD IN 2014 AND CURRENT OFFICES

**Principal office**

Member of the Executive Committee

Deputy Chief Executive Officer in charge of International Retail Banking, Asset Management and Insurance of:
- CRÉDIT AGRICOLE S.A.

**Other offices**

Vice-Chairman of:
- UBAF

Vice-Chairman of the Supervisory Board of:
- CRÉDIT DU MAROC

Director – Vice-Chairman of:
- CRÉDIT AGRICOLE EGYPT S.A.E.
- PREDICA

Director of:
- AMUNDI GROUP
- CA ASSURANCES
- CACEIS
- CACI
- CARIPARMA (ITALY)

Director – Permanent representative of Crédit Agricole S.A. on the Board of:
- PACIFICA

Director of:
- BESPAR (UNTIL 05/15/2014)
- BANCO ESPIRITO SANTO (UNTIL 12/31/2014)

**Other offices held during the last five years outside the Group**

Deputy Secretary General and then Secretary General of the French President's Office

## PIERRE PRINGUET

**Date of birth:**
January 31, 1950

**Nationality:**
French

**First appointment:**
2009

**Expiry of term of office:**
2017

**Number of shares held at Dec 31, 2014:**
1,700

### OFFICES HELD IN 2014 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.
- AVRIL GESTION S.A.S. (AVRIL GROUP)

**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:**
2018

**Number of shares held at Dec. 31, 2014:**
1,100

### OFFICES HELD IN 2014 AND CURRENT OFFICES

**Principal office**

Chairman of:
- LAZARD FRÈRES S.A.S.
- LAZARD FRÈRES BANQUE
- COMPAGNIE FINANCIÈRE LAZARD FRÈRES SAS

**Other offices**

Chairman of:
- GLOBAL INVESTMENT BANKING OF LAZARD FRÈRES GROUP

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

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

**Other offices held during the last five years outside the Group**

Chairman and Chief Executive Officer of:
- LAZARD FRÈRES 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 at Dec. 31, 2014:**
4,114

**OFFICES HELD IN 2014 AND CURRENT OFFICES**

**Principal office**

Deputy Chief Financial Officer of:
- CAP GEMINI S.A.

**Other offices**

Chairman of:
- CAPGEMINI EMPLOYEES WORLDWIDE S.A.S.

Director of:
- CAPGEMINI REINSURANCE INTERNATIONAL (LUXEMBOURG)
- SOGETI SVERIGE AB (SWEDEN)
- SOGETI SVERIGE MITT AB (SWEDEN)
- CAPGEMINI SOGETI DANMARK AS (DENMARK) (SINCE 05/22/2014)
- SOGETI DANMARK AS (DENMARK) (UNTIL 05/21/2014)
- SOGETI NORGE A/S (NORWAY)
- EURIWARE S.A. (SINCE 05/07/2014)

Director of:
- BUREAU VERITAS
- DASSAULT AVIATION

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## CAROLINE WATTEEUW-CARLISLE

**Date of birth:**
February 24, 1952

**Nationality:**
American

**First appointment**
2014

**Expiry of term of office:**
2018

**Number of shares held at Dec. 31, 2014:**
1,000

**OFFICES HELD IN 2014 AND CURRENT OFFICES**

**Principal office**

Chief Technology Officer of:
- WARBURG-PINCUS (U.S.A.)

**Other offices**

Advisory Committee of:
- OCULUS360

**Other offices held during the last five years outside the Group**

Participation in various Advisory Committees as an expert in technology and the consumer goods sector

Advisory Committee of:
- HP PRINTING MANAGED SERVICES BOARD OF ADVISORY COUNCIL
- INTEL CAPITAL
- ACORIO

Global Chief Technology Officer and Senior Vice President of:
- BUSINESS INFORMATION SOLUTIONS, PEPSICO

**NON-VOTING GUEST OF THE BOARD OF DIRECTORS - REPRESENTATIVE OF THE INTERNATIONAL WORKS COUNCIL**

## KEVIN MASTERS

**Date of birth:**
May 27, 1956

**Nationality:**
British

**OFFICES HELD IN 2014 AND CURRENT OFFICES**

Mr. Kevin Masters has been employed at Capgemini since 1973. Experience gained within Capgemini mainly revolves around managing large groups of people in an Operations or Support environment.

Mr. Masters has been engaged in the Employee Consultation process as the Chairman of both the Outsourcing Forum and National Works Council Groups since 2001. He was elected as the UK representative for the International Works Council in 2008, then elected as a member of the IWC Bureau from 2010, and more recently elected as the Secretary of this body from February 2014.

In July 2014, Mr Kevin Masters was invited in such capacity to become a non voting member of the Cap Gemini S.A. Board of Directors. He is also a permanent guest of the Compensation Committee.

## 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 the group it controls, 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 143,600 employees[1] 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 2014 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.

*(1) At December 31, 2014.*

### MEETINGS

The Board meets at least six times a year. Meetings are convened by the Chairman in accordance with a schedule decided by the Board before the end of the prior year. This schedule may be amended during the year in response to unforeseen circumstances or at the request of more than one director. In 2014, the Board met seven times (four times during the first six months and three times during the second six months), with an average attendance rate of 92%. In 2014, the Board returned to the principle of an "off-premises" meeting focusing entirely on Group strategy. This meeting was held on October 8 and 9, 2014.

The following table presents individual attendance rates at meetings of the Board of Directors and the Specialized Committees on which the directors sit. For directors whose term of office ended at the Combined Shareholders' Meeting of May 7, 2014 (Ruud van Ommeren, Terry Ozan), this rate was calculated based on the number of Board meetings held during their term of office. Attendance rates were calculated in the same way for directors appointed on May 7, 2014 (Xavier Musca, Caroline Watteeuw-Carlisle). Similarly, as the composition of the Committees changed on May 7, 2014, the attendance rate of each director is calculated based on the number of meetings held during the period during which he/she was a Committee member.

**NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS AND OF THE SPECIALIZED COMMITTEES HELD IN 2014 AND INDIVIDUAL ATTENDANCE RATES**

| Name | Board of Directors | % | Ethics & Governance Committee | % | Strategy & Investment Committee | % | Audit Committee | % | Compensation Committee | % |
|---|---|---|---|---|---|---|---|---|---|---|
| Number of meetings | 7 | | 4 | | 6 | | 6 | | 5 | |
| Serge KAMPF[1] | 4 | 57% | 2 | 50% | | | | | | |
| Paul HERMELIN | 7 | 100% | | | 6 | 100% | | | | |
| Daniel BERNARD | 7 | 100% | 4 | 100% | 5 | 83% | | | | |
| Anne BOUVEROT | 6 | 85% | | | 6 | 100% | | | | |
| Yann DELABRIÈRE | 7 | 100% | | | | | 6 | 100% | | |
| Laurence DORS | 7 | 100% | 1 | 50% | 3 | 100% | 3 | 100% | | |
| Phil LASKAWY | 7 | 100% | | | | | 6 | 100% | | |
| Xavier MUSCA | 3 | 75% | | | | | 3 | 100% | | |
| Ruud van OMMEREN | 3 | 100% | | | | | | | 3 | 100% |
| Terry OZAN | 2 | 66% | | | | | | | 3 | 100% |
| Pierre PRINGUET | 7 | 100% | 2 | 100% | | | 3 | 100% | 4 | 80% |
| Bruno ROGER | 7 | 100% | 4 | 100% | 6 | 100% | | | | |
| Lucia SINAPI-THOMAS | 7 | 100% | | | | | | | 5 | 100% |
| Caroline WATTEEUW-CARLISLE | 4 | 100% | | | 3 | 100% | | | 2 | 100% |

*(1) Serge Kampf's availability was affected in 2014 by a surgical operation performed in Grenoble and his subsequent convalescence.*

Mr. Kevin Masters, Secretary of the International Works Council, has attended all meetings of the Board of Directors and of the Selection Committee since he was first invited in July 2014.

The Notice of Meeting, sent to directors two weeks before the meeting date, contains the agenda determined after the Chairman and Chief Executive Officer has consulted with the Vice-Chairman, the Lead Independent Director 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 is hosted on a server belonging to the Group and located in France.

The agenda of Board of Directors' meetings is defined not only to provide directors with an overview of the Group's position, but also with regard to Group governance principles, 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 2013 annual financial statements and the 2014 half-year financial statements and convening the Combined Shareholders' Meeting of May 7, 2014, 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 shares or cancel shares, authorization to perform a share capital increase reserved for employees) and external growth projects.

With regards to Group governance, the Board of Directors:

- drew up a list of directors and recommended the renewal of their terms of office;
- selected Caroline Watteeuw-Carlisle and Xavier Musca and recommended their appointment as director;
- reelected Serge Kampf as Vice-Chairman;
- confirmed the regrouping of the duties of Chairman and Chief Executive Officer by reiterating its confidence in Paul Hermelin and reappointed him Chairman and Chief Executive Officer for the term of his office as director, that is until the Shareholders' Meeting held to approve the financial statements for the year ended December 31, 2017 and appointed the Chairman of the Ethics & Governance Committee, Daniel Bernard, Lead Independent Director, pursuant to the new Board of Directors Internal Rules of Operation;
- overhauled the Rules of Operation of the Board of Directors, the Compensation Committee (previously the Selection & Compensation Committee) and the Ethics & Governance Committee;
- decided to invite permanently the Secretary of the International Works Council, Mr. Kevin Masters at all meetings of the Board of Directors. He also attends the meetings of the Compensation Committee.

The Board also carried out an in-depth review of the Group's position in certain business units 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 Compensation Committee (formerly 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 7 of its 12 members (Daniel Bernard, Anne Bouverot, Yann Delabrière, Laurence Dors, Xavier Musca, Pierre Pringuet and Caroline Watteeuw-Carlisle) may be considered independent directors.

In light of the recommendations of the Corporate Governance High Committee, the Board of Directors implemented an appraisal procedure to assess the absence of conflict of interest for independent directors. To this end, a statement of business flows between Capgemini Group and entities that are suppliers and/or clients of Capgemini Group and which have directors in common with Cap Gemini was prepared and communicated to Daniel Bernard, Lead Independent Director and Chairman of the Ethics & Governance Committee. The Lead Independent Director met with each Director individually. The absence of conflict of interest was confirmed by an analysis of the volume of business relations and the lack of materiality thereof.

**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 revised 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 in 2015.**

| 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 and noting that the agenda of the Combined Shareholders' Meeting of May 6, 2015 does not include the renewal of any directors' terms of office, the Board of Directors deferred until a potential future year the implementation of a system of staggered terms of office. |

| 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 convened two days prior to the Board meeting, unless members are clearly unavailable. Where one of its members is unavailable, the Committee meeting is postponed to the eve of the Board meeting. |

| Employment contract of the Chairman and Chief Executive Officer | |
|---|---|
| Article 22: "When an employee is appointed a corporate officer of the company, 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 was terminated on February 18, 2015. |

| 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 Board of Directors decided to grant performance shares each year at the same calendar period at the Board meeting held at the end of July or in October, despite the fact that they are a different type of financial instrument whose value is not linked to the grant date. |
| The performance shares granted to executive corporate officers 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 Paul Hermelin already holds a number of shares representing around three years' salary (at the end of 2014). |

## 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.

In 2013, given that the 2014 Combined Shareholders' Meeting was required to 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, 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.

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 systematically hold an annual Board of Directors' meeting fully devoted to strategy. This meeting is organized around presentations from Group senior executives. Likewise, the "Rencontres" conferences are now formally included in 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 are now made available to all directors. This is particularly necessary for the topics covered by the Strategy & Investment Committee;

- secondly, the composition of the Committees was reviewed to guarantee sound compliance with the recommendations of the AFEP-MEDEF Corporate Governance Code and improve workload allocation between directors;
- thirdly, the respective roles of the Selection & Compensation and Ethics & Governance Committees were clarified. The roles of the Ethics & Governance Committee now include not only executive corporate officer selection and succession plans and the proposal of new directors to ensure the balanced composition of the Board, but also Group senior executive selection and succession plans. The Selection & Compensation Committee is now exclusively dedicated to setting the compensation of the executive corporate officer(s) and the definition of compensation policies for Group executives and is called the Compensation Committee.

The performance of the Board of Directors and its Committees in 2014 was reviewed by the Lead Independent Director.

A questionnaire was sent to all directors covering the performance of the Board of Directors and those Committees on which they sit. The questions sought in particular to assess whether the changes decided following the external assessment performed in 2013 had been implemented and whether they were satisfactory.

The Lead Independent Director also met individually with each member of the Board.

These procedures showed that the changes introduced were considered an improvement and appreciated by directors. However, the change in the respective scopes of the Ethics & Governance Committee and the Compensation Committee requires clarification, both in terms of practice and potential amendments to be made to the Internal Rules of Operation of the relevant Committees.

The directors also expressed the need to access the work performed by the Group internal audit department, either directly or via the Audit Committee.



## 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 and particularly their ability to identify those risks requiring an accounting entry in the balance sheet or off-balance sheet commitments, and 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.

Where it considers it useful or necessary, the Audit Committee may be assisted by experts appointed for this purpose.

Since the Combined Shareholders' Meeting of May 7, 2014, this Committee has four directors: **Yann Delabrière (Chairman), Laurence Dors, Phil Laskawy and Xavier Musca**. Through their professional careers, Audit Committee members have amassed the necessary accounting and financial expertise to perform their duties. For example, the Chairman, an independent director, was Chief Financial Officer of PSA Peugeot Citroën from 1990 to 2007 and Phil Laskawy was the Chairman and Chief Executive Officer of Ernst & Young from 1994 to 2001.

The Committee met six times in 2014, with an average attendance rate of 100%.

The individual attendance rate of each current member of the Audit Committee was as follows[1]:

| | |
|---|---|
| Yann DELABRIÈRE | 100% |
| Laurence DORS | 100% |
| Phil LASKAWY | 100% |
| Xavier MUSCA | 100% |

*(1) As the composition of the Committee changed during the year, the attendance rate is calculated with respect to the number of meetings during the period during which directors were members.*

The Committee reviewed the company and consolidated financial statements for the year ended December 31, 2013 and the consolidated financial statements for the half-year ended June 30, 2014.

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, it reviewed the application of IAS 19, the change in the presentation of margins by country and the accounting recognition of the OCEANE 2009 bond refinancing transaction and the ORNANE bond issue. It also reviewed the ongoing tax audits, as well as deferred tax assets, goodwill and the financial position of UK pension funds. It closely reviewed the analysis of the research tax credit in France.

During its meeting in February 2014, the Committee recommended to the Board of Directors the reappointment of PricewaterhouseCoopers Audit and KPMG SA as statutory auditors for a further period of six years.

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 more specifically on the compliance with Group procedures of newly acquired entities;
- **François Hucher**, Technical Director in charge of production and support services, questioning him in particular on the impact on the operating accounts of the systems integration business of mutualized tools and industrial procedures rolled out by the Group;
- finally **Jean-Baptiste Massignon**, Group General Secretary also in charge of pre-sales risk management, questioning him on the activities of the Group Review Board during the period and the terms and conditions of major commercial proposals.

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

## THE COMPENSATION COMMITTEE

On October 8, 2014, the Selection & Compensation Committee changed its name to the “Compensation Committee” and now concentrates exclusively on setting the compensation of executive corporate officers and defining compensation policies for Group executives. This Committee has several duties set out in its internal rules of operation adopted by the Board of Directors on October 8, 2014. Firstly, it must present recommendations to the Board of Directors on the compensation, personal objectives and performance of the Chairman and Chief Executive Officer. In addition, the Committee is tasked with monitoring the executive management compensation policies applied throughout the Group by Cap Gemini subsidiaries and Group Management (changes in theoretical and actual compensation, setting objectives to determine the variable portion of compensation, criteria for the grant of performance shares) and making sure that the policies are both consistent – while complying with specific local requirements – and closely aligned with individual performance and collective performance in the scope to which the manager concerned belongs. The Committee must also be informed by Group Management prior to any decisions concerning the compensation (fixed and variable) of Executive Committee members and Strategic Business Unit directors. Finally, the Committee reviews the various schemes enabling a better association of employees with 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.

Since the Combined Shareholders’ Meeting of May 7, 2014, this Committee has three directors: **Pierre Pringuet,** who was appointed Chairman to replace Ruud Van Ommeren, **Caroline Watteeuw-Carlisle** and **Lucia Sinapi-Thomas**. The secretary of the International Works Council and employee representative, **Kevin Masters,** was granted a permanent invitation in this capacity to attend meetings of this Committee and the Board of Directors.

The Committee met six times in 2014, with an average attendance rate of 93%[(1)].

The individual attendance rate of each current member of the Compensation Committee was as follows[(2)]:

| | |
|---|---|
| Pierre PRINGUET* | 80% |
| Lucia SINAPI-THOMAS | 100% |
| Caroline WATTEEUW-CARLISLE | 100% |

* *100% attendance rate since Pierre Pringuet was appointed Chairman.*

Kevin Masters has attended all meetings of the Committee since May 7, 2014.

*(1) Average attendance rate of Committee members in place since the Combined Shareholders’ Meeting of May 7, 2014.*

*(2) As the composition of the Committee changed during the year, the attendance rate is calculated with respect to the number of meetings during the period during which directors were members.*

In accordance with the Committee's remit, it ensured throughout 2014 the consistency of the Group's senior executive management 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 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 July 30, 2014.

### THE ETHICS & GOVERNANCE COMMITTEE

Since October 8, 2014, the roles of the Ethics & Governance Committee now include not only executive corporate officer selection and succession plans and the proposal of new directors to ensure the balanced composition of the Board but also Group senior executive selection and succession plans.

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 subsidiaries. The Ethics & Governance Committee is responsible for all matters relating to the selection, appraisal, annual independence review and compensation of the Company's directors. It draws the attention of the Chairman of the Board of Directors to any potential situations of conflict of interest it has identified between a director and the Company or its Group or between directors. It must be ready to implement the measures necessary 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, diversity of profiles and expertise of directors, etc.) or to the governance structure currently in force within the Group, etc. The Committee is also involved in the selection and succession plans for key operating and functional managers of the Group and the identification, development and retention of high potential executives. The Chairman and Chief Executive Officer is involved in this work. The Committee must be consulted by Group Management prior to any appointment to the Executive Committee.

Since the Combined Shareholders' Meeting of May 7, 2014, this Committee has five directors: **Daniel Bernard** was appointed Chairman of the Committee on March 5, 2014 to replace Serge Kampf, who remains a Committee member. As Chairman of the Ethics & Governance Committee, Daniel Bernard is also the Lead Independent Director since May 7, 2014, as the Internal Rules of Operation of the Board of Directors confer the duties of Lead Independent Director on the Chairman of the Ethics & Governance Committee, elected by the Board of Directors from among its independent members. This is the case for Mr. Bernard who is a member of the Board since 2005.

**The other members of the Committee are Laurence Dors, Pierre Pringuet and Bruno Roger**. This Committee met four times in 2014, with an average attendance rate of 83%.

The individual attendance rate of each current member of the Committee was as follows:[(1)]

| | |
|---|---|
| Bruno ROGER | 100% |
| Serge KAMPF | 50% |
| Daniel BERNARD | 100% |
| Laurence DORS | 50% |
| Pierre PRINGUET | 100% |

*(1) As the composition of the Committee changed during the year, the attendance rate is calculated with respect to the number of meetings during the period during which directors were members.*

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 113,000 employees followed the ethics charter course, the anti-corruption course and the anti-trust course). In 2014, to facilitate the assimilation of the ethics program by local management, the Chief Ethics & Compliance Officer conducted 23 Business Ethics Workshops in most of the countries where Capgemini is present. It also referred to the progressive implementation in all countries of the Board 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, 2014 and 2015 by the American Institute, Ethisphere, thereby affirming our ethical responsibility culture towards our clients.

In 2014, 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. Accordingly the Committee:

- drew up a list of directors and recommended the renewal of their terms of office to the Board of Directors with a view to the Combined Shareholders' Meeting of May 7, 2014,
- selected Caroline Watteeuw-Carlisle and Xavier Musca and recommended their appointment as director,
- proposed the overhaul of the Rules of Operation of the Board of Directors, the Compensation Committee (previously the Selection & Compensation Committee) and the Ethics & Governance Committee to the Board of Directors.

### THE STRATEGY & INVESTMENT COMMITTEE

The role of this Committee is to:

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

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

Since May 7, 2014, this Committee has five members: **Bruno Roger, Chairman, replacing Daniel Bernard who remains a Committee member, Paul Hermelin, Anne Bouverot, Caroline Watteeuw-Carlisle**.

The Committee met six times in 2014, with an average attendance rate of 97%.

The individual attendance rate of each current member of the Committee was as follows:[1]

| | |
|---|---|
| Bruno ROGER | 100% |
| Paul HERMELIN | 100% |
| Daniel BERNARD | 83% |
| Anne BOUVEROT | 100% |
| Caroline WATTEEUW-CARLISLE | 100% |

*(1) As the composition of the Committee changed during the year, the attendance rate is calculated with respect to the number of meetings during the period during which directors were members.*

The Committee carried out an in-depth review of several opportunities before presenting them to the Board of Directors.

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

- strategic plan transformation projects;
- follow-up of the integration of recent acquisitions;
- study of the impact of major technology waves on all service businesses (Cloud, Big Data);
- the consequences of 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 and most recently on October 8, 2014.

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, the Vice-Chairman and the Lead Independent Director.

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, the Vice-Chairman chairs meetings of the Board of Directors and Shareholders' Meetings.

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, either directly or indirectly, 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 draft annual budget prepared in accordance with the three-year plan;
- the approval of the annual investment and divestment budget;
- the conclusion of material strategic alliances;
- acquisitions or disposals of assets or investments not recorded in the annual investment budget, individually worth more than €100 million, or for smaller investments, resulting in the €300 million cumulative annual ceiling being exceeded;
- financial transactions with a material impact on the Company financial statements or the consolidated financial statements of the Group and particularly issues of securities granting access to the Company's share capital or market debt instruments;
- the grant to employees of incentive instruments granting access to the Company's share capital and particularly performance shares;
- material internal reorganization transactions;
- material changes to the scope or range of businesses;
- increases or reductions in the share capital of a direct subsidiary of Cap Gemini, concerning an amount in excess of €50 million;
- specific authorizations concerning the granting of pledges, security and guarantees, other than the delegation of authority granted annually to the Chief Executive Officer to grant pledges, security and guarantees up to maximum amount set by him.

When the functions of Chairman of the Board of Directors and Chief Executive Officer are exercised by the same person, the Board of Directors appoints a Lead Independent Director. The duties of the Lead Independent Director are entrusted by the Board to the Chairman of the Ethics & Governance Committee, elected by the Board of Directors from among its members classified as independent.

The Lead Independent Director exercises his duties for as long as he satisfies the independence criteria and chairs the Ethics & Governance Committee. The duties of Lead Independent Director and Chairman of the Ethics & Governance Committee may be revoked at any time by the Board of Directors.

As for any other director, the Lead Independent Director may be a member of one or more Specialized Board Committees in addition to the Ethics & Governance Committee that he chairs. He may also attend the meetings of Specialized Board Committees of which he is not a member.

Roles of the Lead Independent Director:

- he is consulted by the Chairman of the Board of Directors on the proposed Board meeting schedule subject to the approval of the Board and on the draft agenda for each meeting of the Board of Directors;
- he can propose to the Chairman the inclusion of items on the agenda of meetings of the Board of Directors at his own initiative or at the request of one of more Board members;
- he can bring together Board members in the absence of executive corporate officers in so-called "executive sessions", at his own initiative or at the request of one of more Board members, to discuss a specific agenda; he chairs any such meetings;
- he chairs the annual meeting of the Board of Directors convened to assess the performance of the Chairman and Chief Executive Officer and any Deputy Chief Executive Officers;
- he holds regular discussions with the other directors to ensure they have the means necessary to perform their duties in a satisfactory manner and in particular that they receive sufficient information prior to the Board meetings;
- he reports on his actions to the Annual Shareholders' Meeting.

The Lead Independent Director is assisted by the General Secretary in the exercise of his duties. He will report to the Combined Shareholders' Meeting on his assessment of the performance of the Board of Directors in 2014.

## 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.

As decided at the end of the external assessment of the Board of Directors performed in 2013 (see the 2013 Registration Document, Section 2.1.3), the Board decided to overhaul the allocation schedule for attendance fees to take account of the increasing workload of the Board Committees and their Chairmen and to encourage good attendance by their members. Accordingly, attendance fees now include for each director a fixed portion of €15,000 (unchanged), and an amount of €4,000 for each attendance at a Board meeting (€3,000 previously).

Attendance fees for the Specialized Board Committees were set with regard to the specific role of each committee and the ongoing work required of Chairmen, who now receive exclusively a fixed annual payment of €45,000 for the Lead Independent Director and Chairman of the Ethics & Governance Committee, €35,000 for the Chairman of the Audit Committee and €25,000 for the Chairmen of the Compensation Committee and the Strategy & Investment Committee.

A fixed annual fee of €45,000 is allotted to the Vice-President. Serge Kampf has waived his right to collect such fee in respect of 2014, like all other attendance fees in previous years (see below).

The members of the Committees receive fees of €2,500 (€3,000 previously) for each attendance at a meeting.

It was also decided to take account of the travel time of directors by awarding them additional attendance fees of €5,000 per Board or Committee meeting for directors resident outside Europe and of €2,000 for directors resident in Europe but outside France. Attendance fees are calculated in two parts, at the end of the first six months and at the end of the year. These amounts could be reduced if circumstances require the Company to hold a greater than scheduled number of meetings, resulting in aggregate attendance fees exceeding the threshold authorized by the Combined Shareholders' Meeting were these "rates" to be maintained.

Attendance fees calculated and paid to directors in respect of fiscal year 2014 totaled €719,225, representing 90% of the ceiling authorized by the Combined Shareholders' Meeting. 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 €55,500 for Paul Hermelin and €58,299 for Serge Kampf in respect of 2014.

A breakdown of compensation paid in respect of fiscal year 2014 to the executive corporate officer, Paul Hermelin, Chairman and Chief Executive Officer, is presented in section 2.3.2. The 2015 compensation of Paul Hermelin, is presented on page 65 of this Registration Document.

A breakdown of attendance fees paid to other directors in respect of 2014 is presented in the section of the Management Report entitled "Attendance fees and other compensation received by corporate officers" on page 66.

## 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) provided that:

  *In a decision dated December 18, 2014, the Sanctions Commission of the French Financial Markets Authority (AMF) considered that Faurecia S.A and Mr Yann Delabrière, in his capacity of Chairman and Chief Executive Officer of Faurecia SA, had failed to comply with certain obligations set out in Articles 223-1, 223-2 and 223-10-1 of the AMF General Regulations with respect to disclosures concerning the company's objectives for 2012. Concerning Mr Yann Delabrière, based on Articles L.621-15 (paragraphs II (c) and III (c) of the French Monetary and Financial Code (Code monétaire et financier), financial penalties of €100,000, were handed down by the AMF against him; Mr Yann Delabrière filed an appeal together with Faurecia against this decision with the Paris Court of Appeal on February 26;*
- 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, 2014.

### 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 136 companies, which are listed on pages 191 and seq. of this Registration Document (after removing dormant companies and companies in the course of dissolution).

### OPERATIONAL STRUCTURE

One of the founding principles underlying the creation of 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 seven strategic business units:

- four 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;
- two 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 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 America (including the joint venture in Brazil) encompassing the Application Services and Infrastructure Services businesses;
- in addition to these seven 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 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, 2014, the GMB was comprised of Paul Hermelin and five individuals:
  - Salil Parekh, responsible for the general management of the AppsOne strategic business unit and operating control of Sogeti,
  - Olivier Sevillia, responsible for the general management of the AppsTwo strategic business unit and operating control of Capgemini Consulting, Prosodie and BPO,
  - Patrick Nicolet, responsible for the general management of the Infrastructures Services strategic business unit and operating control in Latin America,
  - Aiman Ezzat, Group Chief Financial Officer,
  - Hubert Giraud, People Management and Transformation;
- 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 head of the entity bringing together a significant portion of Group expertise in Big Data to develop Big Data activities in the United States, the United Kingdom, the Netherlands and Germany.

The Executive Committee comprises a total of 18 persons.

Three 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;
- the Investment Committee, chaired by the Chief Financial Officer, which reviews and provides 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 Aiman Ezzat, 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.

### People Management and Transformation

Responsibility for this department was entrusted to Hubert Giraud 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 lead 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. He is responsible for modernizing and simplifying employee management tools as well as the policies rolled out in this area by the Group's subsidiaries, particularly with respect to the retention of high potential managers and their career orientation. He is assisted by Diane Holman, Group Talent Management Director, who is responsible for talent management, developing leadership and succession plans for our main executive managers. François Chevrier, Group Compensation and Benefits Director, is responsible for the management of compensation policies applied in the Group, those of Group managers and related share capital incentive programs.

### The General Secretary

This position is occupied by Jean-Baptiste Massignon who is responsible for:

- legal affairs, covering two departments: one dealing with all legal matters related to the Group's operating activities (Isabelle Roux-Chenu) and the other in charge of legal matters impacting the general Group structure (Gianna Ghizzardi);
- the Governance Department concerned with the functioning of the Group's governing bodies (the Board of Directors, specialized Board Committees, Shareholders' Meetings, etc.) and the application of corporate governance rules by the listed company Cap Gemini (Patricia Lazard Kodyra);
- 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 (Hervé Canneva);
- corporate secretarial services for Capgemini Service (Yves Bouchard), the entity managing Capgemini holding company activities with respect to its operation;
- 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 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 (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 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

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 chairs the Swedish Country Board that coordinates business activities in this country.

### Technology Department

This department, run by Lanny Cohen, 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 offering and service portfolio.

### Development Department

This department, managed by 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 and 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 André Cichowlas, 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 continuous improvement 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 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 companies that manage and optimize the Fontaines site in Gouvieux also report to the Marketing and Communications Department.

### The Internal Audit Department

Headed by 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 2014 by directors and senior managers involving the Company's shares, based on AMF disclosures, Article 223-26 of the AMF's General Regulations and information communicated to the Company for the preparation of the Registration Document pursuant to European Commission Regulation no. 809/2004 of April 29, 2004, may be summarized as follows:

- Serge Kampf (Vice Chairman of the Board of Directors), or persons related to him, performed the following transactions:
  - sale of 99,760 shares on January 8, 2014 at a unit price of €50.10,
  - sale of 75,000 shares on May 28, 2014 at a unit price of €53.67,
  - sale of 25,000 shares on May 29, 2014 at a unit price of €53.32,
  - sale of 10,000 shares on September 15, 2014 at a unit price of €58.02, and
  - sale of 100,000 shares on December 4, 2014 at a unit price of €60.15.

- Paul Hermelin (Chairman and Chief Executive Officer)[1] subscribed:
  - on December 16, 2014 to the "Capgemini shareholders' fund" by reinvesting the ESOP 2009 employee transaction in the amount of €118,365.23, and
  - on December 18, 2014 to the share capital increase reserved for employees (ESOP 2014) by investing personal funds of €56,851.97.
- Daniel Bernard, director, purchased 850 shares on May 2, 2014 at a unit price of €51.21.
- Anne Bouverot, director, purchased 1,000 shares on March 11, 2014 at a unit price of €55.68.
- Laurence Dors, director, purchased 900 shares on March 6, 2014 at a unit price of €56.73.
- Aiman Ezzat, Chief Financial Officer, performed the following transactions:
  - sale of 300 shares on December 17, 2014 at a unit price of €55.71,
  - subscription on December 17, 2014 to the "Capgemini shareholders' fund" by reinvesting the ESOP 2009 employee transaction in the amount of €26,134.43,
  - subscription on December 18, 2014 to the share capital increase reserved for employees (ESOP 2014) of personal funds of €21,945.98, and
  - sale of 6,000 BSAAR warrants on December 19, 2014 as follows:
    - 1,000 BSAAR warrants at a unit price of €23.00,
    - 1,000 BSAAR warrants at a unit price of €26.44,
    - 1,000 BSAAR warrants at a unit price of €26.42,
    - 1,000 BSAAR warrants at a unit price of €26.33,
    - 1,000 BSAAR warrants at a unit price of €26.26,
    - 1,000 BSAAR warrants at a unit price of €20.75.
- Xavier Musca, director, purchased 1,000 shares on June 23, 2014 at a unit price of €53.31.
- Bruno Roger, director, performed the following transactions:
  - purchase of 900 shares on May 6, 2014 at a unit price of €51.11, and
  - purchase of 100 shares on May 26, 2014 at a unit price of €52.47.
- Lucia Sinapi-Thomas, director, performed the following transactions:
  - sale of 6,359 BSAAR warrants on May 28, 2014 at a unit price of €20.14,
  - sale of 2,500 shares on September 2, 2014 at a unit price of €54.02,
  - subscription on December 18, 2014 to the share capital increase reserved for employees (ESOP 2014) of personal funds of €11,492.00.
- Caroline Watteeuw-Carlisle, director, purchased 1,000 shares on August 14, 2014 at a unit price of €51.92 (USD 69.40).



*(1) Paul Hermelin gifted a total of 80,000 shares to his children in 2014 (transactions not having to be reported to the AMF).*

# 2.3 Compensation of executive 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 Compensation Committee which submits a report on its work and its resulting proposals to the Board of Directors for approval.

The Compensation Committee refers in particular to comparative studies to ensure the **consistency and competiveness** of both the compensation level and 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.

The Compensation Committee took due note of the observations issued to Cap Gemini in July 2014 by the High Committee for Corporate Governance (*Haut Comité de Gouvernement d’Entreprise*, HCGE) and of its October 2014 activity report, as well as of the AMF 2014 report on corporate governance and executive management compensation in listed companies. These observations were taken into account and integrated into the items detailed below.

When performing comparisons with French companies of comparable size and ambition, the Compensation Committee ensures that Cap Gemini’s practices are in line with the best practices of CAC 40 companies in terms of both the clarity and consistency of methods applied. As in 2013, the Group participated in 2014 in comparative studies of the main French companies carried out by specialist firms.

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 determined in accordance with a major philosophy specific to the Group, which aligns the compensation structure of the Chief Executive Officer **with that of key operating managers**. One of the historical rules of the Group is that the remuneration of executive management comprises a fixed component equal to 60% of the target theoretical compensation and a variable component equal to 40% of this amount subject to the attainment of pre-defined collective and individual objectives.

The 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 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 executive 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, **closely correlated to the company’s performance**.

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 the attainment of individual objectives, where possible quantified, set by the Board of Directors. Each of these components can vary between 0% and a ceiling equal to 200% of the theoretical amount.

Therefore, as a result of this system, fixed plus variable compensation may vary between 60% and 140% of annual theoretical/target compensation. **The variable component and the total compensation are therefore both capped and the variable component may not represent more than 133% of fixed compensation as indicated in the summary table below;**

- the fixed component is not reviewed annually, but after several years in accordance with the AFEP-MEDEF Code. Paul Hermelin's compensation was increased in 2008 and was only reviewed in 2013 (+10%) following an extension of his responsibilities and to reflect the strong growth and international expansion of the Group;
- 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, operating profitability, net profit and cash generation in line with the key indicators presented regularly to the market;
- the individual performance objectives underlying V2 compensation. The strategic and operating objectives for 2014 fall into three main categories, "Governance", "Profitable growth of the Group" and "Talent and succession plans". 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 and talent management and increased industrialization).

The V1 component varies in line with a formula applied for many decades within the Group, that accelerates actual performance upwards and downwards such that:

- the V1 component is nil if the weighted performance of financial indicators is less than or equal to 70%;
- the V1 component can reach twice the theoretical amount if the weighted 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 Compensation Committee by the Board of Directors' meeting in Y+1 held to approve the financial statements of fiscal year Y. The Committee meets 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.

Summary table of the theoretical structure of fixed and variable compensation:

| Theoretical compensation structure, base 100 | Target | Min | Max |
|---|---|---|---|
| Gross fixed compensation | 60 | 60 | 60 |
| Annual variable compensation V1 | 20 | 0 | 40 |
| Annual variable compensation V2 | 20 | 0 | 40 |
| Multi-year variable compensation | 0 | 0 | 0 |
| **THEORETICAL TOTAL IF OBJECTIVES ARE ATTAINED** | **100** | **60** | **140** |
| % variable / fixed | 67% | 0% | 133% |

## CAP GEMINI SHARE-BASED INCENTIVE POLICY PROCEDURES

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

- share grants are not systematic: Paul Hermelin received performance shares in 2009, 2012, 2013 and 2014 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 where the vesting rates were only 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 and 2013 represented 2.1% of the total amount authorized by the Combined Shareholders Meeting of May 24, 2012 and 4.1% of the total amount granted to all beneficiaries. These percentages are 3.1% and 3.6% respectively for 2014;
- in addition, shares granted must not represent more than one years' fixed compensation;
- Paul Hermelin is required to hold all vested performance shares received under the 2009, 2012 and 2013 plans until the later of:

- the end of the mandatory two-year holding period (2009 plan), extended to four years (2012 and 2013 plan), and
- the expiry of his term as corporate officer.

In addition, and in accordance with the recommendation of 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 (fixed and variable). Once this threshold is reached, the obligation to retain performance shares only applies to one third of shares vested.

As this threshold had been attained at the time of the July 2014 grant, the obligation to hold shares that vest as a result of this grant was set at one-third of shares vested.

Given the significant number of shares held by Paul Hermelin, he was not required to buy a set number of shares on the delivery of the vested shares.

- Share hedging transactions are prohibited before the end of the mandatory holding period. This prohibition is included in the grant plan rules and applies to all beneficiaries. It applies since the first performance share grant plan in 2009.
- In accordance with the recommendations of the AFEP-MEDEF Code, performance share grants will be performed from now on at the same calendar periods and will be decided by either the Board of Directors' meeting at the end of July or the following meeting, even if we consider that this deprives the Company of flexibility in the use of key incentive instruments for the Group's main managers.

## 2.3.2 2014 COMPENSATION OF PAUL HERMELIN, CHAIRMAN AND CHIEF EXECUTIVE OFFICER

| Gross amounts | Total 2012 (Reminder) | Compensation in respect of 2013 | | | Compensation in respect of 2014 | | |
|---|---|---|---|---|---|---|---|
| **Paul Hermelin: Chief Executive Officer up to May 24, 2012 and Chairman and Chief Executive Officer thereafter** | | **Paid in 2013** | **Paid in 2014** | **Total 2013** | **Paid in 2014** | **Paid in 2015** | **Total 2014** |
| Gross fixed compensation | 1,320,000 | 1,452,000 | - | 1,452,000 | 1,452,000 | - | 1,452,000 |
| Annual variable compensation | 929,100 | - | 1,150,900 | 1,150,900 | - | 1,168,652 | 1,168,652 |
| Multi-year variable compensation | - | - | - | - | - | - | - |
| Exceptional compensation | - | - | - | - | - | - | - |
| Attendance fees | - | - | - | - | - | - | - |
| Benefits in kind* | 3,600 | 3,600 | - | 3,600 | 3,600 | - | 3,600 |
| **TOTAL** | **2,252,700** | **1,455,600** | **1,150,900** | **2,606,500** | **1,455,600** | **1,168,652** | **2,624,252** |
| 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 | 905,785 | - | 905,785 | 1,466,026 | - | 1,466,026 |
| **TOTAL** | **3,061,566** | **2,361,385** | **1,150,900** | **3,512,285** | **2,921,626** | **1,168,652** | **4,090,278** |

* *Paul Hermelin did not receive any benefits in kind in 2014, with the exception of contributions paid by the Company for his unemployment insurance underwritten by the "Garantie Sociale 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 compensation components subject to shareholder advisory vote pursuant to the "say on pay" policy.

### COMPENSATION COMPONENTS SUBJECT TO SHAREHOLDER ADVISORY VOTE DUE OR AWARDED IN RESPECT OF 2014 TO MR PAUL HERMELIN, CHAIRMAN AND CHIEF EXECUTIVE OFFICER

| | Amount or accounting value subject to vote | Presentation |
|---|---|---|
| **Fixed compensation** | **€1,452,000 (paid in 2014)** | The gross fixed compensation of €1,452,000 for fiscal year 2014 was approved by the Board of Directors on February 19, 2014 at the recommendation of the Compensation Committee. It represents 60% of the total theoretical compensation if objectives are attained and is reviewed at long intervals in accordance with the AFEP-MEDEF Code. This amount is unchanged since 2013 when it 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. The annualized increase in his theoretical compensation since 2008 and therefore in his fixed compensation is 1.6% per annum. This compensation falls within the average for CAC 40 executives. |
| **Annual variable compensation** | **€1,168,652 (paid in 2015)** | During the Board of Directors' meeting of February 18, 2015, the Board, based on the audited and approved accounts and at the recommendation of the Compensation Committee, assessed the amount of Mr. Paul Hermelin's variable compensation for fiscal year 2014, of a target amount if objectives are attained of €968,000, i.e. 40% of his total theoretical compensation and comprising two equal components, V1 and V2, that may vary between 0% and 200% of the theoretical amount.<br>**V1 component:** this component is calculated in accordance with quantifiable criteria and the following respective weightings, all relating to the financial results:<br>**1)** % attainment of the revenue objective: 30% weighting;<br>**2)** % attainment of the operating margin rate: 30% weighting;<br>**3)** % attainment of pre-tax net profit: 20% weighting;<br>**4)** 2014 cumulated Free Cash Flow: 20% weighting.<br>These objectives were assessed with respect to the budgeted objectives set by the Board of Directors' meeting of February 19, 2014.<br>Attainment rates for these four objectives were 100.1%, 101.7%, 108.1% and 121.5% respectively, which taking account of the relative weighting of each objective, gives a weighted attainment rate of 106.4%.<br>The Group's historical calculation formula accelerates actual performance upwards and downwards such that:<br>■ if the weighted performance of the above four financial indicators is less than or equal to 70%, the V1 component will be nil;<br>■ if the weighted performance of the above four financial indicators is greater than or equal to 130%, the V1 component will be equal to twice its theoretical amount.<br>Accordingly, with this formula, a one point change in the weighted attainment rate increases or decreases the variable component by 3.33%. Therefore, application of the formula to the weighted attainment rate of 106.4% in 2014 results in the multiplication of the theoretical variable component by 121.5%, giving an amount of 968,000/2*1.215= €587,852.<br>**V2 component:** The following appraisal was performed based on the Compensation Committee work, which reviewed the qualitative objectives grouped into three categories: "Governance" for 25%, "Profitable growth of the Group" for 50% and "Talent and succession plans" for 25%.<br>For the first category (Governance), basing its appraisal on the assessment of the Board of Directors' performance performed at the end of 2014 by the Lead Independent Director and the recommendations of the AFEP-MEDEF Code, the Board highlighted the implementation of the recommendations resulting from the Board assessment performed in 2013 by an external consultant, such as the appointment of a Lead Independent Director, a new allocation of duties between the Committees, increased female representation on the Board and a decrease in the average age of its members, as well as the invitation accorded to the Secretary of the Group's European Works Council to attend meetings of the Board and the Compensation Committee. Given these achievements, the Board considered that the objectives set for this category had been attained.<br>For the second category (Profitable growth), the Board based its appraisal as far as possible on objective and quantifiable items and primarily the Group 2015 strategic transformation dash board, a quantitative tool comprising key transformation indicators (changes in the offering portfolio, percentage of sales realized with strategic accounts, industrialization including the offshore and innovation lever). The dash board is approved by the Board of Directors in the context of the Group 3-year plan. In 2015, changes in management report indicators were in line with the objectives set. The second profitable growth criteria comprises the optimization of the balance sheet financial structure in line with the Group's strategy and the employee share ownership plan, which was a success. Finally, revenue, margin and cash trends all of which are in line with or exceed guidance presented to the market at the beginning of 2014, represent the third pillar of profitable growth. Given these achievements, the Board considered that the objectives set for this category had been exceeded. |

| | Amount or accounting value subject to vote | Presentation |
|---|---|---|
| **Annual variable compensation (continued)** | | For the third category (Talent), the Board took account of the record recruitment of 89 “Vice-Presidents” and, in particular, the recruitment of a Group Talent Officer, the promotion of 112 new Vice-Presidents, the Talent management strategy presented by the new Group HR Director favoring executive manager turnover and mobility reflected by numerous job transfers during the last year and the 5 point increase year-on-year in the percentage of women promoted Vice-President. Given these achievements, the Board took due note of the progress made and considered that the objective set had been attained. This objective will remain a priority in 2015.<br>The Board approved a weighted performance of 120%, therefore leading to a V2 component of €580,800. Accordingly, variable compensation of €1,168,652 was approved by the Board for 2014, i.e. 80% of his fixed compensation for the same year and 120.7% of the theoretical variable compensation. Total fixed and variable compensation for 2014 is therefore €2,620,652, i.e. 108.3% of the theoretical compensation and may be summarized as follows: |

**Paul Hermelin 2014 variable compensation calculation**

| **V1 : quantitative component based on budgeted financial targets** | | | |
|---|---|---|---|
| **Indicators** | **Weight** | **% attainment** | **Weighted** |
| Total Revenue | 30% | 100,1% | 30.0% |
| Operational Margin ( %) | 30% | 101,7% | 30.5% |
| Pre-tax net profit | 20% | 108,1% | 21,6% |
| Organic Free Cash Flow | 20% | 121,5% | 24.3% |
| Total weighted R/B before flex | | | 106,4% |
| Total weighted R/B after 70/130 flex (10/3* weighted R/B-7/3) | | | 121,5% |
| Variable V1 on target | | | 484 000 |
| Computed V1 | | | 587 852 |
| **V2 : qualitative component based on 2014 personal objectives** | | | |
| **Indicators** | **Weight** | | **Weighted total** |
| Governance | 25% | | |
| Profitable growth | 50% | | 120,0% |
| Talent & succession plans | 25% | | |
| Variable V2 on target | | | 484 000 |
| Computed V2 | | | 580 800 |
| **TOTAL 2014 VARIABLE COMPENSATION** | | | **1 168 652** |
| As a % of total variable compensation on target | | | 120,7% |
| As a % of fixed compensation | | | 80,5% |

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 paid at the end of the first quarter of Y+1, or in the present case in March 2015.

| | | |
|---|---|---|
| **Deferred variable compensation** | **NA** | There is no deferred variable compensation. |
| **Multi-year variable compensation** | **NA** | There is no multi-year variable compensation mechanism. |
| **Exceptional compensation** | **NA** | No exceptional compensation was paid. |

| | Amount or accounting value subject to vote | Presentation |
|---|---|---|
| **Stock options, performance shares or any other form of long-term compensation** | **Performance shares €1,466,026 (accounting value)** | 50,000 shares granted subject to performance and presence conditions.<br>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 comprising 8 comparable companies in the same business sector and from at least 5 countries (Accenture/CSC/Atos/Tieto/Steria/CGI Group/Infosys and Cognizant) and the CAC 40 index (new in 2014). 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. If performance is similar to that of the market only 30% of the initial grant vests.<br>The internal performance condition accounts for 50% of the grant and is based on Organic Free Cash Flow over the three-year period from 2013 to 2015. The minimum amount necessary for shares to vest is €850 million. Above this threshold, shares vest progressively on a straight-line basis, with the maximum grant requiring Organic Free Cash Flow of €1.1 billion or more. The IFRS value of this grant potentially represents one year's fixed compensation.<br>The number of shares that may vest to the executive corporate officer is 0.03% of the share capital.<br>Authorized by the Combined Shareholders' Meeting of May 23, 2013. (Tenth resolution)<br>Grant authorized by the Board of Directors on July 30, 2014. |
| | **Stock options = N/A<br>Other items = N/A** | No stock options or other items 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 2014 (as both Serge Kampf and he have done for the last five years and Serge Kampf did once again in 2014). |
| **Valuation of benefits in kind** | **€3,600 Contributions paid** | Unemployment insurance contributions paid on behalf of Paul Hermelin. |

#### OTHER COMPENSATION COMPONENTS

#### COMPENSATION COMPONENTS DUE OR AWARDED IN RESPECT OF 2014 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** | | No amount due in respect of the year.<br>Mr. Paul Hermelin is a member of the supplementary collective defined benefit pension plan setup in 2006, under the same conditions applicable to other employee members. This plan was reviewed by an external firm which confirmed that it complies with the AFEP-MEDEF recommendations of October 6, 2009, as it complies with the revised AFEP-MEDEF Governance Code issued in June 2013. In order to receive benefits under this plan 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 three cumulative limits such that the pension amount cannot exceed 40% of reference earnings or 50% of reference earnings, including pensions received under all other pension plans, with reference earnings capped at 60 times the French annual social security ceiling.<br>Therefore, in order to receive the maximum pension amount beneficiaries must have between 25 and 30 years' service, reflecting the progressive acquisition of entitlement, which remains well below the threshold set by the AFEP-MEDEF Code. Entitlement is acquired at a rate of 1.5% per year for the first 10 years and at rates of between 1% and 2% per year thereafter depending on compensation levels. Based on the number of years membership of the plan on retirement, corporate officers can 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 2014.<br>Active plan<br>Date of the Board of Directors' decision: December 13, 2006<br>Presented to the Combined Shareholders' Meeting of April 26, 2007<br>▪ Fourth resolution in respect of regulated agreements |

## EMPLOYMENT CONTRACT OF EXECUTIVE CORPORATE OFFICERS

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 (22 years at March 1, 2015) 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. Mr. Hermelin therefore informed the Board of Directors' meeting of February 18, 2015 that he waived his employment contract as from that date.

| Executive corporate officers: employment contracts and deferred compensation | Employment contract | Supplementary pension plan | 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 | No | Yes | No | No |

### 2.3.3 2015 COMPENSATION OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Board decided, pursuant to the recommendation of the 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 strategic objectives adopted for the V2 component for fiscal year 2015.

Accordingly, the operating indicators adopted for 2015 V1 compensation will remain as follows:

- revenue growth: 30% weighting;
- operating margin rate: 30% weighting;
- pre-tax net profit: 20% weighting;
- free cash flow: 20% weighting.

The four personal strategic objectives adopted for 2015 V2 compensation have been assigned an individual specific weight. They relate to the operational transformation of the Group in 2015 in line with the strategic plan and related indicators, the implementation and fine tuning of the Group strategy (perimeter and portfolio) and talent management. The Compensation Committee has formalized these objectives in such a way as they can be clearly assessed on objective grounds at the end of 2015 with a minimum weight of 40% based on quantified objectives and the Board shared the same imperative when finalizing the objectives. Therefore 70% at least of the variable part will be subject to a quantitative evaluation.

### 2.3.4 ATTENDANCE FEES AND OTHER COMPENSATION RECEIVED BY CORPORATE OFFICERS

In application of the principles described under paragraph 2.1.5 “Compensation of directors”, total attendance fees of €719,225 were paid to directors in respect of 2014, representing 90% of the maximum amount authorized by the Combined Shareholders' Meeting. After deduction of French and foreign withholding tax, a net amount of €468,538 was paid in respect of 2014.

It is recalled that Mr. Hermelin and M Kampf voluntarily waived their right to collect the attendance fees that should have been paid to them as directors of Cap Gemini S.A. in respect of 2014 (as both Serge Kampf and he have done for the last five years). These attendance fees would have totaled €55,500 for Paul Hermelin and €58,299 for Serge Kampf in respect of 2014.

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 2013 | Amount due in respect of 2014 | Gross amount paid in 2013 | Gross amount paid in 2014 |
|---|---|---|---|---|
| Serge KAMPF | (nil) | (nil) | (nil) | (nil) |
| Daniel BERNARD | 55,500 | 99,383 | 54,000 | 80,000 |
| Anne BOUVEROT | 12,750 | 64,500 | 0 | 41,250 |
| Yann DELABRIERE | 66,000 | 78,288 | 66,000 | 69,000 |
| Laurence DORS | 39,000 | 58,000 | 39,000 | 51,000 |
| Paul HERMELIN | (nil) | (nil) | (nil) | (nil) |
| Michel JALABERT | 0 | n/a | 28,500 | 0 |
| Phil LASKAWY* | 39,000 | 65,500 | 39,000 | 51,000 |
| Bernard LIAUTAUD* | 27,750 | n/a | 48,000 | 6,750 |
| Thierry de MONTBRIAL | 19,500 | n/a | 39,000 | 0 |
| Xavier MUSCA | n/a | 28,500 | n/a | 8,500 |
| Ruud van OMMEREN* | 66,000 | 31,000 | 69,000 | 61,000 |
| Terry OZAN* | 51,000 | 23,000 | 48,000 | 45,500 |
| Pierre PRINGUET | 63,000 | 77,777 | 69,000 | 62,500 |
| Bruno ROGER | 45,000 | 77,777 | 51,000 | 59,500 |
| Lucia SINAPI | 51,000 | 53,000 | 54,000 | 51,000 |
| Caroline WATTEEUW* | n/a | 62,500 | n/a | 8,500 |
| **TOTAL** | **535,500** | **719,225** | **604,500** | **595,500** |

* *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 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 SAS, 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 2014, unchanged on 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 2014 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 2014.



| 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 | 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 | Potential vesting date | Potential availability date | Performance conditions |
|---|---|---|---|---|---|---|
| **Paul HERMELIN** | 5th plan of 07/30/2014 | 50,000 | 1,466,026 | 08/01/2016 | Later of the end of his term of office and 08/01/2020 | A detailed description of the conditions is presented in Note 11 to the Consolidated Financial Statements on page 158 of this Registration Document |

| Performance shares vested to each 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.

### HISTORICAL INFORMATION CONCERNING STOCK OPTIONS GRANTED TO CORPORATE OFFICERS

| Date of Shareholders' Meeting | 05/12/2005 | 05/12/2005 | 05/12/2005 | 05/12/2005 | 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 | | | | |

## HISTORICAL INFORMATION CONCERNING PERFORMANCE SHARES

### HISTORICAL INFORMATION CONCERNING PERFORMANCE SHARES

| Plan number | 2009 Plan | 2010 Plan | 2012 Plan | 2013 Plan | 2014 Plan |
|---|---|---|---|---|---|
| **Date of Shareholders' Meeting** | 04/17/2008 | 04/30/2009 | 05/24/2012 | 05/24/2012 | 05/23/2013 |
| **Grant date** | 03/05/2009 | 10/01/2010 | 12/12/2012 | 02/20/2013 | 07/30/2014 |
| **Number of performance shares initially granted** | 1,148,250 | 1,555,000 | 1,003,500 | 1,209,100 | 1,290,500 |
| ***o/w granted to Serge Kampf*** | *(nil)* | *(nil)* | *(nil)* | *(nil)* | *(nil)* |
| ***o/w granted to Paul Hermelin**** | *50,000* | *(nil)* | *50,000* | *50,000* | *50,000* |
| **Number of shares vested** | 485,750 | 881,048 | n/a | n/a | n/a |
| ***o/w to Paul Hermelin**** | 25,000 | (néant) | n/a | n/a | n/a |
| **Cumulative number of shares cancelled or expired** | 662,500 | 673,952 | 45,000 | 73,800 | 2,000 |
| **Number of shares potentially available for grant at the end of 2014** | Expired | Expired | 958,500 | 1,135,300 | 1,288,500 |
| ***o/w to Paul Hermelin**** | | | *50,000* | *50,000* | *50,000* |
| **Vesting date-France** | 03/05/2011 | 10/01/2012 | 01/01/2015 | 03/01/2015 | 08/01/2016 |
| **Vesting date-outside France** | 03/05/2013 | 10/01/2014 | 01/01/2017 | 03/01/2017 | 08/01/2018 |
| **End of holding period–France** | 03/05/2013 | 10/01/2014 | 01/01/2019 | 03/01/2019 | 08/01/2020 |
| **End of holding period–outside France** | 03/05/2013 | 10/01/2014 | 01/01/2017 | 03/01/2017 | 08/01/2018 |
| **Share price at grant date** *(in €)* | 23.3 | 37.16 | 33.15 | 36.53 | 53.35 |

* *Complete historical information on performance shares grants is provided on pages 155 to 159 of the Registration Document.*

### HISTORICAL INFORMATION CONCERNING STOCK OPTIONS 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 granted / vested | 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 | 144,000 | 5th Performance share plan |
| Shares vested to the ten Group employees holding the greatest number of vested shares | 97,270 | 2nd Performance share plan |

# 2.4 Internal control and risk management procedures

Pursuant to Article L225-35 of the French Commercial Code, the Chairman of the Board of Directors prepared his report on the internal control and risk management procedures defined and implemented by Capgemini Group.

This report is based on the contributions of several departments and, in particular, the Group Finance, Legal, Human Resources and Internal Audit Departments.

A blueprint for internal control was defined at the initiative of the French financial markets 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.

The Group builds on this reference framework and the application guidance published initially in January 2007 and updated on July 22, 2010 by the French financial markets authority (AMF).

Capgemini Group ensures the implementation of risk management and internal control systems within its subsidiaries. In 2014, such systems covered all consolidated subsidiaries and Group businesses.

The implementation of systems and procedures contributing to strengthening the uniformity of processes within the Group continued in 2014.

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 development of a Group credit management tool in the main regions;
- the ongoing deployment of the single integration management system in the United Kingdom;
- 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

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 its 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 24 auditors, representing 12 different nationalities and covering 90% 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 nine auditors including three 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 Business Unit is audited in line with a bi-annual program covering the entire Group: the Chairman and Chief Executive Officer has the power to modify this program in the event of an emergency (delays and irregularities, major divergence from budgetary commitments, etc.). At the request of the Chairman and Chief Executive Officer, the Internal Audit Department may also perform special assignments to review specific situations.

Since 2012, the Group Internal Audit Department is directly responsible for performing, in conjunction with the Ethics & Compliance Director, the ethics phase of due diligence assignments on companies that the Group is considering acquiring. These reviews involve an examination, from an ethical stance, of all the activities of the target company in order to ensure, in particular, their compatibility with Capgemini Group expectations.

During 2014, the Internal Audit Department performed:

- 44 audits of units belonging to all Group Strategic Business Units. Each audit involved an average of 35 man-days in the field and concluded 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 covering the entire Group and enabling it to monitor real-time the implementation of recommendations following the audit, focusing particularly on priority actions;
- 2 special assignments at the request of the Chairman and Chief Executive Officer;
- 2 ethical due diligence assignments.

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 and it informs the Audit Committee in case of identifying significant deviations.

## 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.

The main risks faced by the Group are set out in the Risk Analysis section of this Registration Document. Risk management and control systems are presented below.

## BUSINESS AND STRATEGY RISK MANAGEMENT AND CONTROL PROCEDURES

### Economic risks

The Group monitors and anticipates, as far as possible, macroeconomic developments at global level, by closely monitoring the quality of the clients in the markets where it operates, as well as the potential impacts of these developments on its own businesses and those of its clients.

While 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.

### Competition

The Group monitors strategy in its various markets in order to assess the weight, strengths and weaknesses of the main players. To monitor the competitive environment, the Development Department (mergers and acquisitions); regularly assesses potential targets that could integrate the Group in the future.

The Group is also committed to ensuring client satisfaction in order to build long-term relationships. A satisfaction measure is kept up-to-date throughout all contract phases (see below).

### External growth

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.

### Reputation

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 143,600 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 2014, the Ethics & Compliance Director presented around the world, over 23 three-hour workshops on business ethics, raising the awareness of more than 617 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. An organizational structure rolled-out in each country based on an Ethics and Compliance Program, monitors the implementation of the Ethics & Compliance Program covering all Group entities.

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.

### Clients

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.

## OPERATIONAL RISK MANAGEMENT AND CONTROL PROCEDURES

### Project performance

The Group has developed a range of methods, organized and documented in its DELIVER methodology, in order to ensure the high quality performance of client projects. Project managers receive specific training to develop their expertise and obtain certification levels consistent with the complexity of projects entrusted to them. The Group continues its active policy of external certification of its Business Units (CCM, ISO, etc.).

Project performance monitoring satisfies the management and control procedures defined by the Group, with projects classified as “complex” subject to more specific controls. The Internal Audit Department also verifies the application of project management and control procedures. At the initiative of the Production/Methods and Support Department, specialist teams of experts audit projects considered high-risk or facing performance difficulties.

#### Project risk control

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 performance phase;
- business control.

#### Pre-sales risk control

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 performance 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 performance 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 the related production costs compared to the budget initially approved. 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.

### Employees

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 143,600 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.

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.

Finally, our policy titled "Our Employer of Choice" clearly takes account of:

- the motivation and career path of our employees;
- the implementation of varied and attractive career plans;
- the development of our employees through development and training programs;
- the respect and promotion of a good work-life balance.

### Information Systems

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.

For some projects or clients, enhanced systems and network protection are provided on a contractually agreed basis.

The Group also has a program that seeks to control the risk of cybercrime for its main systems. This dedicated structure is headed by the Cyber Security and Information Protection Director (*CySIP*).

This program related to the so-called "cyber" risks comprises three subgroups dealing with governance related issues (organization, policy and communication and awareness raising) and five operational projects (data protection, mobility management, access management, information system control and steering and strengthening infrastructures). The aim of this program is to become a benchmark likely to be exposed to our clients helping to strengthen the credibility of the Group with respect to digital issues and cybercrime.

### Service continuity

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 degrees of hypothetical threats along with the related damages considering the situation and impacts on the site, urban agglomeration and possibly the country level. Communication (e-mail) 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 certain clients imperatives and they are consequently certified ISO 27001 compliant by an independent agency.

### Suppliers And Sub-Contractors

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. The Group policy defines in great detail the supplier and sub-contractor selection process and method. 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. Furthermore, the Group has signed a certain number of strategic contracts with major and financially sound suppliers. Finally, the related risks represented by smaller suppliers and/or start-ups are analyzed and back-up plans are established in order to remedy the failures, if any.

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 permits their control and provides specific methods for financial approval. 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 specialized team based on rigorous procedures using multiple criteria, several of which concern ethical standards and sustainable development.

### Geopolitics

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.

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". Every employee required to work abroad receives specific training.

## LEGAL RISK MANAGEMENT AND CONTROL PROCEDURES

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.

### Contracts

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 & Compliance Officers and participate in identifying risks and train and monitor employees in order to guarantee compliance.

### 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.

### Litigation

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



## FINANCIAL RISK MANAGEMENT AND CONTROL PROCEDURES

The Group has drafted formal rules and processes to identify, control and manage financial risks through a prudent financing policy founded, in particular, on the prior authorization by the Board of Directors of all major financing decisions, prudent use of debt and maintaining a high level of available funds.

### 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. Within such framework, the Board of Directors decides share buybacks programs (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:

- prudent use of 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 shared 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, rolling-out Group systems and procedures in the country, 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 United Kingdom in 2014. Other major Business Units will migrate to this system in 2015 and the application as a whole migrated to the publisher's latest version on January 1, 2015. 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 40 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



*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.*

**Year ended December 31, 2014**

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, 2014.

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 17, 2015 | Paris La Défense, March 17, 2015 |
| PricewaterhouseCoopers Audit | KPMG Audit |
| | Division of KPMG S.A. |
| Françoise Garnier | Frédéric Quélin |
| Partner | Partner |

# 3 Cap Gemini, its values, Employees and Corporate Responsability and Sustainability (CR&S)

# 3.1 Our approach to CR&S

## 3.1.1 OUR KEY PRIORITIES

Underpinned by our *Values and Ethics*, our commitment to Corporate Responsibility and Sustainability has endured throughout our history as we have grown to become Europe's largest IT services company. As a provider of consultancy, technology and outsourcing services, together with professional services through our Sogeti business, Capgemini Group's Corporate Responsibility and Sustainability (CR&S) program covers reducing of our environmental impacts, contributing to the communities in which we operate, as well as creating a diverse and inclusive working environment to enable our people to both develop and serve our clients. Our management approach also supports all national laws and regulations, in particular the fundamental conventions on labor standards of the International Labor Organization, the principles of the 1948 Universal Declaration of Human Rights (where we refuse the use of forced and child labor), and the OECD guidelines for Multinational Enterprises.

During 2014 we have extended and enhanced our range of initiatives within the key focus areas of Values and Ethics, Environmental Sustainability, Community Engagement and People Culture. In parallel, we continue to innovate, striving to identify opportunities to embed sustainability into the services we provide our clients, helping 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 supports our corporate culture and permeates all our business practices, procurement behaviors 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 priority is to promote the professional development and well-being of our employees by ensuring that both our business practices and our facilities empower excellence. We have a culture whereby we respect and value the diversity and creativity of all our people.

**Community Commitment:**

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

As a major global employer, we work locally, nationally and internationally with local authorities, non-governmental organizations (NGOs) and charities on two priorities: education and development. The Group encourages the active involvement of each of our team members in our communities.

**Environmental Sustainability:**

**"We are committed to understanding, measuring and reducing our environmental impacts".**

We recognize that, even though we do not manufacture products, the business services we provide have an impact on the environment. We work hard to reduce this impact by saving energy and reducing waste, as well as by reducing business travel. We also work to raise employee awareness of the critical issues related to the environment.

**Client Services:**

**"Our clients benefit from our understanding of the environment and our world-renowned business transformation capabilities".**

We deliver long-lasting added-value with tangible results. We take time to talk to our clients and ensure that their views are taken into account, and we look to embed CR&S considerations into our service offerings.

## 3.1.2 CR&S: GOVERNANCE

During 2014, the executive governance of our Corporate Responsibility and Sustainability program was strengthened by the formation of a specific CR&S Board under the chairmanship of Christine Hodgson and comprised of senior executives from around the Group including the Group Corporate Responsibility and Sustainability Director. This Board will maintain consistency and ensure the uniform implementation of our CR&S policies and initiatives across our Group, led locally by our global network of CR&S professionals.

### Extract from the CR&S Board Charter

The Corporate Responsibility and Sustainability (CR&S) Board will provide the executive level governance for CR&S within Capgemini. The CR&S Board will review, debate and ultimately approve CR&S policies and practices for the Group.

For Capgemini, CR&S means taking a long term view – it is our approach to business that reduces our impact on the environment, contributes to the communities in which we operate and ensures that we remain a diverse and inclusive company. The Chair of the CR&S Board provides the linkage to Capgemini's Group Management Board (chaired by Capgemini's Group CEO) ensuring the input of the CEO and the alignment of Capgemini's approach to CR&S with the Group overall business strategy.

The overall program continues to focus on the three key areas of Environmental Sustainability, Community Engagement and People Culture. A number of interactive multi-national working groups continue to drive the program forward under the direction of the Group Corporate Responsibility & Sustainability Director.

Several networks established in different countries ensure consistency worldwide:

- the Ethics & Compliance Officers' network, reporting to the Group Chief Ethics & Compliance Officer;
- the Corporate Responsibility & Sustainability Leadership network, comprising CR&S professionals from within 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.

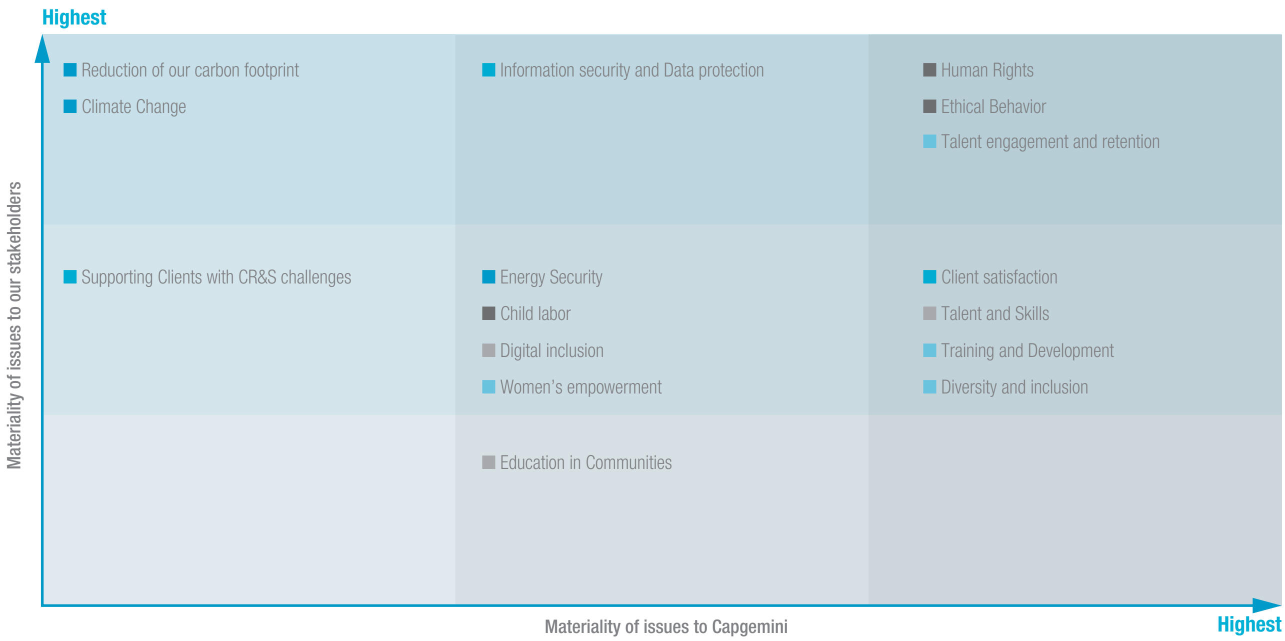
Additionally, we have set up country specific governance structures in a number of our largest countries. For example, Capgemini has specific executive CR&S committees in Germany, India, and the UK, while in other countries, such as France and North America, CR&S issues are discussed at local Executive Committee meetings.



## 3.1.3 MATERIALITY AND SCOPE

In order to ensure our Corporate Responsibility and Sustainability program remains aligned with stakeholder expectations, an analysis of the relative importance of sustainability aspects and issues was undertaken during 2014. This analysis, or materiality assessment, is the result of a range of internal and external stakeholder interviews together with desk research.

**MATERIALITY MATRIX FOR CAPGEMINI**




The results of the materiality assessment, presented in summary in the matrix above, provide confidence in the alignment of Capgemini's CR&S approach. Further refinement of the alignment of our CR&S program will continue throughout 2015. All Grenelle II (legislation: article R.225-105-1 of the French Commercial Code) indicators are listed in the table in section 3.6, including explanations for indicators which are not reported. As a result of our 2014 materiality assessment and previous analysis, 15 indicators are considered to be the most relevant to our business.

## 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 ethics culture 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 Anticorruption Policy and a Competition Law Policy were 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 fundamental documents”, and follow an e-learning training course on each one.

The Ethics & Compliance program contributes to attracting, developing and retaining employees. The company-wide Employee Survey carried out annually shows that employees’ commitment is strongly linked to belonging to a group with an ethical culture. Achieving commitment and creating an ethical environment strengthen our reputation, help us to win new business and allow us to take our place in the “Champions League” i.e. amongst the leaders in our industry.

### ETHICS & COMPLIANCE ORGANIZATION AND NETWORK

The managers of the Group and its operating units (SBUs/BUs) are accountable for the Ethics and Compliance programs in their respective units, in compliance with the laws, regulations and procedures. They are also responsible 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 Governance and Nomination Committee of the Board of Directors.

Local General Counsels have also been appointed as Ethics & Compliance Officers (GC-ECO). They ensure implementation of the Ethics & Compliance program within their geographic region and liaise with the CECO.

### GROUP FUNDAMENTAL PRINCIPLES, 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 confidential company Blue Book, so-called on account of its color, was created in 1989. It provides a common reference tool, enabling each employee and company service or department to work effectively and maintain unity.

The Blue Book contains:

- Group fundamental principles: its mission, expertise, main objectives, values, Code of Business Ethics, and collaboration principles;
- Group governance and organization;
- authorization processes;
- sales and production rules and guidelines;
- risk management, pricing, contracting and legal rules;
- financial management, merger, acquisition, disposal and insurance rules and guidelines;
- human resources policies;
- marketing, communications, Group knowledge and IT management;
- procurement policies, including ethical purchasing and supplier selection;
- environmental and community policies.

These policies, procedures and guidelines comprise the reference standards which all entities are required to implement, while complying with national legal requirements and specificities. Compliance with these guidelines forms an integral part of our Internal Audit process. The Group Blue Book is updated regularly and is available to all employees on the Group’s intranet.

### BUSINESS ETHICS

Grounded in our seven core values, Capgemini’s CR&S principles guide our relationships with partners, the communities in which we operate and the environment. Our values and ethics rank amongst the most important of all our strategic dimensions.

The Capgemini Group has forged its reputation in the market through longstanding values. Today, this reputation is an essential asset in our economic performance.

To protect this reputation and, in doing so, strengthen our competitive advantage, in 2009, the Group launched an Ethics & Compliance program and set up a network of Ethics & Compliance Officers.

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 laws and regulations, as well as internal policies applicable in Group companies;
- implement initiatives aimed at reinforcing prevention and avoiding misconduct and breaches in the field of ethics and compliance.

### ETHICS & COMPLIANCE PROGRAM IN 2014

#### The Code of Business Ethics

Integrating and encapsulating our original ethical culture, the Code of Business Ethics, is now available in 14 languages. It received the collective and individual support of the members of the Board of Directors, 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 this Code, and in particular, that they commit to:

- respecting applicable laws and regulations;
- applying health and safety rules and contributing to the creation of a safe and inclusive work environment;
- acting responsibly in the marketplace, complying with applicable competition laws and regulations and anti-corruption provisions, avoiding conflicts of interest and insider trading, and providing accurate commercial and financial information;
- building honest and clear relationships with clients, suppliers, business partners, and our suppliers;
- maintaining the security and integrity of the assets of the Group and of any third parties with whom we work;
- supporting the communities and respecting the environment in which we operate;
- refusing the use of forced labor and child labor.

At the end of 2014, more than 113,000 employees had followed the related e-learning module, available in five languages. This represented more than 78% of the Group's employees at end-2014.

All new hires are expected to undertake to comply with the principles set out in the Code of Business Ethics and to complete an e-learning module on the Code.

### SPECIFIC POLICIES

#### Anticorruption policy

In 2011, the Group distributed a document concerning the prevention of corruption, in eleven languages. At the end of 2014, more than 113,000 employees had followed the related e-learning module, available in six languages. This represented more than 78% of the Group's employees.

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

#### Group competition law policy

In 2012, the Group distributed a document concerning competition laws, in eight languages. At the end of 2014, more than 105,000 employees had followed the related e-learning module, available in six languages. This represented more than 72% of the Group's employees at this date.

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

### RAISING CONCERN PROCEDURE: A DEDICATED PROCEDURE FOR REQUESTING ADVICE AND RAISING CONCERNS

The Code of Business Ethics provides that an employee faced with a question or issue involving ethics or compliance should discuss it first with his/her local manager. If the issue is not resolved by the manager, or if the employee is not comfortable discussing the matter with his/her manager or if other procedures for dealing with individual grievances are not applicable, the employee may use the employees' dedicated Raising Concern Procedure (RCP). Employees may in this way seek advice and guidance on appropriate action from the local GC-ECO, or even directly from the CECO in Paris. In operation since late 2013, the RCP is applied on a case-by-case basis in 38 countries where the Group operates, in accordance with applicable legislation.

### BUSINESS ETHICS TRAINING FOR MANAGEMENT

In 2014, the CECO personally organized 23 3-hour business ethics workshops for 617 managers and executives from all around the world. These sessions, based on case studies, aimed to give practical advice on how to deal with these issues by highlighting the role model of management. They also helped develop local action plans to cascade these messages to lower management levels, with the help of the Ethics & Compliance Officers in the field.

3

## 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 own personal data or the personal data Capgemini handles as a service provider to our clients. The Group is expected to comply with 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 including cookies) have been implemented by the Group Legal Department. In 2014, the Group has more than twelve data protection officers around the world working together with the IT security officers and the Legal Department. A comprehensive booklet on data privacy and related subjects is also available to all employees to help them better understand the issues. An e-learning on data privacy issues is available to all employees and compulsory for selected members of the legal, IT, HR, business and delivery departments. Specific country-related and business-related internal policies and procedures may be applicable, in particular, to business sectors requiring higher standards of protection of personal data. Data protection and data security issues also form part of the Group audit program. Finally, a group Cyber-security and Information Protection officer was appointed in November 2014 with the mandate to implement data protection uniform standards across the entire Group.

## 3.1.6 COMMITMENTS, AWARDS AND RECOGNITIONS

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

We have also stated our commitment to Corporate Responsibility & Sustainability in a number of areas:

- Capgemini has been a signatory to the UN Global Compact since 2004. The member companies of this program support/comply with ten principles in the areas of the environment, human rights, labor rights, and the fight against corruption;
- Capgemini supports the principles of the 1948 Universal Declaration of Human Rights and the fundamental conventions of the International Labour Organization refusing the use of forced labor or child labor;
- Capgemini supports the OECD guidelines for multinational enterprises;
- Capgemini has been a signatory to the UN Global Compact's "Caring for Climate" initiative since its inception in 2007;
- Capgemini has been a signatory to the Women's Empowerment Principles since their inception in 2011;
- Capgemini is a signatory of the 2010 Guadalajara ICT Declaration on Transformative Low-carbon Solutions. This document urged governments at the 2010 Cancun Summit to use the power of ICT to make the transition to low a carbon economy;
- in partnership with the GoodPlanet foundation, Capgemini translated the 2011 Worldwatch Institute Report into French; and;
- Capgemini has been a member of the "Comité 21" since 2011. This is a network of sustainable development players and was created after the Rio Summit in 1994 with the mission of creating favorable conditions for exchange and partnership between its cross-sector membership;

A number of actions have also been taken in certain countries, 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 Sustainability Report since 2010, the highest European level of assurance available for environmental programs;
- Capgemini UK is also a signatory of a series of five communiqués on Climate Change organized by the Prince of Wales's Corporate Leaders' Group on Climate Change. They are the Climate Change (2012), Cancun (2010), Copenhagen (2009), Poznan (2008), and Bali (2007) communiqués.

As a result of its on-going commitment to Corporate Responsibility & Sustainability, in 2014 Capgemini has:

- once again been recognized as one of the World's Most Ethical Companies in 2014 by the Ethisphere Institute, a leading international think tank specializing in research on ethical business practices;
- earned a place on the 2014 CDP Climate Performance Leaders Index, the 'A-list';
- again met the FTSE 4Good standards designed to objectively measure the corporate responsibility of companies;
- been recognized through the works of Marek Grodsinski, Head of European BPO Delivery Centers and Board member of Capgemini Poland, who was awarded a Silver Cross of Merit (Srebrny Krzyz Zaslugi) by the Polish Government;
- won Business Disability Forum's Disability – Smart Award 2014 for being a disability smart organization in conjunction with Fujitsu and HMRC;
- won the Sustainable Transport and Travel category of the Sustainability Leaders Awards in November 2014 for its UK based TravelWell initiative;
- won recognition for our volunteering approach in the UK with the award of a Business in the Community 'Big Tick' for our work rejuvenating Dawley Town Hall;
- for the third year been included in The Times Top 50 Employers for Women;
- been awarded an "Excellence in Social and Community Investment" Award for our work in Capgemini North America with SmileTrain;
- signed a collaborative agreement in France with the Pierre & Marie Curie University (UPMC) strengthening the support given to students on computer-based courses;
- achieved ISO14001 certification covering Capgemini India (extending coverage to include operations in nine countries).

### Rating agencies

Capgemini continues to work with a number of independent corporate responsibility and sustainability analysts and financial rating agencies. We take external analysis of our performance seriously and welcome assessment by reputable third parties as this gives us a clear reference position for our performance.

Capgemini works with several analysts including CDP, Ethibel, Ethifinance, Ethisphere, FTSE4Good, Gartner, Oekom, Verdantix, and Vigeo.

Capgemini continues to be listed in the FTSE4Good and Euronext 120 Vigeo Europe indexes. In the 2014 Carbon Disclosure Project (CDP) assessment, Capgemini was given a disclosure score of 98 out of 100 and a performance banding of A for our environmental performance. This score resulted in Capgemini being included in the CDP A-list and given a place in the CDP Climate Performance Leaders Index.

# 3.2 Human resources, a key Group asset

Being a responsible employer with a wealth of diversity, whom people choose to work for and which provides an environment in which employees can deliver their best, is the mark of our business culture concerned with our most important asset – our employees. Our priority is to ensure their well-being and professional development, ensuring that we empower delivery excellence. We have a culture whereby we respect and value diversity.

## 3.2.1 METHODOLOGY SCOPE AND THEMES

Three sources of information are available to provide the Group's HR and labor data. These sources are also used in this report:

- the Group financial reporting tool, which provides data reported monthly or quarterly using common indicators, such as total permanent headcount (permanent and fixed-term contracts including non actively working, excluding temporary agencies staff, individual freelancers, independent workers, subcontractors, trainees) and movements (hires/acquisitions/departures/turnover rate) as of 31th December 2014. The scope of this 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 and grading, whenever legal. 99% of Group employees are consolidated within this tool;
- a questionnaire collecting labor and societal indicators, which are either qualitative or only needed annually.

Consistency checks and trend analyses are performed to ensure the quality of data and in case of doubt or inaccuracies, corresponding data are excluded. The coverage rate indicated for each indicator reported below only includes data deemed relevant and appropriate. All labor aspects of Article R225-105-1 of the French Commercial Code are covered in this report as, based on our analysis, they are declared relevant for our business.

## 3.2.2 A CHANGING LABOR 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 promotes. 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 employees career progression, and the flexibility to let them ake charge of their 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 and career framework" linked to his or her profession but personal ambition is equally important to make a career discussion open and fair;
- every employee has access to a wide range of training to enable their professional development through the group University. It delivers over 4.8 million hours per year of training to over 133,000 employees. All training programs are designed to incorporate new technological methodologies, client requirements and skilling needs;
- today, about 43% 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 20,000 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 9.3% in 2014 to reach 143,643 employees as of December 31, 2014.

The average headcount is calculated by adding the average of opening headcount and the 12 monthly headcount divided by 13.

| | 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% |
| 2014 | 137,747 | 7.5% | 143,643 | 9.3% |

The acquisitions of Kanbay, Getronics PinkRoccade (BAS B.V), CPM Braxis and Euriware in recent years, strong organic growth, notably in Asia and Latin America, and the most recent economic crisis that affected continental Europe to a greater extent, continued to significantly impact the geographical distribution of Group employees. This development is summarized in the following table:

| | 12/31/2012 | | 12/31/2013 | | 12/31/2014 | |
|---|---|---|---|---|---|---|
| | Numbers | % | Numbers | % | Numbers | % |
| North America | 9,609 | 7.7% | 9,710 | 7.4% | 10,384 | 7.2% |
| United Kingdom & Ireland | 8,964 | 7.2% | 9,130 | 6.9% | 8,766 | 6.1% |
| Nordic countries | 4,504 | 3.6% | 4,277 | 3.3% | 4,145 | 2.9% |
| Benelux | 9,186 | 7.3% | 8,775 | 6.7% | 8,547 | 6.0% |
| Germany and Central Europe | 9,581 | 7.7% | 10,095 | 7.7% | 10,596 | 7.4% |
| France and Morocco | 21,738 | 17.4% | 21,863 | 16.6% | 23,637 | 16.5% |
| Southern Europe | 7,336 | 5.9% | 7,187 | 5.5% | 7,446 | 5.2% |
| Asia-Pacific (incl. Middle east and Africa) and Latin America | 54,192 | 43.3% | 60,393 | 46.0% | 70,122 | 48.8% |
| **TOTAL** | **125,110** | **100%** | **131,430** | **100%** | **143,643** | **100%** |

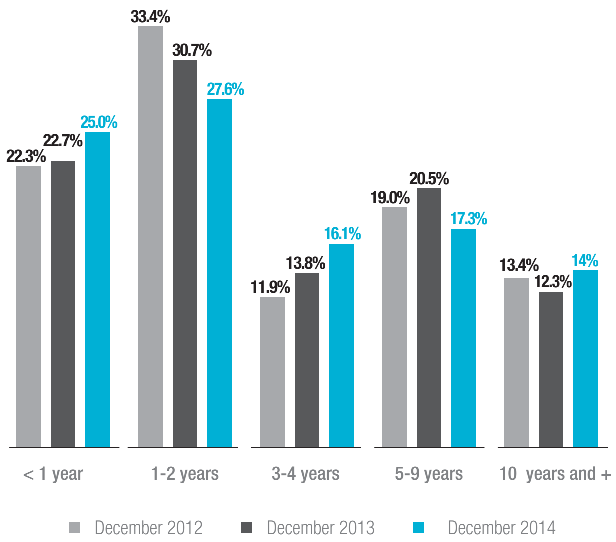
Since January 1, 2013, the presentation of the data by geographic region has been changed to move Latin America from the “Southern Europe and Latin America” region into the “Asia-Pacific and Latin America” region. The aim of this is to consolidate countries with comparable economic characteristics. Fiscal year 2012 has been restated to reflect this presentation in the various 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 change resulted in the significant increase seen in the Asia-Pacific and Latin America region headcount (notably India representing 39% of total headcount), which now comprises 48.8% 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 more than 10,000 employees at end-2014, including 8,600 in Brazil.

Moreover, India saw very strong growth in recent years with headcount rising from slightly under 2,000 people in 2004 to more than 56,000 in 2014 with a significant growth again in 2014 by 19%. 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 slightly below 6,000 at year end. Benelux was the main region to see its headcount fall for the second year in a row, due to a difficult economic situation in the Netherlands, with Scandinavia also in decline, albeit to a lesser extent. For the first time, UK is declining by -4.0% especially in Infrastructure activities. In France, due to the acquisition of Euriware (1,800 people and 1689 in France), the headcount is increasing by 7.2% in 2014 but should have declined otherwise by -0.9%.

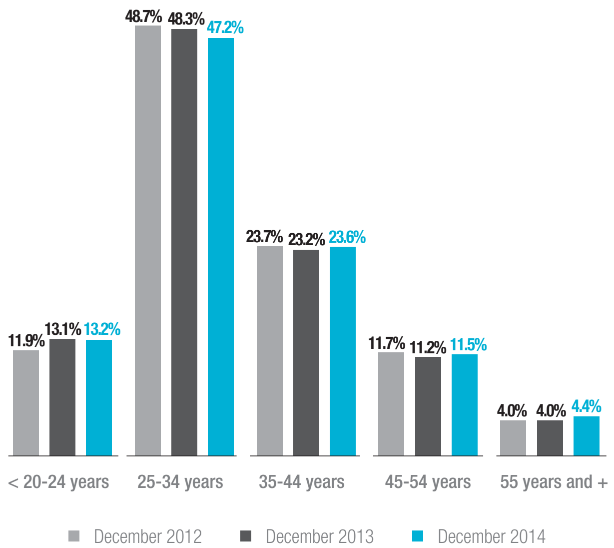
## BREAKDOWN OF WORKFORCE BY LENGTH OF SERVICE: 2012-2014 CHANGES

The coverage rate for the data below is 99.4% of year-end headcount. Changes for average length of service reflect the Group’s recruitment dynamics over the last five years, with an average of more than 33,000 recruits each year. The high percentage of employees with less than three years’ service (52,6% of our headcount) is clearly due to the high level of recruitment. However, the average length of service in the Group stands at 4.5 years in 2014, an increase of 0.2 years versus 2013 due in particular to an improvement of the data coverage with the addition of new acquisitions (Prosodie and Euriware) and of Sogeti Belux entities where the seniority is higher. At constant perimeter, the average seniority should have been stable. This varies according to the geographical area, ranging from just slightly under 2 years in India or 2.4 in Asia-Pacific/Latin America (where lies the majority of recruitments) to 10.2 years in the Benelux countries. 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.



## BREAKDOWN OF WORKFORCE BY AGE: 2012-2014 CHANGES

The coverage rate for the data below is 99% of year-end headcount. The average age of employees increased in 2014 to 34.4 years (+0.2 year vs 2013), in spite of the hiring of young graduates (41% of total recruits), but it is linked to a change in the perimeter, (inclusion of two new acquisitions Euriware and Prosodie and of Sogeti Belux where the average age is higher), otherwise, it should have been stable at 34.2 years. The average age increased in most of countries (18 countries like India, France, UK, USA, Brazil…) representing 90% of total headcount. The percentage of employees aged less than 35 years decreased by 1 point over the previous year to 60.4%, while the share of employees in the over 45 group increased by 0.6 point, due mostly to the increase of the proportion of employees aged over 55 years linked to the extended retirement age is most countries. Average age is lowest, at below 30 years, in Guatemala, Chile, India, China, Morocco, Romania and Poland, while the United Kingdom, Sweden, Canada, Denmark and the Netherlands are the only countries with an average age at just over 40 years.




Against a still uncertain economic backdrop for 2014, the Group hired nearly 40,000 employees, the highest number in the Group's history and a significant increase over the average number of hires over the past decade.

| | External hires | Acquisitions/ transfers |
|---|---|---|
| 2004 (reminder) | 9,285 | 5,363 |
| 2010 | 30,139 | 7,579 |
| 2011 | 32,713 | 3,158 |
| 2012 | 31,100 | 769 |
| 2013 | 32,369 | 193 |
| 2014 | 39,925 | 2,110 |

This increase was not felt in the same way across all geographic regions and countries, with offshore countries contributing strongly to this recruitment dynamic, with nearly two thirds of all recruitment in 2014. India, where 54% of recruitment took place, saw headcount grow organically by more than 9,000 people in 2014, representing 74% of Group net headcount growth. The diversification of offshore recruitment resulted in the Polish workforce expanding rapidly and is now just below 6,000 people in 2014, while Brazil continued to grow.

In a still uncertain economic environment, the employee turnover rate (the percentage of voluntary departures) increased by 1pt to 17.8%, being higher in Latin America, Poland and India (where the IT Services market is more dynamic) than in Continental Europe or North America. This rate is, however, below the peak rate of the last ten years, which reached 19.7% in 2007.

Hires are people on-boarded into Capgemini payroll through the usual recruiting cycle during the period and accounted in headcount (it excludes recruits made through acquisition/big deals).

| | Turnover rate |
|---|---|
| 2004 | 14.1% |
| 2010 | 16.3% |
| 2011 | 18.1% |
| 2012 | 17.0% |
| 2013 | 16.8% |
| 2014 | 17.8% |

The number of voluntary departures was at the highest level of the last past 10 years at around 24,500. This rate is constantly monitored to ensure that it remains in line with industry norms, using appropriate response initiatives according to the needs of each business line and geographical region.

## 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/Associate Director and senior executive compensation schemes are reviewed and authorized at the Group level for both fixed salaries and variable components. The principles of compensation schemes for other employees, which are locally designed and managed, are subject to Group approval with the intent to progressively better align schemes to favor 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 evolution of compensation (which can be found in the note 6 of the Reference Document) is subject to regular analysis as compensation costs represent 60% of the group revenue.

The 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 structure of the CEO and to review equity based incentives.

### ALLOCATION OF SHARE-BASED INCENTIVE SCHEMES

Cap Gemini S.A. has allocated share-based instruments (previously stock options and 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 to reward those 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 1,906 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 share allocations.

Concurrently, stock options granted to Executive Corporate Officers form a very low percentage of the total 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 3.2% of the total grants of the 5 performance share plans since 2009. Moreover, share based instruments are not allocated on an automatic and/or annual basis.

Detailed information regarding 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 details of these plans are provided on page 67 to 69 of this Registration Document.

In addition, following a negotiation with French employee representatives, instead of paying a bonus in cash for the "profit sharing bonus" implemented in 2011, the Board decided to pay this incentive through shares subject to a presence condition of 2 years and with a compulsory holding period of another 2 years in two occasions (2012 and 2014). As a result, more than 16,000 employees became shareholders in July 2014 and again more than 20,000 employees have been granted the opportunity to become shareholders in October 2016 subject to their presence on this date.

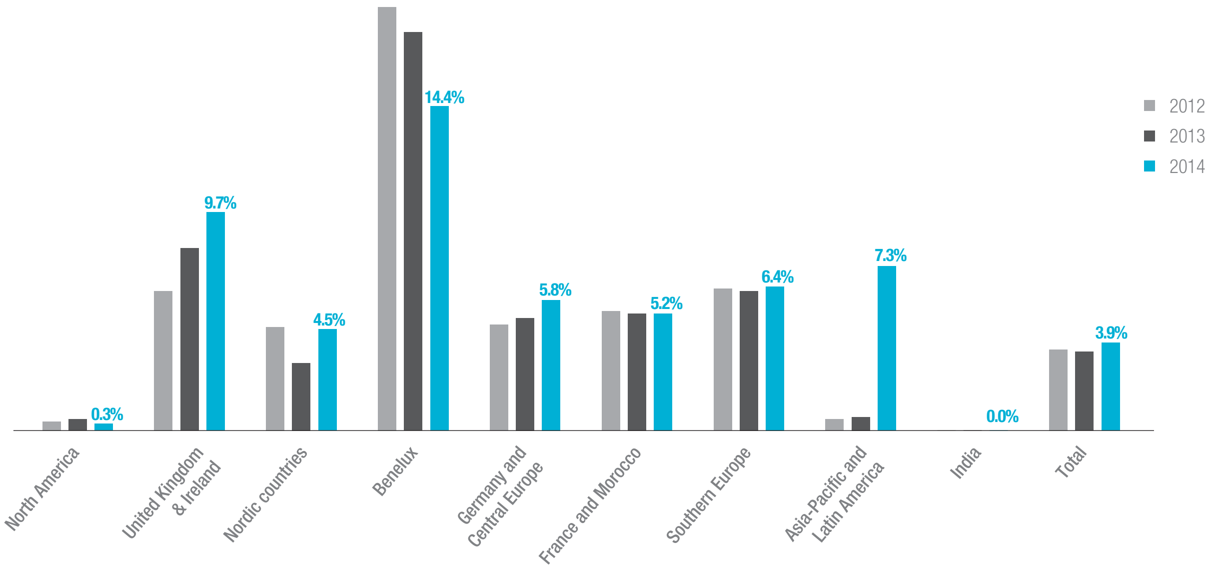
### EMPLOYEE ACCESS TO STOCK HOLDING

In 2009, Capgemini launched its first international employee stock ownership plan, covering 19 countries. This plan was very successful, with more than 14,000 employees applying for shares. After authorization was granted by shareholders, a new international plan was launched in 2012 covering all employees of the 19 countries, which was again very successful, with 12,000 employees subscribing. As the 2009 plan was ending in December 2014, a new international plan has been launched in 2014 and was again a success with close to 17,000 subscribers joining this new plan. As a result of these two plans our employees, as a whole, are amongst the Group's main shareholders with nearly 6.2% of the share capital.

Lastly, in 2009, Capgemini launched a product whose performance is related to its share price: the BSAAR. This product was made available to Group managers at 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 to 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 2012-2014**

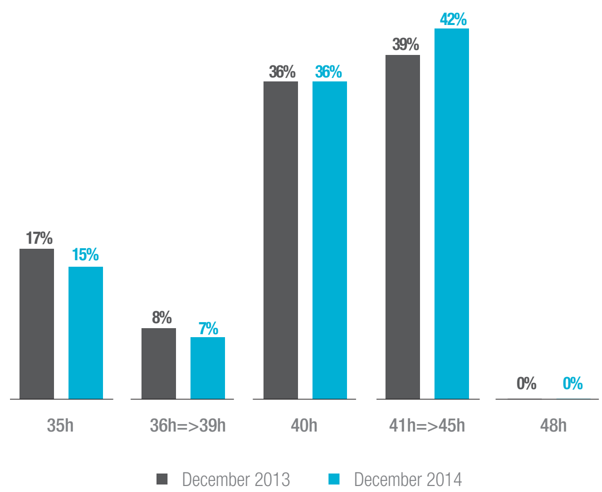



Part-time staff is defined as any resource working less than the normal/legal working hours schedule of each country of payroll.

The coverage rate for the above data is 96.6% of year-end headcount.

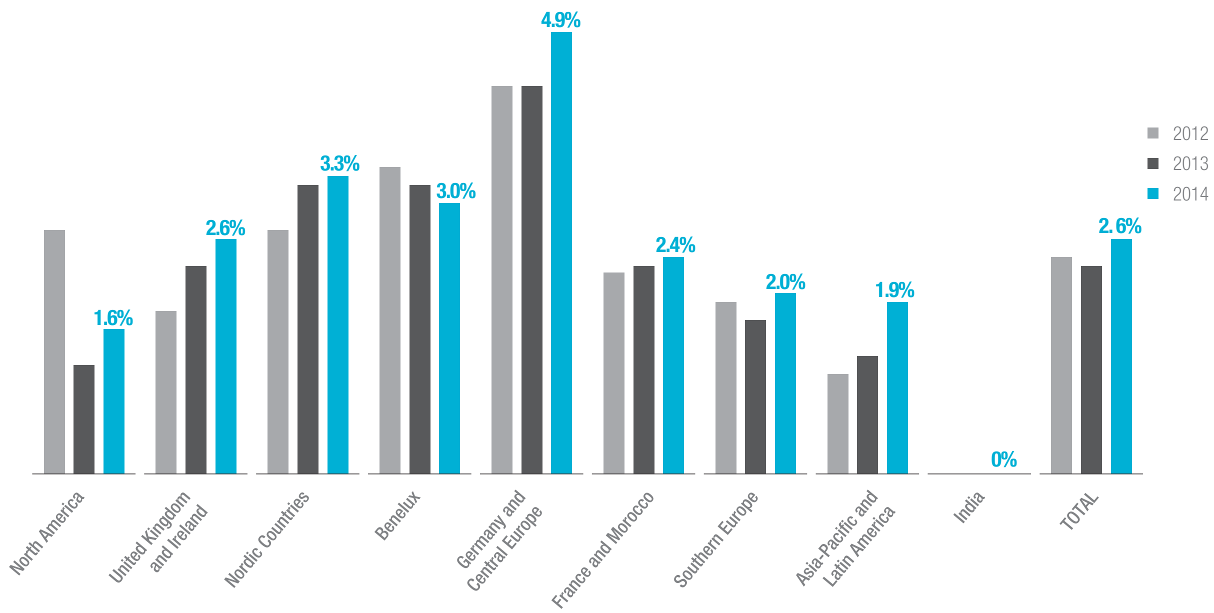
2013 Brazil CPM data have been restated. The percentage of part-time employees in the Group decreased at 3.9% of the total headcount in 2014 due to Indian headcount increase, while India reports zero part-time staff. However, the number of employees working part-time is slightly increasing (+185 people) and in most European countries, the percentage of part-time staff is also increasing (UK +2,7%, Poland +0.7%, Germany +1.6%, Italy +0.8%). The figures show significant variation between regions: part-time working is most widespread in the Benelux countries with 14.4% (decreased ratio due to an increase of the perimeter which includes now Sogeti Belux), followed by the United Kingdom and Ireland with 9.7%. Conversely, in India, Asia-Pacific and Latin America (excepted Brazil), part-time working is not widespread. In France (and Morocco), 5.2%, or approximately 1,100 people, work on a part-time basis and the percentage has remained stable over the last three years.

**BREAKDOWN OF WORKFORCE BY FIXED WORKING HOURS IN 2013-2014**




A study of fixed working hours in the Group showed a wide variation between the regions. This study covered 95.6% of the workforce at year end. 2013 India data has been restated with a 45-hour working week. France, representing 15% of the total workforce, was singled out, with a 35-hour working week. 36% of our employees have a 40-hour working week but is the collective timetable of most of our countries. The 40-hour working week concerns in particular Europe (excluding the United Kingdom, Finland and Denmark, where it is generally 37.5 hours) and North America. Brazil BPO, Guatemala, Morocco are on a 44-hour working week and India is on a 45-hour working week.

**RATE OF ABSENTEEISM IN 2012-2014**

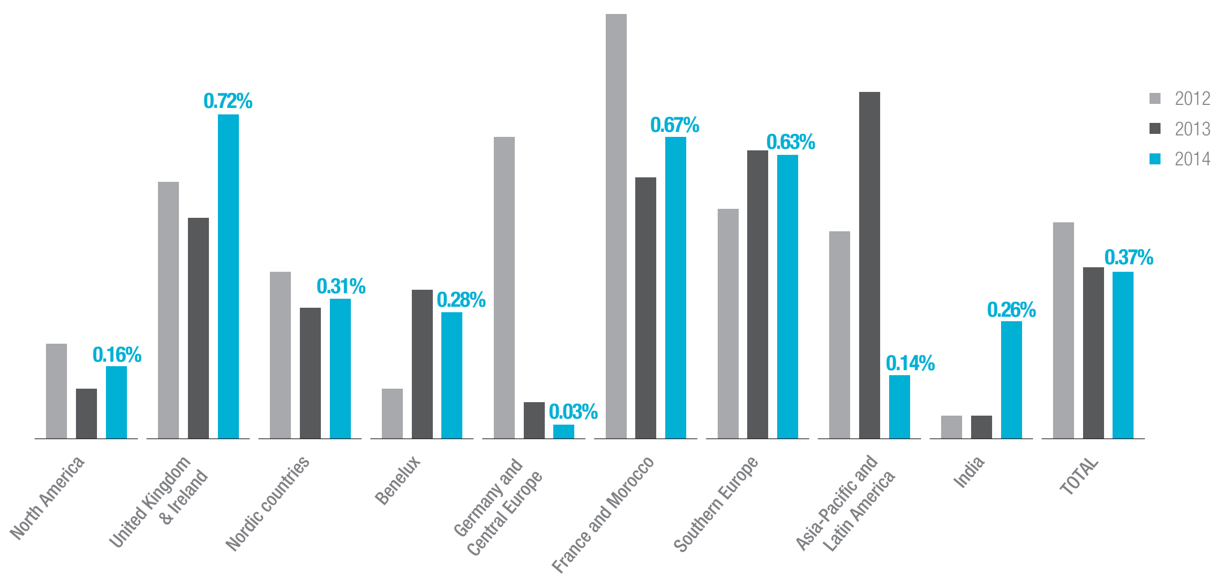



The rate of absenteeism is expressed as the number of sickness days excluding maternity (sickness covers all absence declared as such by employees which can cover anything from headache to surgery) / number of total working days less holidays and vacation for the average headcount.

The coverage rate for this study is 54.8% of the year-end headcount. This low percentage is due to the fact that some countries such as India (which represents more than a third of our workforce) do not collect data on the number of days of sick leave as such. In 2014, the rate of absenteeism for sickness in the sample was 2.6%; an increase ratio of 0.3 pts mostly due to Poland (+1pt). It was highest in Germany and Central Europe, driven by Poland at 5.8%, followed by Scandinavia also at 3.3%. France and Morocco at 2.4% are just below the Group average rate of absenteeism, as did the UK.

Identification and likely occurence of professional diseases is implemented in some countries, however, these quantified data are not yet consolidated.

**NUMBER OF WORK-RELATED ACCIDENTS/HEADCOUNT IN 2012-2014**



A work-related accident is defined as a non-fatal injury resulting in incapacity for work at least three consecutive days, excluding the day of accident.

The coverage rate for the above data is 73.3%. In 2014, the Group recorded 389 work-related accidents which is stable, of which 38% were in France on account of the regulations in force relating to the reporting of information. This corresponds to a ratio of accidents/employee of 0.37%, a decrease of 0,01pt versus 2013. The majority of these work-related accidents were accidents during the home/workplace journey.

### Health and safety in the workplace

Health and Safety in the workplace is an important feature of human resources and facilities management. 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 comply with 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 and disposal of hazardous substances and PPE;
- emergency procedures;
- guidelines for 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 including health challenges, work-life balance, healthy eating, fitness, grief and loss, etc.

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

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

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

In France, Health and Safety Committees (HSC) are set up by location or business unit. Their main objective is to analyze situations that might have an impact on the workforce: mobility projects, on-site working, safety in the workplace or stress at work. Actions are reviewed and decisions taken in quarterly meetings and whenever needed, extraordinary meetings may be called. HSCs may decide to commission surveys or studies if deemed necessary, to help the management improve working conditions and safety. A new agreement was signed in November 2013 aimed at strengthening actions in Capgemini France related to Health and Safety at work, informing employees about the nature of professional risks and developing necessary actions to avoid them, and safeguarding the health of every employee.

In North America, the safety and well being of employees is fully integrated in the way in which they carry out their daily jobs. The aim is to maintain the lowest possible accident and professional health and safety incident rates. Incident and trend assessments may, where appropriate, lead to tighter workplace safety checks. 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, which includes training in wellness, stress management, prevention of harassment and violence, etc.

As in North America, other countries have an Employee Assistance Program (including India). Audits on the health and safety environment are regularly carried out within the Group (India, UK, etc.).

In Poland (as in some countries such as UK, Netherlands), conditions of Health and Safety at work are regulated by applicable labor law and are incorporated into their internal regulation procedures available on the intranet. In addition, new hires must also sign a special document (declaration) stating that they are familiar with the content of the document. For example, in Poland, new employees are required to undergo a medical check-up before employment and to undergo periodic medical check-ups during employment. New employees must also attend a preliminary workplace Health and Safety training session organized on their first day.

## 3.2.5 INTERNATIONAL MOBILITY AND RISK MANAGEMENT

The total volume of cross-border assignments across the globe for a short or longer term duration is increasing each year; this is one of the results of globalization, our Group's delivery model as well as a strong will to offer to our employees exciting international career opportunities to enhance their employability in a global organization.

International assignments are therefore an important aspect of our business, whether the assignment is voluntary initiated by the employee for career development or personal reasons, or required by the company to fulfill a business need.

One of our Group's main challenges is to ensure an environment which meets our standards as well as the physical safety of our employees on assignment in potentially high-risk countries.

The Capgemini international assignment network, comprising nearly 100 people, supports employees with legal, immigration, and tax & labor regulation procedures in the 100 countries to which they may be assigned.

The Group International Assignment policy sets the general conditions applying during any stay abroad.

Through our Risk Management Policy & Procedures, the Group has a selective policy on the countries/locations in which our employees can work. Assignments in countries assessed as "at risk" by our specialist external safety service provider are subject to strict rules and must be approved in advance.

- Specific training courses and advice are provided by the Capgemini international assignment network and Capgemini's service provider. In 2010, an e-learning training course was launched. In 2014, 8,051 employees have been trained on business travel safety through e-learnings and 668 of our employees have attended a dedicated face to face training from our Group service provider.
- A geo-localization tool has also been set up to identify where our employees are when they are travelling;
- Capgemini has set up a repatriation procedure and specific insurance coverage, to limit, as far as possible, the risks faced by its employees if trouble breaks out in a country where they are present;
- Lastly, 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 employees involved in overseas assignments, useful information is provided on the Group intranet sites, together with relevant rules and procedures.

In 2014, 20,863 employees have been proposed with one or several missions abroad to 100 different countries. The main countries of origin were India, US, Germany and Poland. The main destinations were the US, UK, France and Germany.

## 3.2.6 INVESTING IN TRAINING AND PROFESSIONAL DEVELOPMENT

### TRAINING POLICY

#### General training 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's employees to understand competencies across businesses to facilitate mobility.

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 our employees take charge of their 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 the region, business unit (BU), project, account, sector or technology specialization. At a glance, our employees should be able to understand the breadth of options available to them.

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

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

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

### LEARNING & DEVELOPMENT

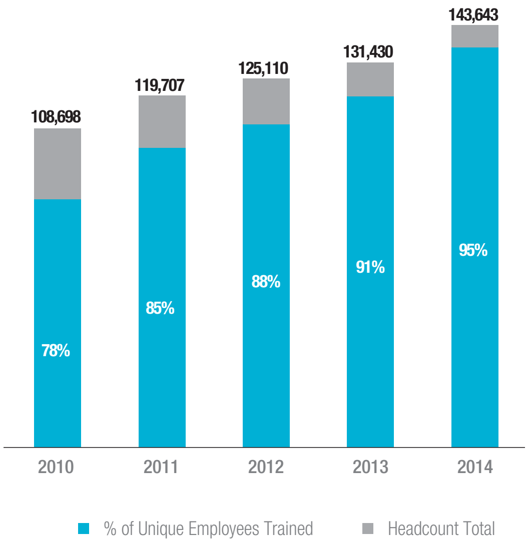
The quality of services provided to our clients depends on the excellence and motivation of our teams. We therefore invest in the development of our employees – our most precious asset – from their hiring and at every stage of their career.

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

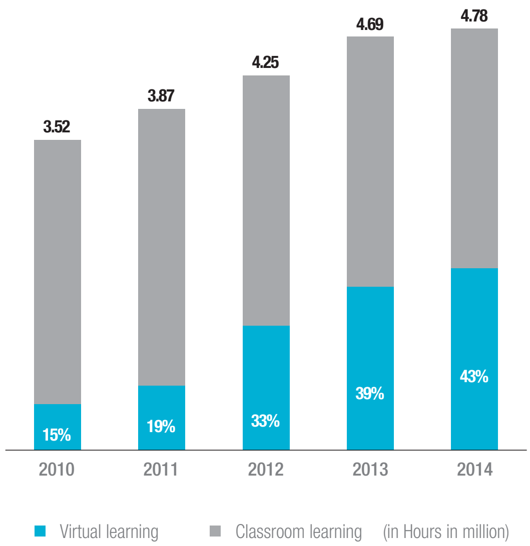
Capgemini University's Global Curriculum provides our employees with cutting-edge content to support their professional and personal skills development. Learning is available in several modes to make it easy, convenient and effective: from e-learning modules, 24/7 e-books, mobile learning applications, virtual classrooms, through collaborative learning platforms and our Virtual Campus. In addition, these virtual solutions are often coupled with physical classrooms whether they be at the 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 Training & Development figures

Overall, more than 133,000 employees were trained in 2014, up 11.6% compared with the previous year taking the total volume of training hours to 4.78 million.




The Group continued to develop its virtual training courses, increasing by 12% over the year, or 2.06 million hours. This channel now represents 43% of total training hours.




The Group's on-line learning management system, MyLearning, is open to all employees for informal, just-in-time learning and for structured learning events. MyLearning contains all the Group programs and, for many regions, local curricula. The catalogue of courses includes as well a wide range of training options to suit different learning styles teaching and classroom instruction is provided either at local training centres, 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.

The University worked together and closely with the business to strengthen the capabilities of our people to respond to our clients demand through:

- focus on new content linked to hot market topics such as training on disruptive technologies, global service offers and sector trends to create business value;
- building professional capabilities in key roles such as architects, engagement managers, management consultants, intellectual property product managers, sales professionals or software engineers;
- learning interventions focused on bringing cross discipline teams together to sell and deliver on key market trends in Digital, Social, Mobile, Analytics, Cloud and the Internet of Things;
- strengthening leadership capabilities to better enable our people to successfully respond to the fast pace of technology and market evolutions.

In addition to these cross Strategic Business Unit (SBU) interventions, the University also worked with each of the SBUs to deliver specific learning and mobilization events at the Group's physical Campus in Les Fontaines. These events delivered content that was both targeted at each specific SBU and supported the Group's overall ambition.

As well as focusing on building Capgemini members capabilities, the University continued to focus on ensuring it was building its learning expertise. It challenged itself by submitting and winning awards through recognized organizations that included:

- The Association for Talent Development's Excellence in Practice Award for achieving business impact through learning;
- Corporate University Exchange's Award Excellence for furthering corporate goal's through learning and development efforts;
- Brandon Hall Group Awards for best learning team, best use of games and simulations, and best leadership development program.

Finally, the University successfully went through its EFMD (European Foundation for Management Development) 5 year re-accreditation process. Capgemini University received its initial EFMD accreditation in 2009 and is the only Corporate University from the IT industry to have it. The accreditation is a mechanism for quality benchmarking, mutual learning and sharing of good practices where internal self-assessment is combined with an external review from experienced peers against a comprehensive set of rigorous criteria. The EFMD stated: "We are happy to recognize Capgemini University for maintaining a very high level of professional quality in all its operations, demonstrating consistent excellence through its programs and an exemplary standard of global training."

## Key University L&D figures

In 2014, close to 134,900 Capgemini employees (94% 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 3.1 million hours, representing 64% of total learning hours taken in the Group.

Close to 35,000 employees (+35% vs. 2013) were trained at our Global Campus, Les Fontaines, in France or locally in countries in which the Group is present, representing 1.3 million hours of training.

## 3.2.7 THE CERTIFICATION PROCESS

### INTERNAL CERTIFICATION

This in-house peer review process enables skills to be assessed 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 groups 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, a 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 4,100 project managers, an improvement of 25.4% over last year especially in Infrastructure activities (tripled from 244 to now 750) and India (+30.4%), 824 architects, 3,836 software engineers and 306 network engineers had either obtained or reconfirmed this internal certification during 2014. We also have an SAP 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. Lastly, training programs are developed jointly with the University to support a consistent deployment of methods and content within the Group, 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 global delivery service model. External certification combined with our internal certification programs supports 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, the Czech republic, Slovakia, Hungary, Sweden, Australia and China have ISO certifications including ISO 9001/ ISO 9001-2008. Many centers also have CMM/CMMI® (Capability Maturity Model Integration) certification, which is specific to the applications development business. In India, the centers of Mumbai, Kolkata, Pune, Hyderabad, Chennai and Bangalore 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 adaptability to changes in demand.

## 3.2.8 DIVERSITY AND INCLUSION

With over 140,000 people in more than 40 countries, Capgemini is proud to represent near 120 nationalities. As such, we are committed to creating an inclusive workplace culture that provides our people with the opportunity for a successful and rewarding career and ensures their well-being. We believe that it is the factors which make people different, which offer valuable sources of innovation and creativity, enabling us to generate new ideas, anticipate market trends and be thought leaders in our chosen markets.

Diversity and inclusion have always been an important part of our corporate culture, shaping how we operate and work with our stakeholders, suppliers, clients and our colleagues around the world. This 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 – together known as “diversity of thought”.

Our commitment is enshrined within our Group Diversity and Inclusion Charter which was refreshed in 2014.

### GLOBAL DIVERSITY & INCLUSION CHARTER

Capgemini’s success, brand identity and client experience are determined by the talented people who work for us. We believe that people perform better when they are empowered to be their authentic self at work and feel included in the way we approach how we work to deliver services to our clients. Cultivating an inclusive environment and ensuring that every voice of Capgemini is heard and considered, maximizes our capability to win and deliver business and makes Capgemini a great place to work.

Our Group Global Charter for Diversity and Inclusion sets out the Group's commitment to:

- engage with our clients, partners and suppliers to ensure there is understanding and alignment to our values, diversity and inclusion commitments and clear expectations;
- recruit and retain a talented and diverse workforce to deliver innovative, world-class solutions for our clients;
- foster an inclusive workplace environment that offers every employee the opportunity for a successful career;
- engage employees in the diversity and inclusion agenda through communication, awareness, education to build cultural competencies, and career development opportunities;
- continually review and integrate employee feedback to implement programs that provide employee engagement opportunities and drive leadership accountability;
- design, implement and regularly review and update policies to ensure that we, as an organization, are embracing diversity, cultivating inclusion, and responding to our employees' needs;
- support and leverage local and global networks across the Group business operations for employees and led by employees building communities to drive inclusion across culture, commerce, career, and community;
- encourage and support our employees to consider diversity and inclusion in our everyday business decisions (e.g. procurement, building a team, initiative sponsorship);
- integrate diversity and inclusion principles into Capgemini's business systems and activities based on five key drivers: workplace, workforce, marketplace, community, and executive engagement across the Group;
- comply with all applicable laws concerning diversity and inclusion supported through enabling employees to obtain guidance or report concerns on compliance and misconduct;
- report our progress, best practices and results across the Group both internally and externally based on our inclusion and diversity success measures;
- enhance Capgemini's external employer brand through the promotion of our diversity and inclusion achievements.

Our differences are a source of creativity, innovation and inspiration. Embracing diversity and inclusion equips us to reflect today's global marketplace in the communities where we operate, enables us to generate new ideas or anticipate market trends as thought leaders in our chosen markets and supports us in better understanding the challenges of our clients, partners and suppliers. We believe this will enhance the employee experience around the Group, create greater opportunities for sustainable business and affirm Capgemini's status as a global employer of choice.

These commitments reflect Capgemini's vision for diversity and inclusion in the Group. We are determined to take the necessary steps to put this approach into action, drawing on the best of each and every employee's talents, 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 the needs of our people with a wide range of personal circumstances and to provide them with a work environment which encourages their development. 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.

#### UNCONSIOUS BIAS

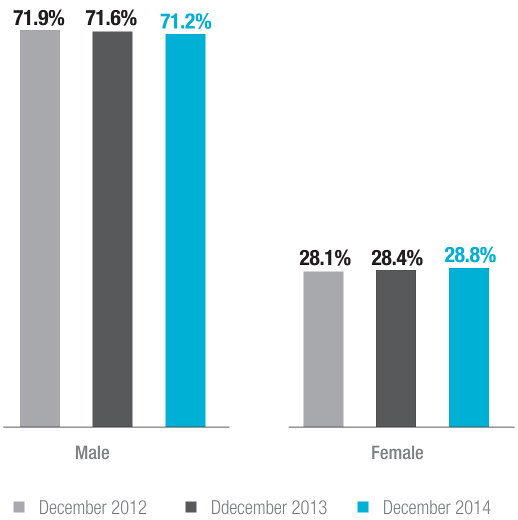
Exposing unconscious bias, the tendency for individuals to favor people like themselves, is critical to the promotion of diversity and inclusion within an organization. Consequently, together with an external expert from the Southern Methodist University in Dallas, Capgemini has developed an Unconscious Bias training module which has been deployed across North America and which was attended by under 200 of the Group's top executives from around the globe in November 2014. During 2015 the program will be made available to the remaining executives and rolled out more widely to include a mixture of face to face sessions, online web based training and virtual sessions.

#### MEASURES TAKEN IN FAVOR OF GENDER DIVERSITY

For Capgemini, gender diversity is also an issue of competitive advantage. Being an employer of choice for talented men and women is vital if we are to unleash the full potential of our Group and deliver the best results for our clients.

### Breakdown of workforce by gender: 2012-2014 changes

The coverage rate for the data below is 99.5% of year-end headcount. The percentage of females in the workforce continued to rise in 2014, increasing by 0.4 point over 2013 to reach 28.8% at year end. This increase in the female workforce was mainly due to strong growth in recent years of BPO (a business sector in which the proportion of females can reach 50%), an activity which attracts more females, and despite its recent expansion in countries 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 like in India (+1.4pts at 27.6%) which improves largely the overall percentage of female in the Group due to the high number of employees in this country. The countries with strong BPO development, and therefore a high proportion of women joining the Group, include Poland, China (+4.4pts), Brazil (excluding CPM Braxis), Romania and Chile, in all of which the percentage of women in the workforce exceeds 50%. Conversely, the percentage of women is less than 25% in eleven countries covering 28% of the workforce analyzed, including mainly France, Benelux and the USA. This 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 male/female ratio.




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

- the creation of local women's networks in Australia, Belgium, France, India, Italy, the 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 specific training, mentoring, and on-the-job coaching to develop the future leaders of Capgemini;
- asking all our recruiters to ensure they provide the same number of female and male candidates, wherever possible; and;
- the scheduling of networking events and workshops 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 institutional awareness. New initiatives launched in 2013 included a global mentoring program, with both male and female talented employees 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 has created, in 2014, 2 mandatory e-learning on diversity and recruitment to explain how to include the gender diversity stakes in our recruitment. France also signed a new partnership of mentoring with the University "Pierre and Marie Curie". 10 women students have benefited in 2014 from a support of 10 Capgemini women in the search and the follow-up of internship and the definition of their all year round school professional project, to prepare their insertion in the professional world. 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", an organization responsible for promoting the charter to increase diversity in France.

In the Netherlands, following the stereotypes campaign in France, in the first half of 2014, as part of an internship, research was done regarding how improving awareness of unconscious bias can contribute to gender diversity.

In India, Women@capgemini found its voice in Winspire, a forum created four years ago. The focus of WINSPIRE is to increase gender diversity in the workplace, so we can realize the advantages of having a greater balance of women employees at all levels. This program operates under four pillars, each driving a specific agenda: recruit, retain, develop and institutional awareness. Annual Women in Leadership Conference by the forum for Women (WILL forum) in Leadership recognized our efforts through the award "WILL Best employer for Women in 2014".

Having established key performance indicators around gender diversity at the beginning of 2014, Capgemini UK has taken further steps to demonstrate the Company's external commitment. In April, Capgemini joined other high-profile UK companies to register its support for the government's Think Act Report initiative – a framework developed by the government with the aim of promoting gender equality within the workplace. In May, Capgemini formally pledged its support to the government for collaborative action to increase the number of women in technology roles, committing to a target of having 50% women in our apprentice intake by 2025.

Capgemini UK is proud to have been listed in The Times Top 50 Employers for 2014 and to have been named as one of the Top 10 private sector organizations for gender diversity and inclusion by Opportunity Now, the campaign for women in work from Business in the Community. This achievement secures Capgemini UK a gold rating and marks a great improvement in our ranking. Last year we achieved silver status.

Hosted by Christine Hodgson, UK Chairman, two Women's Business Network meetings have been held this year – one in March to celebrate International Women's Day and one in October. The events have attracted influential speakers to share their experiences in business and enabled women at all levels to extend their networks.

Monitoring is carried out to better assess and understand the position 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 30.6% of total recruitments in 2014 (rate of coverage of 90%), a decrease ratio versus 2013 by 0.4% mostly due to a change in the perimeter. The percentage of women recruited is higher than the female ratio of the Group, which contributed to the rise in the percentage of women in the workforce at end-2014, driven by the Asia-Pacific/India and Latin America regions which represents two thirds of the female recruitment and with an improvement of 1pt of the ratio in India (30.1%).

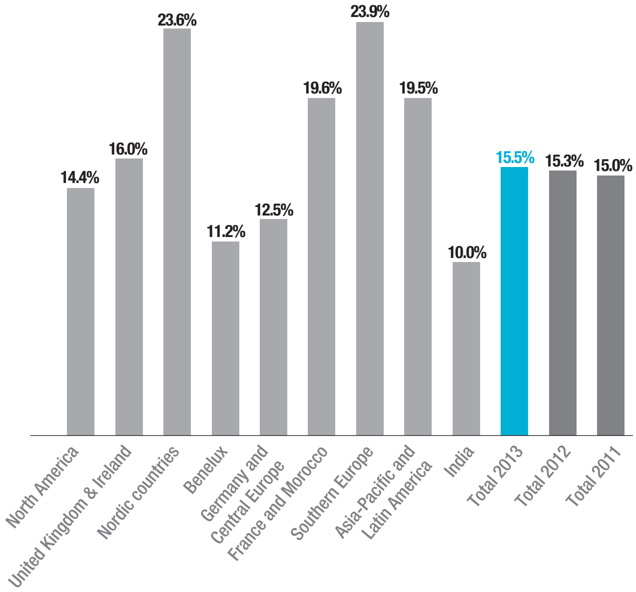
| | 2012 | 2013 | 2014 |
|---|---|---|---|
| **Recruits** | **% of female** | **% of female** | **% of female** |
| North America | 28.0% | 26.0% | 27.2% |
| UK & Ireland | 24.9% | 26.3% | 26.5% |
| Nordic countries | 30.1% | 27.8% | 31.7% |
| Benelux | 17.0% | 14.7% | 17.9% |
| Germany and Central Europe | 47.5% | 52.0% | 48.0% |
| France and Morocco | 23.6% | 22.4% | 23.7% |
| Southern Europe | 31.5% | 27.7% | 27.1% |
| Asia-Pacific and Latin America | 31.7% | 31.7% | 30.8% |
| **TOTAL** | **31.0%** | **31.0%** | **30.6%** |

Nevertheless, the turnover rate total (voluntary and involuntary leavers included) for females was marginally higher (at equivalent scope to hires) than for the total population.

| | 2014 | |
|---|---|---|
| **Turnover** | **% total** | **% of female** |
| North America | 18.7% | 18.6% |
| UK & Ireland | 14.8% | 15.0% |
| Nordic countries | 18.7% | 19.9% |
| Benelux | 10.9% | 11.1% |
| Germany and Central Europe | 21.7% | 22.7% |
| France and Morocco | 12.1% | 11.0% |
| Southern Europe | 12.1% | 10.6% |
| Asia-Pacific and Latin America | 26.6% | 26.9% |
| **TOTAL** | **20.6%** | **21.1%** |

## Proportion of women in top executive positions by operating unit

The proportion of women in the highest levels of responsibility had increased at December 31, 2014:




The proportion of females in the highest executive grades in 2014 continues to grow with an increase of 0.2pt, 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 Capgemini's proportion of women in these countries is higher than the generally seen in the market).

At the end of 2014, 19% of employees who had been promoted to the role of "Vice-President" were female, a higher 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 leadership through local management training courses, mentoring by senior executives, and, lastly, increased visibility of female talents in order to improve the gender-balanced of the Vice-President community.

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

### MEASURES TAKEN TO FAVOR SOCIAL INCLUSION OF DISABLED PEOPLE

In France, since 1995, an active employment policy of people with disabilities has been in place. In 2005, this approach was boosted with the creation of "mission handicap", a specific program dedicated to the inclusion of disabled people.

On October 31, 2012 a new agreement was signed with employee representatives, which aims to increase the employability rate of disabled people through apprenticeships. This three year agreement is applicable until end of 2015. These actions are financed by an annual budget of €4.4 million. The agreement has five key axes:

- a commitment to improving the employability rate of disabled people through a specific recruiting and on-boarding policy. The objective is to increase their employability rate from 1.64% to 2.4% in 2015. The recruiting staff expands their sourcing by participating in forums, through consultation of specialized sites and close collaboration with associations;
- the development of apprenticeships for disabled people, which will represent 23% of the total budget: in addition to welcoming trainees and apprentices, the Group has developed partnerships with Centers of Professional Reintegration and specialized schools. Inside the company, these apprentices are supported by voluntary and certified tutors. Furthermore, within the framework of the CapSH project, Capgemini assists Bac+2/3 level disabled students by financing their studies to enable them to acquire a master's degree;
- sustainable employment. As 80% of disabilities arise in the course of life, Capgemini commits to supporting employees in such a situation. Permanently disabled employees can benefit from adapted working conditions or from financial assistance for the acquisition or the customization of a vehicle or for specific equipment (prostheses);
- facilitating indirect employment for disabled people through sub-contractors, with in particular, a partnership with the GESAT network which handles the electronic management of all our personnel files;
- raising awareness through broader communication, to reduce stereotypes and improve understanding.

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

- **Tadeo** and sign language for deaf or hearing impaired people;
- **Accede** to support access to the internet for visually impaired people;
- Capgemini is a founding member of **Hanploi**, which developed the Hanploi.com website dedicated to handicapped people;
- **Arpejeh**, which aims to improve and promote the training, qualification and employment of young disabled people.

In 2014, Capgemini France also widely developed our purchases with the sector of the protected and adapted work, with a revenue of about 1.24million euros and a remarkable progress of the indirect employment. Among the axes of progress, we can quote the subcontracting of computing services with Adapted Companies such as Talaron Services or Arc IF (320 k€ in 2014). A framework agreement with the AC Elise allowed to display the operations of recycling of paper, tumblers, D3E on all the French sites.

Capgemini India's disability inclusion program commenced in July 2012. It has gained momentum this year with 156 people with disabilities benefitting from reasonable adjustments. The program has four pillars:

1. **Accessibility**: removing barriers to inclusivity, by ensuring accessible infrastructure and a register of grievances. Emergency evacuation processes have also been reviewed to ensure safe evacuation for people with disabilities at their Mumbai and Bangalore offices; Capgemini Kolkata offices is now also accessible for people with disabilities.
2. **Career**: ensuring inclusion through recruitment, engagement, and development policies.
3. **Commitment**: encouraging and creating employee awareness about employing people with disabilities, the use of assistance devices, challenging myths and the code of behavior in relation to disability, through a number of awareness and training programs.
4. **Communication**: Spreading inclusion beyond the company, with clients, partners and other organizations. This includes the partnerships with industry bodies, NGOs and Disability Rights groups such as CII and NASSCOM and NCPEDP (National Center for Promotion of Employment for Disabled People). The company has also sponsored and participated in conferences organized by Choice International, a UK-based NGO and the national conference organized by the NCPEDP, India's largest disability organization.

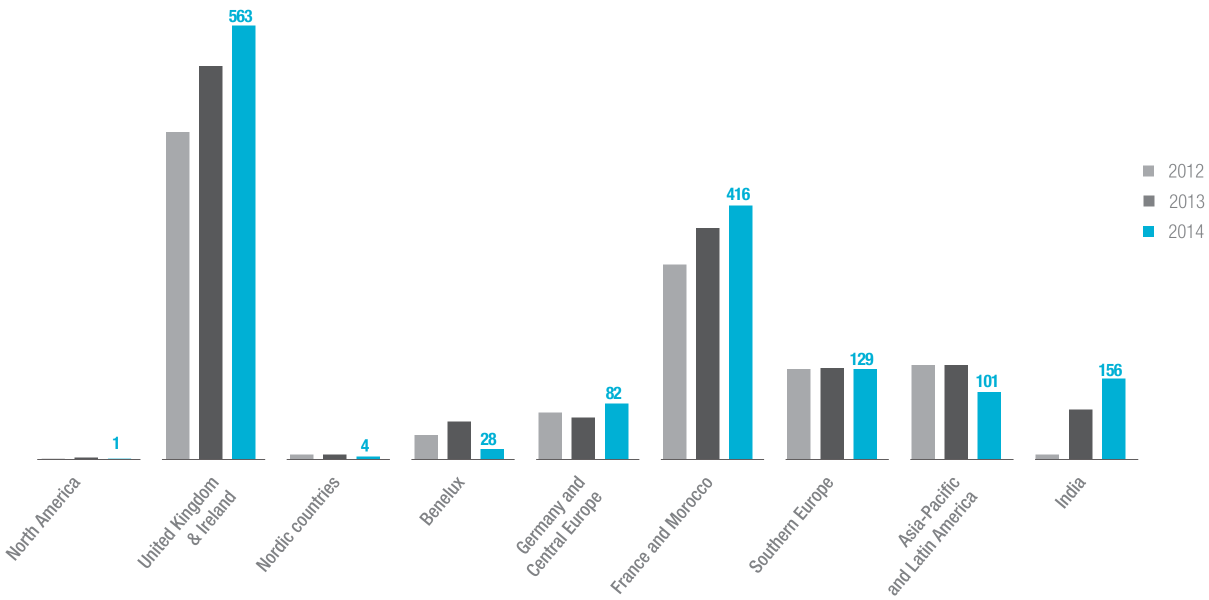
The articles published in Economic Times on Dec 12, 2014 and in Hindu on Aug 14, 2014 considered Capgemini as a role model company for inclusive practices. Capgemini's Disability Inclusion practice's case study featured in a research report conducted by Community Business on "Tapping a Pool of Disabled Talent in India". The report positions Capgemini as an employer of choice for students with disabilities.

A total of 20 new employees with various disabilities were recruited through this program. This includes 13 employees with orthopedic impairment, 6 employees with hearing impairment working with the support of sign language interpreters and 1 with vision impairment using screen reader software.

Capgemini Poland decided to include persons with sight disabilities in their teams by adapting work environment, including providing necessary assistive technologies and awareness trainings for employees. The target ambition for Capgemini Poland is to develop a model for employing persons with sight disabilities in cooperation with the Managers of the Future MOFFIN Foundation so as to accommodate their social needs and promote their occupational activity and also further build company culture based on diversity.

As a result of a pilot project deployed in early 2014, Krakow's branch of Capgemini has currently two members of staff with sight disability holding the posts of a Finance & Accounting Process Analyst and a Language Quality Assurance Specialist. They have also been involved in the co-creation of the company's model for employing blind and partially sighted persons. In this way, new open posts are even better adjusted to the needs of disabled candidates.

**NUMBER OF PEOPLE IN THE GROUP WITH A DISABILITY IN 2012-2014**



A disability is defined as anything preventing or limiting someone to participate to corporate, social life due to a long term or definitive reduction of his/her mental or physical capabilities. This is both voluntary and legal declarations depending on the country.

The coverage rate for the data above is 79% of year-end headcount. In 2014, figures indicated that the Group employed 1,480 disabled people, of whom 38% are in the United Kingdom and 28% are in France, but a new program has been launched in 2012 in India and now 156 disabled people have been identified. Group-wide, there were 434 more employees than in 2011, as a result of these new programs in India, as well as of the 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, Capgemini is 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 all forms of harassment or abuse;
- employees are encouraged and helped to keep a good balance between work and private life;
- the health and well being of our employees is encouraged;
- a sound and fair working environment is provided, where employees can develop and flourish.

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

### Personal development and appraisals

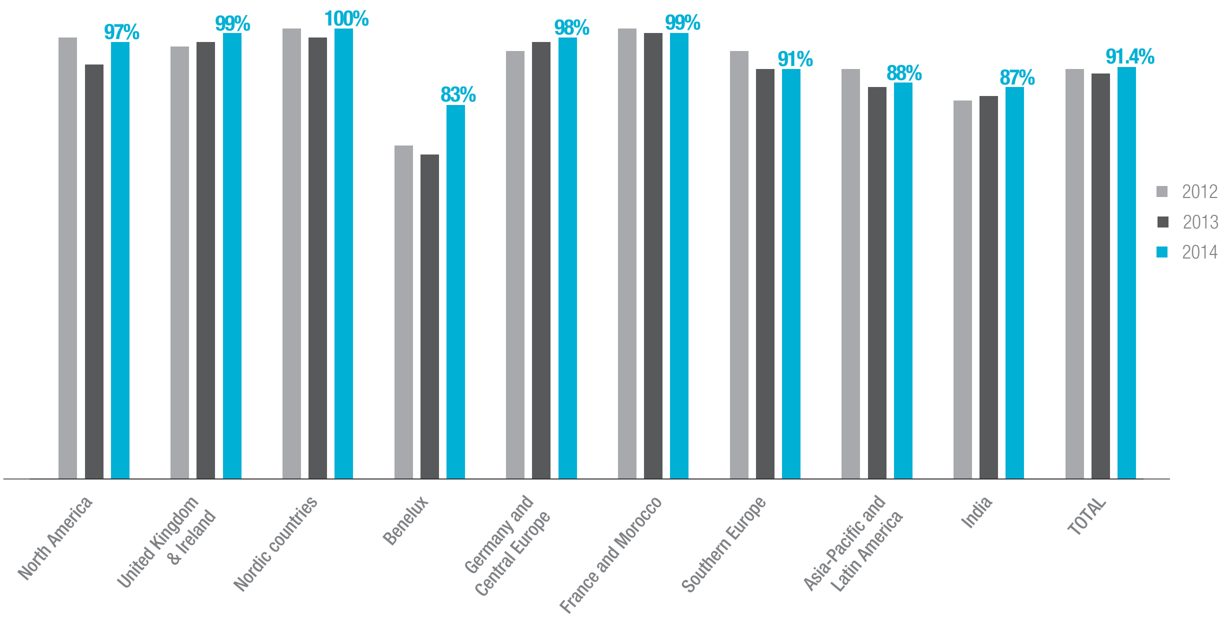
A key challenge for a services company such as Capgemini is to guarantee a consistent and transparent process of individual performance assessment based on a set of clearly-defined and explained criteria. By establishing such a framework, the company can ensure the professional development and promotion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

The performance and development process is driven by regular meetings between the employee and the evaluator, generally conducted in relation to assignments. The mentoring system has been set up to allow employees to benefit from an outside view and career management advice from more experienced colleagues throughout their careers. Expectations and skills descriptions are set out for each grade, and are used for setting objectives, evaluation and preparing for promotion. Priority is given to different dimensions of skills development for each grade, drawing attention to areas on which employees should focus.

### Workforce – percentage of employees eligible to a performance and career review between 2012 and 2014

The coverage rate for the data below is 95.9% of year-end headcount.

In 2014, 91% of the workforce concerned had undergone an annual performance review, the ratio remains stable in the past three years. 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 weaker, at 83% but improved by 9pts especially in Netherlands). Latin America is close to the Group level while India is only at 87% and improved by 2pt in 2014, fuelled by its strong growth and high turnover.



## 3.2.9 SOCIAL DIALOG AND INFORMATION PROCESS

### DIALOG AND COMMUNICATION AT THE HEART OF OUR RELATIONSHIPS

Capgemini believes employee involvement and commitment is a precondition to an open culture and facilitates this through effective and timely communication. With over 140,000 employees, spread across more than 40 countries, and within four businesses, Group Internal Communications (GIC) plays a vital role in sharing information, co-ordinating and mobilizing our people around the Group's priorities and achieving our ambition of playing in and winning the Champions League.

#### Building one Capgemini

Our global intranet, Talent, is home to all global and local Group sites and provides a consistent user experience and increased connectivity across the company. In 2014, APAC operations joined this network of sites 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, encourages our employees to be active, social, mobile, and technology savvy. Amongst other features, Talent enables personalization through the MyDesk feature (enjoying 64,000 profiles to date) and connects with those working remotely at client locations, through daily and weekly digests.

The Talent intranet, through its news portal and information store, connects team members across the world, creating a Capgemini without borders.

In 2014, Talent registered 42 million connections, a 20+% growth over 2013; the daily Talent News Alerts reached 40,000 subscribers and the weekly digest reached all of our employees globally every Friday. Yammer, with over 83,000 members (an increase of over 50% over 2013), and TeamPark, Sogeti's social network with over 15,000 profiles, have become internal digital cybercafés, connecting people, fostering discussions and debates, hatching new ideas and being a source of innovation.

The Executive Corner on Talent is home to our ~1,300 Vice-Presidents/Associate Directors. 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 message documents. The Executive series, comprising a monthly newsletter (The Executive Summary) and ad-hoc communications (The Executive Link), is also sent regularly to our Vice-Presidents/Associate Directors.

#### Enabling face-to-face connects

To improve the culture of oral communication and allow managers to share the Group story directly with their teams, GIC provided two TeamTime communications packs (in January and August) comprising of a video animation, slides and voice-over documents available in 8 languages. Feedback (from online survey) indicated that 70% of managers held their sessions via face-to-face meetings, while they kept video conferences and conference calls for teams spread across various geographies.

In addition to these physical meetings, GIC continued to deploy new solutions to enable more frequent connects through virtual events, bringing top executives closer to their teams. These tools offered a rich mix of contributions together with short videos, combined with direct interaction between speakers and audiences.

#### Engaging and recognizing through communication campaigns

To resonate with our tag line "People matter, Results count", an internal multimedia campaign, "People & Results", showcased the solutions that the Group brings to its clients, and highlighted the contribution of the teams. Over 100 projects, from all businesses and 21 countries, were covered while the dedicated website had attracted over 15,000 visits. A second phase of the campaign was launched in September 2014 to highlight the tangible results Capgemini teams bring to clients and society.

In addition to the annual campaign that connects employees with results, nine "One Week Focus" mini-campaigns were held to put the spotlight on topics of importance to our business and society (diversity, environment, community engagement, values and ethics, training, branding, Group tools, Intellectual Property and information security), and to raise awareness and encourage the involvement of our employees with these issues. In 2014, a new feature of these campaigns was the gamification element that encouraged even more people to take part.

#### Growing trust through communication

To continue to engage and grow trust within the key community of employee shareholders (those members who invested in the company through one of the Employee Share Ownership Plans – ESOP), a number of communications took place in 2014: a newsletter in February; regular electronic communications (notably to provide members with the annual Shareholders' newsletter and H1 ESOP performance); a virtual meeting in September and lastly, a new responsive site for ESOP members to follow their investment live. With the ESOP 2009 plan that came to maturity in December 2014, and the launch of the third plan – ESOP 2014 – that was successfully closed on December 16, 2014, an ambitious communications plan was put together to combine global and local communications and ensure employees would have all they needed to take informed decisions. The dedicated hub on Talent recorded over 100,000 page views and the simulator was used 30,000 times.

### Constantly striving to improve

In an effort to ensure consistency and improve industrialization and efficiency across the marketing and communication community, GIC designs and shares applications tools and templates. Some 8,000 team members from Sydney to San Francisco used these in-house applications to communicate in 2014. To further improve the quality of internal communications, GIC organized in 2014 a number of virtual sessions and workshops (live and available for replay) to share best practices (notably with regards to improved accessibility) and editorial techniques for journalism.

### Winning hearts and minds

Maintaining the motivation and satisfaction of existing employees is only a part of the communication challenges the other part comes from winning the hearts and minds of the many people who join the company each year, as new recruits, or as part of an outsourcing agreement or an acquisition. GIC facilitates the rapid integration of new arrivals by providing them with the necessary tools and communication channels, and helping build 'One Capgemini' across all continents.

### Employee commitment: innovation, continuous improvement and acceleration

Our Group Employee Survey took place last Sept 2014 when 128,096 eligible employees from Capgemini were invited to participate. The 2014 participation is Champions League having increased more than ever to reach a rate of over 80% (103,338 respondents, +2%).

The accountability of data analysis and action plan is now with business managers versus HR in the past, while the community of the 300 Champions has worked in tandem with the marketing and communication community to ensure qualitative communications and follow-up all along the year. As a consequence, the participation has been strongly correlated to Business Lead Actions Plans deployed post GES 2013 along with the communication of the results to the employees directly. Managers and Business Leaders' involvement have made the difference. GES is a manager tool.

Overall, scores remain fairly stable even with a growing number of participants (+11, 400 respondents). While Employee Engagement is stable 66% (-1pt), Client intimacy is still first as 91% (+1 pt) of the employees have strongly reiterated that they "feel personally responsible for their client's satisfaction". La Niaque stands as the very first engagement priority item for our employees' engagement: "I feel that our winning spirit enables us to be successful, even when times are tough". Our 7 values still appear as paramount in everyone's thoughts led by Trust, Team Spirit, Modesty, Modesty, and Freedom.

GES embraces the voice of all employees from every single part of the business: we innovate in 2014 as all employees of our recent acquisition – Euriware Capgemini – have been offered the opportunity to express their own opinion only 4 months after being merged making GES a even more powerful device to move ahead in that challenging environment.

## EMPLOYEE REPRESENTATION AND LABOR DIALOG

Capgemini continues to demonstrate its strong commitment to dialog effectively with the employee representative bodies. The Group upholds the regulations governing employee representation and also recognizes the importance of a constructive dialog around all key Group decisions.

In 2001, the International Work 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 were 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 representative bodies through the processes provided for under legislation, regulations and local agreements. The IWC has a dedicated intranet site to give all Group employees open access to IWC information.

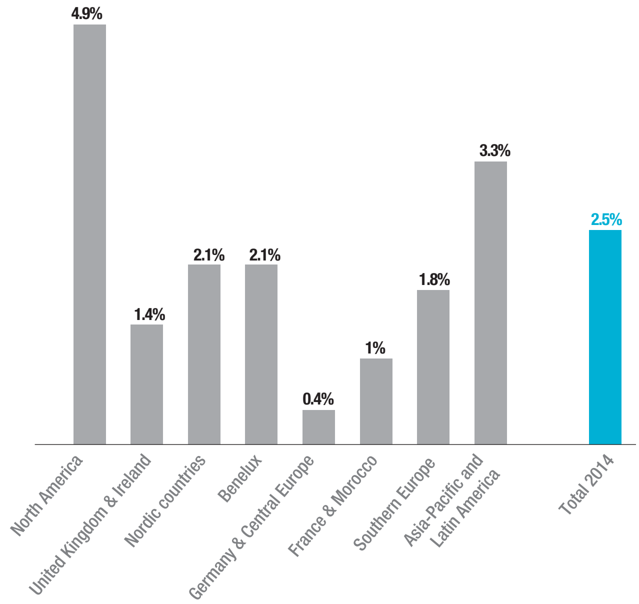
In 2014, the 22 member countries were invited to four (4) plenary meetings including two which were organized by Group Management in "Les Fontaines" and 2 other were organized in Spain and London. Various organization, commercial, and people topics were openly discussed. A special attention was given to career planning, skill development and mobility. In addition to these four meetings, the IWC Bureau has met monthly to discuss action plans and progress.

Otherwise, the Group is structured around its countries with formal national representative bodies. This dialog most frequently leads to the signing of agreements after an information/consultation process followed by a negotiation phase. 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 labor dialog is not governed by local regulations, the management of labor relations is done in a proactive manner. Based on the annual survey, which is a key tool in this matter, the company tries to take account of the difficulties raised by employees and to resolve the issues.

In 2014, the Secretary of the International Work Council was formally invited to attend the Board of Directors of the Group and he attends as well the Compensation Committee.

In addition to the IWC, labor dialog is organized locally through employee representative bodies. This dialog most frequently leads to the signing of agreements after an information/consultation process followed by a negotiation phase. 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 labor dialog is not governed by local regulations, the management of labor relations is done in a proactive manner. Based on the annual survey, which is a key tool in this matter, the company tries to take account of the difficulties raised by employees and to resolve the issues.

Maintaining transparent dialogue with employee representatives is particularly important in difficult economic environments. In 2014, the group has not conducted any significant collective redundancy plans. However, in a business based on the strengths of our workforce, we must ensure the proper matching of our workforce skills to clients and market needs. As a consequence, and also in liaison with our very significant level of hiring (close to 40,000 people in 2014), we are doing layoffs for a large part linked to the improper matching of a part of our new recruits as well as due to individual performance, terminations for cause or layoffs as part of a "RIF" (reduction in force). This represents 2.5% of total headcount. The coverage of this study is 81% of total headcount.

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# 3.3 Environmental responsibility

As an IT outsourcer, service provider and consultancy organization, Capgemini does not engage in manufacturing. We do, however, continue to recognize that the services we provide and business activities in which we are engaged, can still impact the environment.

Our 2014 assessment of environmental impacts (as part of our wider materiality assessment, detailed in section 3.1.3), highlighted the importance of climate change and its possible implications to our business including energy security. Our efforts to reduce and minimize impacts through our energy use, waste management and business travel continue across our Group countries through our maturing Environmental Sustainability program.

We are also committed to identifying and complying with all local and international legislation and other relevant requirements relating to this impact in the various geographies in which we operate. Our belief that environmental responsibility drives shareholder value provides the impetus to go beyond simple environmental compliance. It allows us to provide clients with new services while enabling us to improve our own efficiency and reduce operational costs. The implications of climate change present risk and also opportunity throughout our business. For example, we are aware and mitigate against the risk posed by extreme weather events at our data centers ensuring our clients have continuous service no matter the weather conditions. We also recognize the opportunities, both current and potential, to use technology 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 the measures that all countries are expected to take in terms of the environment. It reinforces our commitment to respecting the environmental and the continual improvement of environmental performance across our global operations, specifically in the areas of energy, business travel and waste management. The Policy can be found at: http://www.capgemini.com/resource-file-access/resource/pdf/capgemini_group_environment_policy.pdf.

## 3.3.2 GROUP ENVIRONMENTAL MANAGEMENT APPROACH

Capgemini has extended the scope of its environmental management systems with the certification of Capgemini India's operations in July 2014 under ISO 14001. This certification increases the percentage of operations covered by the standard to nearly 60% measured by headcount.

In addition to Capgemini India, ISO 14001 certification is held in Belgium, Brazil, Finland (data-centers), France (Sogeti) the Netherlands, Portugal, Spain, and the United Kingdom.

Capgemini's most material environmental impacts result from our use of energy (in both offices and data centers), as a result of business related travel and from the disposal of office waste. These impacts, together with smaller impacts such as from water consumption and fugitive air-conditioning emissions, are measured and reported as part of our sustainability accounting and reporting processes. Other environmental impacts, such as those on bio-diversity and noise pollution, while regularly reviewed, are not currently considered significantly material to our operations and consequently are not discussed further in this report.

While certain local variations may exist, the Group's main environmtental impacts are shown in the table below.

| Main Environmental aspects | Aspects and impacts applicable to the Capgemini business |
|---|---|
| **Energy consumption** | Our main environmental impact comes from the consumption of electricity, gas and oil to light, heat and power our offices and data centers.<br>Data centers are particularly energy intensive due to the high level of IT equipment to be housed, powered and cooled. |
| **Business travel** | The international and domestic business travel we undertake, by road, rail, air, and from staying in hotels, all consume fossil fuels which contribute to greenhouse gas (GHG) emissions.<br>Tackling this remains a major challenge for our industry, which is reliant on the mobility of its people in order to best utilize their skills and experience in serving customers worldwide.<br>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 greater flexibility, along with plans to roll-out globally our travel program 'TravelWell' with its holistic view on travel and traveler well-being. |
| **Waste management** | Much of the waste that the Group produces is generated by office consumables and packaging. Capgemini aims to minimize the amount of waste that is sent to landfill by promoting the development of recycling facilities.<br>We also work with our people and key suppliers to reduce the overall amount of waste generated on our premises by our daily operations. We ensure that all electronic equipment is recycled in accordance with local legislation. |

## 3.3.3 ENVIRONMENTAL PERFORMANCE

Throughout 2014 Capgemini continued to roll-out our global carbon accounting and management service. At the end of 2014 the service had grown to cover 28 of our countries and 97% of our global headcount.

Whilst we continue to standardize our data collection and carbon management, our baseline of robust auditable data remains subject to change. As such we continue to plan the setting of global carbon emissions reduction targets and have gained the approval of the CR&S Board to pursue such public declarations of ambition.

In the UK, the first country where the measurement system has been fully deployed, Capgemini has achieved significant environmental performance improvement – performance externally validated under the Eco-Management and Audit Scheme (EMAS) and with externally audited environmental data in accordance with the principles of ISO 14064-3.

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. Capgemini's Carbon Accounting and Sustainability Reporting service is also available to clients.

### INDIA CASE STUDY

Capgemini India has a highly focussed approach to Environmental Sustainability supported by the CEO of Capgemini India and Member of the Group Executive Committee, Aruna Jayanthi. This approach encompasses:

- **Climate Protection –** Target: Reduce per employee carbon emissions by 30% **by 2020**;
- **Material Optimization –** Target: Zero office waste to Landfill by 2017;
- **Resource Conservation –** Target: Reduce water consumption by 20% **by 2017**.

Capgemini India is the first country within the Group to deploy our own Smart Energy Management Solution (SEMS), which has already demonstrated how cost savings can be used to sustain other environment projects within India. Our ability to build a solid business case and demonstrate impressive return on investment enables us to lever funding for new Indian environmental projects to reduce our water and paper consumption.

The success of the SEMS project has led to a further Group wide pilot and proposed full roll out across Capgemini's estate.

Strong governance is essential both to ensure successful project delivery and to marshal support from the wider business. Our key stakeholders in this program were the India Sustainability Board and India Sustainability team, Facilities team and our Energy & Utility Center of Excellence.

## 3.3.4 KEY PERFORMANCE INDICATORS AND METHODOLOGY

The environmental data presented in the 2014 Annual Report have been taken from the Carbon Accounting and Sustainability Reporting system and covers 28 countries (Australia, Belgium, Brazil, Canada, China, Czech Republic, Denmark, Finland, France, Germany, Guatemala, India, Ireland, Italy, Luxembourg, Mexico, Morocco, the Netherlands, Norway, Philippines, Poland, Romania, Spain, Sweden, Switzerland, the UK, the USA and Vietnam) covering 97% of Group headcount. Environmental data collected from other countries is not presented in this report.

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

- estimating 2014 data based upon available 2013 data, in general related to Q4 2014 data (according to documented methodologies related to differing circumstances and covering all aspects of energy, travel, water and waste management),
- estimating emissions data based on available cost data (employing metrics such as the cost per kWh for electricity and gas; and cost per liter of diesel or per kilometer of travel), or
- estimating emissions data for a facility based on data available for other facilities (estimating electricity usage based on area of the facility, estimating waste disposal & water consumption based on headcount of the facility).

Where data is unavailable, as is the case for greenhouse gas emissions for some of our smallest entities, the data is deliberately excluded. Further disclosure about the scope of data available and extrapolations employed is presented in footnotes under the data table below.

The 2013 data against which the latest 2014 data is compared, is taken from our 2013 Registration Document, Annual Financial Report.

### OVERALL EMISSIONS

In 2014, Capgemini's carbon emissions from operations representing nearly 97% of the Group's headcount were 328,500 $tCO_2e$ as calculated using the conversion factors and methodology recommended by the UK Government's Department of Environment Farming and Rural Affairs (DEFRA).

Due to the continued progress of our environmental program, the emissions data in this report covers more of our operations than previously included. For 2014, we report data for 28 countries covering over 97% of our headcount (compared to 14 countries covering over 90% of our headcount in the 2013 annual report). We have also calculated emissions from waste disposal and water supply and treatment, which were previously excluded.

As a result of this expansion in our carbon reporting, the 328,500 $tCO_2e$ reported here represents 4.8% increase in overall reported emissions. However, a like-for-like comparison reveals reductions: in particular, the emissions of our largest operations (India, Netherlands, UK, France and North America) excluding waste and water have reduced by 3.9% since 2013 (from 274,946 $tCO_2e$ to 264,145 $tCO_2e$). Similarly, a comparison of the footprint of the 14 countries reported in our 2013 report, demonstrates a 6.2% reduction (from 313,351 $tCO_2e$ to 294,029 $tCO_2e$). Total Emissions per head have also reduced by around 15% (from 2.7 $tCO_2e$ per head to 2.3 $tCO_2e$ per head).

### ENERGY CONSUMPTION

Building upon our ability to monitor more robustly our carbon data and in order to reduce office energy use, Capgemini is currently deploying around 800 smart meters across its Indian office estate (following a successful pilot in 2013). By the end of July 2014, approximately half the meters had been deployed enabling more than €200,000 of energy savings to be realized through office energy efficiency initiatives. These savings equated to a reduction in annual carbon emissions of over 2,250 tons of $CO_2e$. Plans are currently underway for an international roll-out following the completion of the Indian deployment.

Across the Group, total reported energy use has reduced slightly from 377,100 MWh in 2013 to 376,668 MWh in 2014, in spite of the inclusion of additional operations. A like-for-like comparison of the 14 countries included in last year's annual report shows a reduction in energy use of 5.7%.

Carbon emissions related to energy use for these 14 countries shows a small reduction of 1.9% (from 147,018 $tCO_2e$ to 144,220 $tCO_2e$). This difference partly reflects that in some countries such as the UK and Spain, the grid electricity emissions factors provided by DEFRA have increased since 2013. Of the total 376,668 MWh consumed in 2014, over 80% was consumed in our key 6 countries (India, the Netherlands, France, the United Kingdom, the US and Canada).

At the country level:

- in India, energy related emissions have increased by 1.6% and energy use by 6.2%. This increase is largely as a result of the 19.3% growth in headcount in India which has created the opening of two new facilities, and masks the real progress made from the energy efficiency initiatives described above which are reflected by a 11% reduction of the energy use per head;

- in France, the total energy consumption fell by a little under five per cent between 2013 and 2014, with significant reduction in office electricity use in particular, as a result of the closure of several facilities. The reduction in associated emissions within the same period is even more significant (27.5%), due to the reduction of the DEFRA electricity grid emissions factor for France;
- within the UK, total reported energy use in MWh has reduced by 10.1%, primarily due to reductions in data center electricity use. However, emissions from energy use are showing a 7.5% increase compared to 2013, partly due to the increase in the DEFRA grid average electricity emission factor for the UK, and partly due to the inclusion of Scope 3 emissions from electricity transmission and distribution losses (which were excluded from 2013 data);
- the significant reduction in energy use (18.6%) and associated emissions (15.8%) in The Netherlands is largely as a result of the closure of our Utrecht and Papendorp offices. This has in turn has resulted in dramatic reductions in the emissions associated with district heating (93.5% reduction), natural gas (54.4%) and office electricity (28.8%) since 2013;
- in North America, overall energy use increased by 13.2%, which is partly due to the inclusion of energy data from Sogeti USA for the first time and partly due to improvements in data accuracy, with accurate data from invoices replacing data which had been estimated in 2013. Emissions from energy use have remained at a similar level to 2013, as the DEFRA grid average emissions factor for both US and Canada has reduced.

The replacement of estimated data with actual invoice data has had an impact on the results reported for other countries too. For Capgemini Spain, reported gas use has tripled, whilst for Capgemini Germany reported office electricity has reduced by 25% – both as a result of previously estimated data being replaced with invoice data.

## BUSINESS TRAVEL

The nature of Capgemini's business model requires close collaboration with clients around the world. However, Capgemini continues to invest in initiatives aimed at providing alternatives to travel and helping colleagues make informed decisions when travelling.

Our award-winning TravelWell program, originally deployed in the UK and currently scheduled for international deployment in 2015, is focused on ensuring that the right tools are in place to support client delivery, while reducing travel impacts. In the UK, TravelWell won the Sustainable Transport and Travel category of the Sustainability Leaders Awards in November 2014.

Our business travel emissions make up over half of our global carbon footprint, with emissions in 2014 at 172,952 $tCO_2e$. This represents an increase of 5.7% on emissions reported in 2013, which is primarily due to the additional geographies now covered by our carbon management and reporting service – a like-for-like comparison of the 14 countries and associated entities included in both reporting periods reveals a reduction of 8.7%.

The adoption of the latest emission factors as recommended by DEFRA has also had an impact on reported emissions – with the application of DEFRA's 2014 emissions factors resulting in lower emissions per air mile flown, but higher emissions per mile travelled for diesel cars and taxis; for most countries the application of new emission factors in 2014 is likely to have resulted in a small reduction in business travel emissions since our 2013 report.

Emissions relating to business travel within the top 6 countries as compared to the last report have reduced by just over 6% to 135,636 $tCO_2e$,

At the country level, the main results were:

- in India, emissions from business travel have reduced by 6.2% since 2013, which is a significant achievement given headcount growth of nearly 19.3% over the period. One area of reduction was hotel nights, which have declined by 17.7%;
- business travel emissions have reduced by just over 8% in France, with particularly significant reductions in air travel.

  The magnitude of the overall travel emissions reduction was constrained by improvements to the way hotel data is collected resulting in a 17% increase in hotel emissions;
- in the UK, business travel emissions have increased by 2.3% since 2013. This is partly due to the inclusion of travel data for Sogeti UK for the first time, and partly due to an observed increase in short haul flights and hotel stays in the first half of 2014;
- a sustained focus on reducing emissions from business travel in The Netherlands has contributed to a reduction of 11.1% since 2013. This has been achieved by encouraging the use of public transport and implementing a new car lease arrangement to encourage people to switch to low emission company cars;
- business travel for North America has reduced by 3.1% since 2013. This partly reflects improvements to data collection techniques, with data supplied by third party travel agents now being used in preference to data obtained from internal expense systems.

## OTHER SOURCES

F-gas emissions, waste tonnage (including general, recycled and e-waste) and water usage (consumption primarily for use in sanitary areas, kitchen facilities and some data center cooling) are also provided in the table below. For the first time in this report, we also include emissions associated with waste disposal and water supply and treatment. We have continued to improve the quality and coverage of our waste and water data collection, both in terms of the number of countries providing data and the coverage and accuracy of the data within each country. Currently water data is collected as available, with no assessment done to date regarding potential scarcity of supply across our global locations. This year, waste and water data was included in the scope of the external audit.

Total waste tonnage (including general, recycled and e-waste) for 2014 was 4,332 tons, which represents a reduction compared to 2013, partly due to improvements in the way waste has been calculated in Poland, Spain, Canada and the US. The volume of measured water (used and recycled) in the 23 countries where data is available is approximately 923,674 $m^{3,}$ whilst total F-gas emissions were reported as 524 t $CO_2e$. Further country-level detail is provided in the notes below the tables.

### SUMMARY OF ENVIRONMENTAL DATA BY COUNTRY

| | Energy by Source | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Scope and Metric** | **Energy Use** *(MWh)* | **Scope 1 Emissions** *(t $CO_2e$)* | | **Scope 2 Emissions** *(t $CO_2e$)* | | | | **Scope 3 Emissions** *(t $CO_2e$)* | **Total Energy Emissions** *(t $CO_2e$)* |
| **Country** | **Energy (All sources)** | **Gas** | **Diesel/ Gas Oil** | **Data Center Electricity** | **Office Electricity** | **Office Cooling** | **Electricity Urban Heating** | **Electricity T&D Losses** | **Total Energy Emissions** |
| India – Capgemini & Sogeti | 84,298 | N/A | 4,976 | N/A | 55,307 | N/A | N/A | | 60,283 |
| France – Capgemini, Sogeti & Prosodie | 79,469 | 38 | N/AV | 2,832 | 2,003 | N/A | N/AV | | 4,873 |
| UK – Capgemini, Aspire, FS, Sogeti | 69,544 | 717 | 93 | 24,185 | 8,103 | N/A | N/A | 2,813 | 35,911 |
| Netherlands | 25,469 | 401 | 16 | 6,603 | 2,547 | 68 | 16 | | 9,651 |
| North America | 44,694 | 17 | 88 | 13,573 | 3,612 | N/A | N/A | | 17,290 |
| Canada | 15,134 | 6 | N/A | 2,142 | 381 | N/A | N/A | | 2,528 |
| USA – Capgemini & Sogeti | 29,560 | 11 | 88 | 11,432 | 3,231 | N/A | N/A | | 14,762 |
| **Total Largest operations** | **303,474** | **1,173** | **5,174** | **47,193** | **71,572** | **68** | **16** | **2,813** | **128,008** |
| Belgium – Capgemini & Sogeti | 1,339 | 39 | N/A | N/A | 221 | N/A | N/AV | | 260 |
| Czech Republic | 144 | 23 | N/A | N/A | 10 | N/A | N/A | | 33 |
| Denmark – Capgemini | 148 | N/A | N/A | N/A | 47 | N/A | N/A | | 47 |
| Finland – Capgemini | 11,022 | N/A | 23 | 1,579 | 311 | N/A | 253 | | 2,166 |
| Germany – Capgemini & Sogeti | 13,809 | 269 | N/A | 2,647 | 2,852 | N/A | 201 | | 5,970 |
| Ireland – Sogeti | 94 | N/A | N/A | N/A | 40 | N/A | N/A | | 40 |
| Italy | 3,892 | 295 | N/A | N/AV | 924 | N/A | N/AV | | 1,219 |
| Luxembourg Sogeti | 168 | N/A | N/A | N/A | 65 | N/A | N/A | | 65 |
| Norway Capgemini | 1,871 | N/A | N/A | N/A | 20 | N/A | 76 | | 96 |
| Poland | 10,706 | 165 | N/A | N/A | 6,741 | N/A | 288 | | 7,195 |
| Romania | 467 | 28 | N/A | N/A | 156 | N/A | N/A | | 185 |
| Spain – Capgemini & Sogeti | 4,753 | 49 | N/A | N/A | 1,306 | N/A | N/A | | 1,355 |
| Sweden – Capgemini & Sogeti | 2,991 | N/A | N/A | N/A | 40 | 15 | 125 | | 180 |
| Switzerland – Capgemini & Sogeti | 331 | N/AV | N/A | 5 | 4 | N/A | N/A | | 10 |
| **Other Europe** | **51,736** | **870** | **23** | **4,232** | **12,737** | **15** | **943** | **0** | **18,820** |

| | Energy by Source | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Scope and Metric** | **Energy Use** *(MWh)* | **Scope 1 Emissions** *(t $CO_2e$)* | | **Scope 2 Emissions** *(t $CO_2e$)* | | | | **Scope 3 Emissions** *(t $CO_2e$)* | **Total Energy Emissions** *(t $CO_2e$)* |
| **Country** | **Energy (All sources)** | **Gas** | **Diesel/ Gas Oil** | **Data Center Electricity** | **Office Electricity** | **Office Cooling** | **Electricity Urban Heating** | **Electricity T&D Losses** | **Total Energy Emissions** |
| Brazil | 12,364 | 1 | 21 | 271 | 563 | N/A | N/A | | 857 |
| Guatemala | 1,164 | N/A | N/A | N/A | 214 | N/A | N/A | | 214 |
| Mexico | 196 | N/A | N/A | 6 | 82 | N/A | N/A | | 88 |
| **Total Latin America** | **13,724** | **1** | **21** | **278** | **859** | **0** | **0** | **0** | **1,159** |
| China – Capgemini, FS & BPO | 4,732 | N/A | N/A | 523 | 3,093 | N/A | N/A | | 3,616 |
| Philippines | 600 | N/A | N/A | N/A | 295 | N/A | N/A | | 295 |
| Vietnam | 231 | N/A | N/A | N/A | 106 | N/A | N/A | | 106 |
| Australia Capgemini (incl BPO) | 648 | N/A | N/A | N/A | 533 | N/A | N/A | | 533 |
| Morocco | 1,524 | N/A | N/A | N/A | 908 | N/A | N/A | | 908 |
| **Total Other Regions** | **7,735** | **0** | **0** | **523** | **4,935** | **0** | **0** | **0** | **5,458** |
| **GRAND TOTAL** | **376,668** | **2,044** | **5,218** | **52,226** | **90,103** | **83** | **959** | **2,813** | **153,446** |

*Notes*

- *Data included in the tables is for the reporting period January to December 2014 (unless otherwise indicated)*
- *Table key: N/A = Not Applicable; N/AV = Not Available, which denotes areas where data is assumed to exist but was not available for the purposes of this report.*
- *“Scope” is a reporting term from Greenhouse Gas Protocol, which is used in carbon accounting to categorize emissions reported according to the level of control a company has over an emissions source. Data included in the tables is for the reporting period January to December 2014 (unless otherwise indicated)*
- *All emission sources: Operations in the following countries were not included in data in our 2013 Group Financial Report: Belgium, Czech Republic, Ireland, Italy, Luxembourg, Norway, Romania, Switzerland, Mexico, China, Philippines, Vietnam, Australia and Morocco.*
- *All emission sources: Data for Sogeti entities in UK, US, Germany and Sweden were not included in the 2013 Group Financial Report. These have been added into the total for each country.*
- *All emission sources: With the exception of hotel nights (mentioned below), emissions have been calculated using the conversion factors and methodology recommended by the DEFRA: https://www.gov.uk/measuring-and-reporting-environmental-impacts-guidance-for-businesses.*
- *Energy: Where certain countries report the use of renewable energy, (energy purchased on ‘green’ tariffs) such as Netherlands, Sweden and the UK, the appropriate emission factor has been applied.*
- *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: T&D losses refers to electricity transmission and distribution grid losses (the energy loss that occurs in getting the electricity from the power plant to our facilities). At present, the UK is the only country to calculate emissions from T&D Losses.*
- *Energy: For Canada, one data center closed in 2014. Data center electricity data for 2014 is incomplete for two other facilities and has therefore been estimated based on 2013 usage.*
- *Energy: For US, the 2013 office electricity data had been partially estimated in last year’s Group Financial Report, due to the absence of invoices. When invoices were finally received, these showed electricity had been overestimated by 26 per cent.*
- *F-Gas: For India, it was found 2013 F-Gas data had been significantly over-estimated – the 2014 figures provide a more accurate figure for F-Gas emissions. For India, F-gas for the UK for 2013 was also found to be over-estimated due to the inclusion of F-gases not covered by the Kyoto Protocol.*

| | F-Gas | Travel | Waste Generated (non-hazardous) | | Water | | Total Emissions | | |
|---|---|---|---|---|---|---|---|---|---|
| **Scope and Metric** | **Scope 1 Emissions** *(t $CO_2e$)* | **Scope 3 Emissions** *(t $CO_2e$)* | **Weight** *(in Tons)* | **Scope 3 Emissions** *(t $CO_2e$)* | **Water Use** *($m^3$)* | **Scope 3 Emissions** *(t CO2e)* | **Total Emissions** *(t $CO_2e$)* | | |
| **Country** | **Total F-Gas Emissions** | **Total Business Travel Emissions** | **Total Waste** | **Total Waste Emissions** | **Water Use** | **Total Water Emissions** | **2014 Total Emissions (all sources)** | **2013 Total Emissions (excl waste & water)** | **% Change from 2013** |
| India – Capgemini & Sogeti | 166 | 36,321 | 764 | 106 | 487,254 | 517 | 97,394 | 99,588 | -2.2% |
| France – Capgemini, Sogeti & Prosodie | N/AV | 24,481 | 325 | 17 | 67,810 | 71 | 29,443 | 33,360 | -11.7% |
| UK – Capgemini, Aspire, FS, Sogeti | 335 | 15,173 | 274 | 11 | 42,767 | 45 | 51,475 | 48,907 | 5.3% |
| Netherlands | N/A | 30,168 | 303 | 41 | 6,482 | 7 | 39,866 | 45,383 | -12.2% |
| North America | N/A | 29,493 | 483 | 94 | 164,177 | 173 | 47,050 | 47,708 | -1.4% |
| Canada | N/A | 909 | 97 | 19 | 40,450 | 43 | 3,499 | 5,000 | -30.0% |
| USA – Capgemini & Sogeti | N/A | 28,584 | 386 | 75 | 123,727 | 130 | 43,551 | 42,708 | 2.0% |
| **Total Largest operations** | **501** | **135,636** | **2150** | **270** | **768,490** | **813** | **265,228** | **274,946** | **-3.5%** |
| Belgium – Capgemini & Sogeti | N/AV | 5,454 | 8 | 1 | 568 | 1 | 5,716 | | |
| Czech Republic | 24 | 87 | 5 | 1 | 337 | 0 | 146 | | |
| Denmark – Capgemini | N/A | 262 | 43 | 1 | N/AV | N/AV | 310 | 336 | -7.8% |
| Finland – Capgemini | N/A | 418 | 83 | 7 | 1,014 | 1 | 2,592 | 2,806 | -7.6% |
| Germany – Capgemini & Sogeti | N/AV | 8,306 | 198 | 38 | 7,115 | 7 | 14,322 | 14,287 | 0.2% |
| Ireland – Sogeti | N/A | 45 | 0 | 0 | N/AV | N/AV | 85 | | |
| Italy | N/AV | 3,036 | 77 | 15 | 53,440 | 56 | 4,326 | | |
| Luxembourg Sogeti | N/A | 2,872 | 5 | 1 | N/AV | N/AV | 2,938 | | |
| Norway Capgemini | N/A | 585 | 72 | 9 | 3,697 | 4 | 694 | | |
| Poland | N/A | 2,403 | 334 | 52 | 26,179 | 28 | 9,677 | 8,307 | 16.5% |
| Romania | N/AV | 101 | 8 | 1 | 2,224 | 2 | 290 | | |
| Spain – Capgemini & Sogeti | N/A | 1,536 | 72 | 7 | 12,391 | 13 | 2,911 | 3,091 | -5.8% |
| Sweden – Capgemini & Sogeti | N/A | 2,871 | 15 | 3 | N/AV | N/AV | 3,053 | 3,293 | -7.3% |
| Switzerland – Capgemini & Sogeti | N/A | 155 | 6 | 1 | 9 | 0 | 166 | | |
| **Total Other Europe** | **24** | **28,131** | **927** | **138** | **106,973** | **113** | **47,225** | **32,120** | **47.0%** |

| | F-Gas | Travel | Waste Generated (non-hazardous) | | Water | | Total Emissions | | |
|---|---|---|---|---|---|---|---|---|---|
| **Scope and Metric** | **Scope 1 Emissions** *(t $CO_2e$)* | **Scope 3 Emissions** *(t $CO_2e$)* | **Weight** *(in Tons)* | **Scope 3 Emissions** *(t $CO_2e$)* | **Water Use** *($m^3$)* | **Scope 3 Emissions** *(t CO2e)* | **Total Emissions** *(t $CO_2e$)* | | |
| **Country** | **Total F-Gas Emissions** | **Total Business Travel Emissions** | **Total Waste** | **Total Waste Emissions** | **Water Use** | **Total Water Emissions** | **2014 Total Emissions (all sources)** | **2013 Total Emissions (excl waste & water)** | **% Change from 2013** |
| Brazil | N/A | 3,046 | 56 | 2 | 41 | 0 | 3,904 | 5,490 | -28.9% |
| Guatemala | N/A | 374 | 44 | 9 | 11,889 | 13 | 610 | 795 | -23.3% |
| Mexico | N/A | 192 | 5 | 1 | 1,253 | 1 | 282 | | |
| **Total Latin America** | **N/A** | **3,612** | **105** | **11** | **13,183** | **14** | **4,796** | **6,285** | **-24.1%** |
| China – Capgemini, FS & BPO | N/A | 3,521 | 51 | 10 | 16,042 | 17 | 7,163 | | |
| Philippines | N/A | 59 | 3 | 0 | 2,129 | 2 | 356 | | |
| Vietnam | N/A | 63 | 1 | 0 | 70 | 0 | 169 | | |
| Australia Capgemini (incl BPO) | N/A | 1,869 | 1085 | 170 | 12,048 | 13 | 2,584 | | |
| Morocco | N/A | 62 | 10 | 2 | 4,737 | 5 | 977 | | |
| **Total Other Regions** | **N/A** | **5,573** | **1150** | **182** | **35,027** | **37** | **11,250** | | |
| **GRAND TOTAL** | **524** | **172,952** | **4,332** | **601** | **923,674** | **976** | **328,500** | **313,351** | **4.8%** |

*Notes (continued from previous page)*

- *F-Gas: For India, it was found in a recent audit that 2013 F-Gas data had been significantly over-estimated – the 2014 figures provide a more accurate figure for F-Gas emissions.*
- *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.*
- *Travel: In the Netherlands and Belgium, emissions data associated with travel includes personal car use as well as business mileage as it could not be separated.*
- *Waste: For the US and Canada, 2014 waste data is estimated based on 2013 invoices, with data adjusted to take into account "Actual number of people in office" in 2014.*
- *Water: In the 2013 Group Financial Report, water supply data had been doubled to give the "Water Usage" figures reported – this has now been corrected resulting in a significant reduction in the water use data reported here.*
- *Water: As recommended by DEFRA we calculate both emissions associated with water supply and emissions associated with water treatment. As the volume of water being sent for treatment is unmetered it is assumed that the volume is the same as that being supplied.*
- *Water: For the US and Canada, 2014 water data is estimated based on a 2011 invoice, with data adjusted to take into account "Actual number of people in office" in 2014.*
- *2013 Total Emissions: Totals by region have been taken directly from the 2013 Group Financial Report. This 2013 data differs from the 2013 data contained in the Group CR&S Update 2014, which includes emissions from additional countries, emissions from waste disposal and water supply and restated data for the period Oct – Dec 2013. Full details of the difference between the 2013 data contained in the CR&S Update 2014 and that provided above, can be found on Page 27 of the CR&S Update 2014: http://www.capgemini.com/resource-file-access/resource/pdf/capgemini_crs_2014_update.pdf*
- *"% Change from 2013" compares the reported 2013 and 2014 "Total Emissions" data – this is not a like-for-like comparison due to the fact that 2013 data excludes waste and water, as well as various countries and Sogeti entities,as mentioned above.*

# 3.4 Engaging with stakeholders

## 3.4.1 COMMUNITY ENGAGEMENT

As Capgemini recognizes that the greatest resources we have to offer are the skills and expertise of our people, we also recognize an opportunity and obligation to give back to the wider community in which we live and operate. Our Community Engagement strategy focuses around two key themes: Education and Development.

We channel our time, energy and creativity to make a positive impact through partnerships with a range of charity partners through volunteering, *pro bono* work, fundraising and awarding funding where appropriate. Joining forces to help others strengthens team spirit, improves communication and gives us a better understanding of the communities around us.

Our intention is to provide as many opportunities as we can for our people so that they can engage in activities for which they have passion and commitment. We embed our community service program within our business lines and client assignments. We measure and share this commitment with our people, our partners and our clients through various communication channels such as our externally published Corporate Responsibility and Sustainability Report, our internet site and our internal Talent intranet and Global Employee Survey.

Through the energy and creativity of our people, communities have been impacted on every continent. To support this, in 2014 global corporate volunteering guidelines were produced to share the best practices developed from across the Group. To celebrate our people's achievements we also launched the new Global Community Engagement Awards, which were awarded for excellence in four categories plus a People's choice vote.

### 3.4.1.1 OUR GLOBAL INITIATIVES

#### PlaNet Finance initiative

Our professional services business, Sogeti, has provided practical IT assistance to PlaNet Finance since their creation in 1998. PlaNet Finance is an international non-profit organization focused on enabling those in poverty to access financial services in order to bring about sustained improvements to their living standards. Sogeti's assistance, comprising of technical expertise and critical IT systems support, has enabled PlaNet Finance to focus on their core business of providing financial inclusion. Sogeti manages PlaNet Finance's computer systems by hosting computer applications including intranet, electronic messaging, and online training, and provides services related to human resources.

In addition, in late 2011, Capgemini and Sogeti launched a dedicated website, in association with PlaNet Finance's microcredit platform, MicroWorld, to promote the growth of micro-credit in the most disadvantaged countries. This site provides a secure platform that enables our people to finance micro-credit projects around the world in the form of online loans to projects that have been validated from a socially responsible perspective.

In 2012, we launched the MicroWorld platform in France, Ireland, the Netherlands, Sweden, Norway, Denmark and Germany. More countries joined the initiative and we launched the platform in North America in 2014. Since the beginning of our involvement, a total of 938 micro entrepreneurs' projects have been co-funded, with loans amounting to €107,000 from more than 1,200 members.

#### Naandi

We continue to maintain a close partnership with the Naandi Foundation and its Nanhi Kali Initiative which focuses on supporting young girls through their school education. By the end of 2014 we had supported more than 70,000 school years of education with employees in over 10 countries continuing to support the initiative.

| | Number of Nanhi Kali girls sponsored |
|---|---|
| **2013** | 7,881 |
| **2014** | 6,765 |

### 3.4.1.2 NATIONAL INITIATIVES

In March 2014, Capgemini France signed a collaborative agreement with Pierre & Marie Curie University (UPMC) strengthening the support given to students on computer-based courses. Capgemini France assists by providing training and mentoring aimed at encouraging women into IT with mentors bringing practical insights from their client based projects. Our people also deliver workshops aimed at women engineers and managers in business.

Capgemini UK continues to help disadvantaged young people through our national partnership with The Prince's Trust. Our employees volunteer, mentor, provide *pro-bono* work and take part in challenges and client hospitality. Since our patronage began in 2008, we have directly helped over 1,300 young people – in 2014 alone, the UK donated around €60,000 and engaged with over 20 clients. Our UK program was awarded Business in the Community's (BITC) prestigious Community Mark in 2013 and since then has gone on to win a Big Tick Award recognizing the regeneration of Dawley Town Hall in Telford, UK. This project also won a Global Community Engagement Award as selected by our panel of judges.

Started in Pune, India in 2004, Capgemini India's WeKare program focuses on the themes of environmental sustainability, education, and employability. Working with over 30 non-profit organizations, and in some cases our clients, WeKare undertakes initiatives across all our Indian locations including Bangalore, Chennai, Gurgaon, Hyderabad, Kolkata, Mumbai and Pune. During the first 10 months of 2014, our people donated over €114,000 to WeKare through payroll donations, which went to various projects including the sponsorship of school kit and uniforms, the support of a Computer center at Ma Niketan, the planting of trees and various educational funding including sponsorship of specific students.

In May 2014, a number of our people from Capgemini Belgium ran the 20km Brussels Run to raise money for Dertiende Ster (13th Star), an initiative run in conjunction with a local NGO Yenega Tesfa, which supports children in Ethiopia. As well as providing shelter, food and security, the initiative also provides education and a 'hope for tomorrow' (the literal translation of 'Yenega Tesfa') for vulnerable young people.

Annually since 2012, colleagues from over 20 locations across Capgemini North America unite and serve in their local communities. Branded 'Capgemini Cares', these events and projects are identified by local teams and have included everything from supporting local food banks and cleaning up parks to assisting local homeless shelters. In North America, Capgemini Consulting completed a pro bono assignment for the international cleft palate charity, Smile Train, focused on improving the efficiency of their worldwide operations. The impact of the assignment, supporting Smile Train's goal of delivering one million cleft lip and palate surgeries, was recognized by Consulting Magazine with the project receiving their Excellence in Social & Community Investment Award.

Once again, Capgemini Poland's extraordinary Project Theater transformed 26 of our people into actors, singers, and stage and costume designers. Over five days in March, the team entertained over 1,000 children and their parents at the Małopolsk Ogród Sztuki Theater in Kraków. This year, for the first time since the Project started in 2008, around 40 visually impaired people were able to enjoy the play thanks to audio-description. Project Theatre also won a Global Community Engagement Award as voted by our people.

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### 3.4.1.3 COMMUNITY INVESTMENT AND DONATIONS

#### SUMMARY OF DONATIONS MADE

| Countries | Donations | Programs |
|---|---:|---|
| North America | 65,432€ | 22k€ United Way, 11k€ Mental Health Association Of New Yorkcity Inc, 8k€ Boys & Girls Clubs Of Metro Atlanta, 5k€ Us Sciences Po Foundation, 5k€ Naandi |
| France | 307,570€ | 96k€ for disability programs and 126k€ for CSR programs (50k€ Passport Avenir, 45k€ Women's forum, 15k€ students in Lille University and 15k€ Ekodev for bees), 85k€ Microworld |
| UK & Ireland | 61,734€ | 41k€ Naandi |
| NL | 71,360€ | 20k€ Naandi, 30k€ St. Opkikker Super Opkikkerdag, 21k€ St. Opkikker website |
| India | 82,570€ | 22,7k€ Capgemini Scholarship for Technical Education, 19,6k€ Bal Raksha Bharat, 16k€ SAHAAS, 6k€ Lila Poonawalla foundation for the education sponsorship of 12 girls |
| **Largest operations sub-total** | **588,666€** | |
| Nordics countries | 98,218€ | 71k€ Naandi, 13k€ Mentor International, Sweden |
| South Europe | 265,848€ | 102k€ Adecco fundation, 95k€ PlanetFinance (Italy), 25k€ Fundación Catalana Síndrome de Down (FCSD), 25k€ CADIN (Portugal) |
| Germany and centrale Europe | 17,837€ | 7k€ Managers of the Future Foundation MOFFIN (Poland), 8k€ Germany |
| Asia-Pacific & Latam | 19,229€ | 4k€ Naandi (Australia), 2,5k€ GMA Kapuso Foundation, Inc.(Philippines), |
| **TOTAL** | **989,799€** | |

### 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 activities 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 it serves its intended purpose, each sponsorship must be pre-approved and it should also comply with applicable laws and be aligned with Group's "Seven Values", internal policies and Code of Business Ethics.

Regarding sponsorship, the Group has established a longstanding partnership with the rugby world, especially in France, for a number of reasons:

- the team spirit which characterizes this sport fits with our own values;
- the quality of the relationship which can be developed with clients around this theme;
- the strong local nature of rugby teams reinforces the link with regional communities.

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

Under certain circumstances, the Group wishes to have a positive impact on the communities in which it operates or where its employees live. As a major global player, it works with national and international charities on community projects:

- the goals are compatible with its "Seven Values", its Code of Business Ethics and its Corporate Responsibility and Sustainability policy;
- the organization is a legitimate charitable organization.

### 3.4.1.5 SOCIAL AND ECONOMIC IMPACT OF OUR BUSINESS REGARDING EMPLOYMENT

In 2014, with 39,925 recruits a record high number in the Group history, the Capgemini Group has an important social and economic impact in most of the countries in which it operates and is a key local employer.

Nearly 41% of total new recruits are young graduates from highly-reputed technology schools and business schools, thus creating employment or replacing positions for more than 16,000 new graduates annually. Furthermore, we participate in many actions and job fairs, organized in management and engineering schools, notably in France (ESEO, Telecom Paris, INSA Rennes), India, North America, and the UK. In Latin American countries, such as Chile, Brazil, Guatemala and Argentina, where access to education is one of the biggest problems, Capgemini plays a major role in the labor market, recruiting employees with little or no work experience, thereby offering young people the opportunity to obtain their first job and acquire experience in a global company.

In France, many job fairs are set up with major universities to present professions and career paths within the Group. We have a number of ongoing projects, following the 2012 signature of three academic conventions and the creation of a university degree, enabling students to be integrated and trained, and to join Capgemini Associations such as "Passeport Avenir" and "Nos Quartiers ont des Talents" enable our Group 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 develop their professional orientation and orient their job search.

In 2014, Capgemini and Sogeti France signed with ATOS, Crédit Agricole S.A., Dassault Systèmes et Orange a partnership with the University of Cergy Pontoise to help and train the students in situation of handicap on high technologies. This new diploma, which started on April 7th, has for objective to train eight students in situation of handicap in the job of Web developer and mobile applications, over a period of 12 months under limited-term contract and in alternation.

In North America, India or Asia-Pacific, Capgemini creates employment mainly in certain selected development areas. Thus in North America, recruiting practice is to hire at our principal sites as much as possible, as well as sites involved in large projects (as opposed to more remote sites where there are fewer opportunities to hire).

In India, two of our largest campuses are situated in semi-urban special economic zones identified by the Government of India. These campuses, located near Chennai and Pune, contribute to the development of the local economy by providing commercial and employment opportunities to the local population. In this country, Capgemini is also growing its presence by setting up operations in smaller cities, such as Trichy and Trivandrum.

Lastly, still in India, as part of the "**Train & Hire Program**", we cover training costs for students in certain cutting-edge technologies before hiring them when they have finished their training. This program creates a talent pool of candidates with niche skills and generates employment.

In Brazil, Capgemini opened new sites in other locations such as the new Service Desk site in Araraquara, which is located in the countryside of São Paulo state, and this site will provide more than 390 new positions.

In Asia-Pacific, the Capgemini Group has an impressive regional footprint with a presence in Singapore, Hong-Kong, Malaysia, Taiwan, the Philippines, China, Vietnam and Japan. In line with our strategy of local development, the majority of employees and management teams are locals and are recruited locally in most of these countries. Capgemini thus contributes to building employability and, in some of them, has demonstrated its long-term commitment (present in Taiwan for more than 15 years).

For all these employment programs, Capgemini received several awards in 2014, such as in Poland (Best 'Next Generation' Process Excellence Award for 'Creating Change Friendly Environment: Lean Model Office: ' by Process Excellence Network) or Capgemini Poland ranked in TOP 20 as best employer by AIESEC and received the Employer Branding Excellence Award 2014), or in Belgium (top employer in 2014, 8 years in a row).

## 3.4.2 CLIENT SERVICES

Capgemini is dedicated to collaboratively working with our clients to ensure their business needs are met and exceeded by providing profitable and sustainable added value services.

### 3.4.2.1 ENABLING CLIENT TRANSFORMATION

Clients are increasingly expecting their service providers to help them address their own sustainability challenges, for example, not only providing the most efficient business solutions but minimizing environmental impacts in the process. As a provider of business transformation services for our clients, we believe that we are well positioned to help with such challenges.

Specifically, as an IT service provider we have the opportunity to help clients reduce their own carbon footprint through the advice that we offer and the solutions that we design and deliver. Capgemini also recognizes that operational efficiency is a key driver in ensuring longevity for our clients, a driver that is often complemented by reduced carbon emissions. As our services incorporate the principles of sustainability, we can support clients in meeting the rising demands of regulation, competition, rising operational costs and mounting scrutiny upon the consumption of resources.

Furthermore, when clients outsource their operations to us, they can rest assured that we manage their carbon emissions. Our sustainable data centers improve the energy efficiency of our clients' IT estate.

### 3.4.2.2 SUSTAINABILITY AND CARBON EMISSION REPORTING

Managing sustainability performance is increasingly critical for our clients, and raises the requirement for appropriate, eco-responsible systems and processes to capture complex and comprehensive data.

To help companies effectively manage their sustainability agenda, Capgemini has developed a sustainability data management function covering energy, carbon impact and wider sustainability reporting. Such systems are essential for well-informed management of the carbon footprint and reductions in energy consumption. Our 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 this efficient and reliable service, our clients are able to move beyond cost reduction, and leverage sustainability to deliver added value and competitive advantage in the market.

### 3.4.2.3 SMART ENERGY SERVICES

Capgemini's Smart Energy Services provides the full spectrum of smart metering and smart grid solutions through leveraging best practices developed over the last 12 years working alongside the world's leading utilities. As a result of following this strategy, investing and focusing in SES, Capgemini has established itself as one of the leaders among global consulting and technology firms in the advanced metering infrastructure (AMI) market. Our commitment is strong with more than 10,000 utility specialists worldwide. Our team has extensive utilities industry experience with an unequalled track record for successful innovation and delivery.

As evidence of success of this strategy, at Capgemini we:

- have provided services to AMI projects encompassing over 113 million meters worldwide;
- have provided services to over 75 active utilities with regard their Smart Meter and Smart Grid programs;
- directly manage mass deployment programs for over 23 million smart meters worldwide; and
- provide daily smart meter network operations support for 6 million meters globally.

Our Smart Energy Services Platform (SESP) is used to support mass deployments and ongoing meter operations for over 7.5 million meters globally.

Our clients include many of the world's major utilities such as British Columbia Hydro, Ontario's Hydro One, San Diego Gas & Electric, Southern California Gas, Consumers Energy, Fortum, AusNet Services, Hafslund, Italgas, EON Sweden, GrDF, Hydro Quebec, and Centrica.

Capgemini has an established global network of Smart Energy Centers of Excellence (COE). These COE's provide leading innovation, content, process, and tools support for our smart energy programs. Our centers also provide leading industrialized services for integration, deployment, meter operations, network operations and solution architecture across multiple clients.

http://www.capgemini.com/utilities/smart-energy-services

### 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 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 technologies as a tool to provide energy, transport and public services with the explicit aims of reducing costs, delivering better outcomes, and respecting the environment.

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 consulting services for climate change management, 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 the public sector.

### 3.4.2.6 MERLIN DATA CENTER

Forming a part of our portfolio of data centers, our Merlin data center continues to operate as one of the most sustainable data centers in the world,. Based on state-of-the-art technology, Merlin was opened in the UK in 2010 to ensure clients' systems are run as efficiently as possible with reduced emissions (compared with 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.

Committed to maximising the resource efficiency of our existing facilities, Capgemini has, for some time, been investing heavily in improving the power efficiency of our data centers, including:

- sourcing renewable energy;
- converting AC mains power supply to DC;
- installing energy-efficient lighting and moving to lights-out operation;
- monitoring temperature set points and making adjustments as required to maintain an optimal power-to- processing ratio.

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 cooling system that delivers 80% savings in running 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 the industry's most rigorous security and resiliency demands. This led to Merlin winning the EU Institute for Energy and Transport's 2013 European Code of Conduct for Data Center Energy Efficiency Award in recognition of "our reduction in energy consumption in a cost-effective manner without hampering the critical function of data center equipment."

In its short life, Merlin has also won the Data Centre Dynamics Leaders' Green Data Centre Award (2010) and the Uptime Institute's Green IT Award for Data Center Design (2011). 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/resources/a-closer-look-at-merlin.

### 3.4.2.7 THE OTACE CLIENT SATISFACTION POLICY

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

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

We document and then 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 the various parameters of client satisfaction on individual projects. In 2014, more than 4,200 client assignments were monitored using OTACE. The results showed that 88% met or exceeded customer expectations, with a client satisfaction rate of 3.9 out of 5.

OTACE is progressively deployed in new units and the coverage in 2014 was 78% of total revenue.

Our client focus and our Collaborative Business Experience are the essence of the way we work with our clients. Client satisfaction and their appreciation of the value we bring in to help them achieve sustainable results is essential to our business. This is reflected in how our people feel: in our 2014 Global Employee Survey, 91% of people strongly agreed that they "feel personally responsible for their client's satisfaction." This percentage increases steadily 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 purchasing ethics and the selection of suppliers.

### PURCHASING

In our purchasing activities, the Group takes into account environmental issues, social impacts, human rights, and the fight against corruption. The ten key principles of the United Nations Global Compact guide Capgemini's activities throughout our business. In other words, the Group is committed to ensuring that we only work with suppliers with ethical practices and which respect human rights.

Capgemini has set out "Guidelines on Ethical Procurement" and wishes to develop long-term relations with selected suppliers. Should a supplier fail to respect these ethical guidelines, Capgemini is then entitled to cancel the contract with the supplier.

Our procurement procedures are based on the following principles:

- treating suppliers fairly;
- selecting suppliers based on value, performance, price and sustainability;
- selecting suppliers in accordance with a justifiable and transparent process;
- preserving the confidentiality of supplier information;
- managing supplier risk;
- ensuring supplier contracts have clauses relating to sustainable procurement;
- maintaining relationships with suppliers based wholly on competition.

Supplier diversity and equal opportunity is encouraged: we aim to allow qualified small and very small businesses the opportunity to receive a share of the market. Our "eco-system" approach with major clients aims to foster this and level the entry barrier where practical.

Contractors' and suppliers' staff is expected to work according to the same CR&S sustainability criteria as our own employees; in tandem, we apply the same health and safety and diversity criteria to contractors and suppliers as to our own employees.

During 2013, the Group competition law policy was further deployed and was the subject of a communication campaign. The Capgemini Procurement department is committed to complying with the applicable competition and anti-trust laws and regulations. Team members have been trained in appropriate supplier selection methods.

Furthermore, in order to ensure traceability and systematic early involvement of the Procurement department in the procurement process in general (procure to pay processes), an initiative requiring a purchase order to be issued before any invoice payment was launched in 2013.

### OUR SUSTAINABLE PROCUREMENT PRINCIPLES

Our suppliers are expected to conduct their relationships with us and any of our clients, commercial partners and other suppliers 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

Our centralized supplier data, contract and spend management allows us to identify key areas of sustainability risk and related opportunities for improvement during the overall lifetime of the relationship with our suppliers and business partners. We are especially assessing all new suppliers, who are required to complete a sustainability questionnaire depending on risks identified.

In 2014, Group purchases from its top one hundred and top ten suppliers totaled respectively €1,186 million and €452 million. The number one, top five and top ten suppliers represented 5%, 13% and 19% of Group spend, respectively.

Below are three key examples of how Capgemini continues to implement its sustainable procurement.

Capgemini India achieved its ISO 14001 certification in 2014. While this was possible due to the coordination and support of teams from across India, Procurement played a critical three-dimensional approach in this whole initiative:

- collaborate with vendors who understand our need of becoming sustainable and help us to become an environmentally sustainable organization. Few instances to demonstrate this are the Green IT that was supported by Lenovo, HP customizing the solution to meet our needs such as duplex printing and smart printing. Vendors who demonstrate expertise in the area of water savings were also instrumental;
- ensure that we are hooked up with the authorized licensed vendors who help us in disposing our waste in environmentally friendly systems. Identifying a Pan India E-waste vendor as well as local vendors was a right step in this direction;
- engage with our vendors who are Crux for this whole program. It is imperative, also emphasized by the standard ISO 14001, that it is not just the employees but also people working on behalf of the organizations that also realize the importance of being sustainable. In this regard, a survey was sent out to each of our suppliers. The results of this are being collated which will throw light on those areas that need focus.

Going forward we have realized the need to formulate strategies which will enable us to have a farsighted vision on this whole subject of procurement, procure smartly, thereby yielding us profits, helping us achieve significant savings and attaining the ambitious objectives and targets we have set.

2014 has been another year of Capgemini UK supporting the UK Government's SME (Small Medium Enterprises) aspiration of 25% of all public sector related expenditure to be placed with SMEs. In 2011 it was estimated that there were 200 SMEs who were used by Capgemini UK when supporting Government Department clients. Through 2014 we had enabled 1756 live Tier 1 SMEs in our purchasing system and 39% more had been spent during 2014 with these SME's supporting UK government. This is evidence that our programme of activities to make doing business with Capgemini UK easier is effective and we will continue to progress this in 2015.

We have continued to ensure compliance and mitigate risk to Capgemini UK. We have risk assessed 352 new suppliers of whom 49 were found to be non-compliant to our policies and standards, and were therefore not used. In addition a further 8 suppliers were judged to be high risk with regards to sustainability & investigated further, and 3 suppliers were investigated for their adherence to the 2010 UK Bribery Act, all issues were successfully resolved. In addition to our standard monitoring approach, during 2014 we introduced direct supplier audits for the first time assessing a range of suppliers both high and low risk to ensure that they were in compliance to our requirements and their actions supported their statements to us.

In France, the 2013-2015 agreement for integration of handicap people signed with the social partners sets targets to both hire protected people and develop our external spend with suppliers from the protected worker sector.

In 2014 the procurement organization has supported Capgemini France to achieve the objective of 1.2M€ spend by setting up an action plan targeting specific spend categories from the protected sector such as catering, printing, office furniture, maintenance and cleaning of buildings including recycling activities, as well as IS subcontracting. New suppliers have been identified and incorporated in our supply base. Procurement requests have been analyzed and directed to the selected suppliers.

# 3.5 Independent external analysis

## ASSURANCE REPORT BY ONE OF THE STATUTORY AUDITORS, APPOINTED AS INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED LABOUR, ENVIRONMENTAL AND SOCIAL INFORMATION PRESENTED IN THE MANAGEMENT REPORT

*This is a free translation into English of the Statutory Auditor's report issued in French and it 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.*

**Year ended 31 December 2014**

To the Shareholders,

In our capacity as Statutory Auditor of Cap Gemini S.A., appointed as Independent Third Party, accredited by the COFRAC registered under number 3-1049, we hereby present to you our report on the consolidated environmental, labour and social information (hereinafter the "CSR Information") for the year ended December 31st, 2014, presented in the management report. This report has been prepared in accordance with Article L.225-102-1 of the French Commercial Code.

### RESPONSIBILITY OF THE COMPANY

The Board is responsible for preparing the company's management report including CSR 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 regulations, 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 law and regulations.

### RESPONSIBILITY OF THE STATUTORY AUDITOR

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

- attest that the required CSR Information is presented in the management report or, in the event that any CSR 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 CSR Information);
- express limited assurance that the CSR Information, taken as a whole, is presented fairly, in all material respects, in accordance with the Guidelines (opinion on the fair presentation of the CSR Information).

Our work was performed by a team of approximately six people between November 2014 and February 2015 and took around nine weeks. We were assisted by our specialists in corporate social responsibility.

We performed the procedures below in accordance with professional auditing standards applicable in France, with the decree dated 13 May 2013 determining the manner in which the independent third party should carry out his work, and with ISAE 3000[(1)] concerning our opinion on the fair presentation of CSR Information.

### 1. Statement of completeness of CSR Information

On the basis of interviews with the individuals in charge of the relevant departments, we reviewed the company's sustainable development strategy with respect to the social and environmental impact of its activities and its social commitments and, where applicable, any initiatives or programmes it has implemented as a result.

We compared the CSR Information presented in the management report with the list provided in 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 verified that the CSR Information covers the consolidation scope, 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 information presented in the sections 3.2.1 and 3.3.4 of the chapter related to environmental, labour and social information of the management report.

Based on these procedures and given the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report.

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

## 2. Reasoned opinion on the fairness of the CSR Information

### Nature and scope of the work

We conducted three interviews with the people responsible for preparing the CSR Information in the departments in charge of collecting the information and, where appropriate, with those responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, impartiality and understandability, taking into account best practice, where appropriate;
- verify that a data-collection, compilation, processing and control procedure has been implemented to ensure the completeness and consistency of the Information and review the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and controls according to the nature and importance of the CSR Information with respect to the characteristics of the company, the social and environmental impact of its activities, its sustainable development strategy and best practice.

With regard to the CSR 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 performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and consolidation of the data. We also verified that the data was consistent by cross-checking it with other information in the management report;
- at the entity level for a representative sample of entities selected[(2)] on the basis of their activity, their contribution to the consolidated indicators, their location and risk analysis, we conducted interviews to verify that the procedures were 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 36% of headcount, between 25% and 41% of quantitative environmental information.

For the other consolidated CSR information, we assessed its 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 judgement, were sufficient to enable us to provide limited assurance; a higher level of assurance would have required us to carry out more extensive work. Due to the use of sampling techniques and other limitations intrinsic to the operation of information and internal control systems, we cannot completely rule out the possibility that a material irregularity has not been detected.

### Conclusion

Based on our work, we did not identify any material anomalies likely to call into question the fact that the CSR Information, taken as a whole, is presented fairly in accordance with the Guidelines.

Paris La Défense, 27th February 2015

KPMG S.A.

| Philippe Arnaud | Frédéric Quélin |
|---|---|
| Partner | Partner |
| Climate Change & Sustainability Services Department | |

*(1) Labour indicators: 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.*

*Environmental indicators: Direct energy consumption; greenhouse gas emissions related to direct energy consumption and work travel.*

*Qualitative information: Occupational health and safety conditions; Equal opportunity; The organization of the company to integrate environmental issues and, if appropriate, the assessments and certification process regarding environmental issues; Action implemented against corruption; Data privacy.*

*(2) Capgemini India FS & ACIS, Capgemini Italy, Capgemini Spain, Capgemini Sweden, Capgemini France.*

# 3.6 Grenelle correlation table

The following Grenelle II table details the indicators included in the legislation and which Capgemini has reported. Explanations for not reporting any indicator are also included.

| HR data indicators | Y■/N■ | Explanation |
|---|---|---|
| **a) Headcount** | | |
| ▶ Total headcount; Distribution of employees by age, gender and geographical area | ■ | See pages 89, 90 and 99 |
| ▶ Recruitments and redundancies | ■ | See pages 90 and 107 |
| ▶ Remuneration and its changes | ■ | See page 91 |
| **b) Work organization** | | |
| ▶ Working time organization | ■ | See page 92 |
| ▶ Absenteeism | ■ | See page 93 |
| **c) Labor relations** | | |
| ▶ Organization of social dialogue including information procedures, consultation and negotiation with the employees | ■ | See pages 105 and 106 |
| ▶ Summary of collective agreements | ■ | See pages 105 and 106 |
| **d) Health and safety** | | |
| ▶ Occupational health and safety conditions | ■ | See page 94 |
| ▶ Summary of collective agreements signed with trade unions or employee representatives regarding workplace health and safety | ■ | See page 94 |
| ▶ Occupational accidents, including accident frequency and severity rates, and occupational diseases | ■ | See pages 93 and 94 |
| **e) Training** | | |
| ▶ Policies implemented regarding training | ■ | See pages 95 à 97 |
| ▶ Total number of training hours | ■ | See page 96 |
| **f) Equal opportunities** | | |
| ▶ Measures implemented to promote gender equality | ■ | See pages 99 to 102 |
| ▶ Measures implemented to promote employment and integration of disabled people | ■ | See pages 102 to 104 |
| ▶ Policy against discrimination | ■ | See pages 89 to 99, and 104 |
| **g) Promotion and compliance with ILO fundamental conventions relative to:** | | |
| ▶ The freedom of association and recognition of the right to collective bargaining | ■ | See pages 84 and 85 |
| ▶ 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 take environmental issues into account and, if appropriate, the assessments and certification processes relating to environmental issues | Y | See pages 108 and 109 |
| ▶ Information and training measures for employees regarding the protection of the environment | Y | See pages 108 and 109 |
| ▶ 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 emissions. Hence the most relevant indicator has been identified as Greenhouse Gas Emissions and the set of actions implemented 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 to prevent, reduce or repair discharges into the atmosphere, water and soil, severely impacting the environment | N | As above |
| ▶ Measures regarding waste prevention, recycling and disposal | Y | See pages 111 to 115 |
| ▶ Consideration of noise and of any other activity specific pollution | N | As themes a, b |
| **c) Sustainable use of resources** | | |
| ▶ Water consumption | N | See page 111 to 115 |
| ▶ Water supply adapted to the local constraints | N | As water usage is not a significant environmental aspect for Capgemini, it has been excluded from the data tables. The roll-out of our carbon accounting system requires the inclusion of water consumption and we are assessing whether this usage, in particular, relating to data center cooling systems, may have a significant impact. |
| ▶ 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 110 to 115 |
| ▶ Land usage | N | As there is very little land or "green' space at our office locations, data relating to the use of land is 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 forward 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 locations, data relating to the use of land is not considered applicable |

| Social and community indicators | Y■/N■ | Explanation |
|---|---|---|
| **a) Territorial, economic and social impact of the company activity:** | | |
| ▶ Regarding regional employment and development | ■ | See pages 116 to 119 |
| ▶ On the local populations | ■ | See page 118 |
| **b) Relations with stakeholders, including integration associations, educational institutions, associations for the protection of the environment, consumer organizations and local populations** | | |
| ▶ Conditions for dialog with stakeholders | ■ | See pages 116 to 118 |
| ▶ Partnership and sponsorship actions | ■ | See pages 116 to 118 |
| **c) Subcontractors and suppliers** | | |
| ▶ Integration of social and environmental issues into the procurement policy | ■ | See pages 121 and 122 |
| ▶ Importance of subcontracting and consideration of their social and environmental responsibility in our relationships with subcontractors and suppliers | ■ | See pages 121 and 122 |
| **d) Fair business practices** | | |
| ▶ Action taken against corruption | ■ | See page 85 |
| ▶ Measures implemented to promote consumer health and safety | ■ | We do not carry out consumer-facing activities and do not produce consumer products which may impact the health or safety of end-consumers |
| **e) Other actions implemented to promote Human Rights** | | |
| ▶ Other actions implemented to promote Human Rights | ■ | See pages 84 and 85 |

# 4 Financial Information

# 4.1 Analysis on Capgemini 2014 Group consolidated results

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

Fiscal year 2014 saw a fresh acceleration in the Group's performance, with a marked return to revenue growth, a significant improvement in operating margins and strong free cash flow generation.

In an economic context that remained difficult in Europe, Capgemini progressed steadily, driven by excellent growth in North American operations and the priority given to innovation and competiveness in order to better respond to client expectations. Overall, the Group generated revenues of €10,573 million in 2014, up 3.4% like-for-like compared with 2013 (i.e. at constant Group structure and exchange rates). Adjusted for the impact of relative fluctuations in Group currencies and the euro and the consolidation of the French company, Euriware, purchased this year, revenues rose 4.8% on 2013 published figures.

The 2014 operating margin rate is 9.2%, up 0.7 points on 2013 and therefore above the growth objective for this rate of between 0.3 and 0.5 points announced at the beginning of 2014. With restructuring costs held stable (€68 million), the Group is able to report an operating profit of €853 million, thereby bringing the operating profit margin rate to 8.1%, compared with 7.1% in 2013.

The net financial expense is €70 million (€102 million in 2013). The income tax expense is €210 million compared with €182 million in 2013.

On this basis, profit for the year attributable to owners of the Company is €580 million for 2014, up 31% year-on-year.

The Group generated organic free cash flow[1] of €668 million (€455 million in 2013 before the exceptional contribution to a United Kingdom pension fund).

### OPERATIONS BY MAJOR REGION

**North America** reported revenues of €2,230 million in 2014 (21.1% of the Group total), a rise of 8.5% like-for-like (7.5% at current Group structure and exchange rates). This region enjoyed strong activity throughout the year, thanks to the strong momentum of application services (+9.3% like-for-like) and other managed services (+11.4%), particularly in the financial services, energy and utilities, retail and consumer goods sectors. The North America operating margin was €281 million in 2014 (12.6% of revenues, up 0.3 points), compared with €255 million in 2013.

**The United Kingdom** reported revenues of €2,197 million this year (20.8% of the Group total), up 4.1% like-for-like (and 9.7% including relative fluctuations in the pound sterling and the euro). Growth was primarily driven by application services, thanks in particular to the dynamism of activities with the private sector, and by other managed services which benefited from the delay in the scheduled decrease in revenues on a major contract. On this basis, the operating margin is €249 million (11.3% of revenues, up 2.6 points), compared with €175 million in 2013.

**France** reported revenues of €2,342 million in 2014 (22.1% of the Group total), up 0.5% over the year (and 6.9% including the consolidation of Euriware), demonstrating slight growth despite a difficult economic environment. Local professional services (Sogeti) and application services fell back, thankfully offset by the return to growth of consulting services activities and the good performance of other managed services. The 2014 operating margin is €197 million (8.4% of revenues) compared with €204 million in 2013 (9.3% of revenues).

**Benelux** reported revenues of €1,074 million (10.2% of the Group total), representing a slight fall of 0.6% and nearing a stabilization of activity after several downturns in recent years. Revenues generated by the other managed services business increased significantly (16.6%), while the local professional services business (Sogeti) remained stable. The other businesses contracted over the year, with nonetheless a progressive improvement throughout the period. The operating margin is €113 million (10.5% of revenues, up 0.7 points on 2013).

The "**Rest of Europe**" increased 2.3% like-for-like (0.5% on published figures), with revenues of €1,849 million (17.5% of the Group total). Activity was strong in the Nordic countries, Italy and Portugal. It remained stable in Continental Europe and contracted once again in Spain, with nonetheless an upturn in the second half of the year. The operating margin is €160 million (8.6% of revenues, up 0.9 points on 2013). This improvement was driven by growth in offshore activities, particularly in the Nordic countries.

(1) *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.*

Finally, the **Asia-Pacific and Latin America** region (€881 million, 8.3% of Group revenues) reported growth of 5.0% like-for-like (and contracted 2.5% based on published figures, with currency fluctuations and in particular fluctuations in the Brazilian real, Indian rupee and Australian dollar accounting for the majority of the difference between these two rates). In Asia-Pacific, growth was close to 11% (like-for-like) and remains driven by the development of financial services and the local Indian market. In Latin America, activity levels remained stable on a like-for-like basis, with as forecast a return to double-digit growth in the fourth quarter. This performance is all the more the significant as the scheduled reduction in sales of IT equipment to a South American client weighed heavily on results and was able to be offset by the strong growth in application services activities. The operating margin is €54 million (6.1% of revenues, up 1.2 points) compared with €44 million in 2013.

## OPERATIONS BY BUSINESS

Growing demand from clients to group application development and maintenance services in a single contract led the Group to review the presentation of its segment reporting by business. The distinction between technology services (which include application development) and outsourcing services (which include the maintenance activity) has therefore become artificial.

Accordingly, from January 1, 2014, segment reporting by business is presented as follows:

- Consulting services, which help to enhance the performance of organizations based on in-depth knowledge of client industries and processes (definition unchanged);
- Local professional services, which provide assistance and support to internal IT teams within client companies (definition unchanged);
- Application services, which devise, develop, implement and maintain IT applications covering the Group's system integration and application maintenance activities;
- Other managed services, which integrate, manage and/or develop either fully or partially, client IT Infrastructure systems (or those of a group of clients), transaction services, on-demand services and/or business activities (Business Process Outsourcing, BPO).

**Consulting services** (4.2% of Group revenues) suffered a 3.4% contraction in activities on a like-for-like basis, with nonetheless a far more moderate fall in the fourth quarter. This decrease was mainly due to the downturn in activity in North America, the United Kingdom and Benelux, while France and the Rest of Europe are now enjoying activity growth. The 70% utilization rate in the final quarter represents a marked improvement. On this basis, the 2014 operating margin rate is 8.2% compared with 7.8% in 2013.

**Local professional services (SOGETI)** (14.9% of Group revenues) reported growth of 1.1% in revenues over 2014 as a whole, on a like-for-like basis. While the French subsidiary reported a slight downturn (-1.8%), Sogeti successfully reported growth in all other regions and particularly in North America which grew nearly 5%. The utilization rate remained at a satisfactory level (82%). The operating margin rate is 9.9% compared with 10.6% in 2013. This slight decrease is due to the integration of part of Euriware activities and the weakness in demand from the aeronautical sector.

**Application services** (55.4% of Group revenues) reported revenue growth of 3.8% like-for-like in 2014. Amongst other things, this growth was driven by the dynamism of innovation services and particularly those services regrouped within the SMAC (Social, Mobile, Analytics and Cloud) offering as well as of applicative maintenance services, thanks especially to our NextGenAM industrial offerings. North America, the United Kingdom and the Asia-Pacific and Latin American region contributed substantially to this growth. The utilization rate remained at a favorable level (around 82%). The operating margin rate is 10.6%, up 0.9 points on 2013.

**Other managed services** (25.5% of Group revenues) reported a like-for-like increase in revenues of 5.3% in 2014 thanks to the growth of BPO (Business Process Outsourcing) activities and infrastructure services. North America and Benelux enjoyed growth rates in excess of 10%. The operating margin rate is 8.8%, representing a 1.7 point improvement on last year (7.1%), partly due to the improvement in the profitability of infrastructure services.

In summary, the following table presents the utilization rates (on a like-for-like basis) measuring the percentage of work time, excluding statutory holidays, of production employees. These rates are relatively stable on 2013.

| | 2013 | | | | 2014 | | | |
|---|---|---|---|---|---|---|---|---|
| **UTILIZATION RATES** | **Q1** | **Q2** | **Q3** | **Q4** | **Q1** | **Q2** | **Q3** | **Q4** |
| Consulting services | 62% | 69% | 64% | 67% | 65% | 69% | 64% | 70% |
| Local professional services | 80% | 82% | 83% | 82% | 81% | 82% | 82% | 82% |
| Application services | 80% | 81% | 82% | 82% | 81% | 82% | 82% | 83% |

### RESULTS BY BUSINESS

| **Revenues** *(in millions of euros)* | 2012 | 2013 | 2014 |
|---|---|---|---|
| Consulting services | 500 | 456 | 442 |
| Local professional services (Sogeti) | 1,528 | 1,498 | 1,577 |
| Application services | 5,908 | 5,825 | 5,854 |
| Other managed services | 2,328 | 2,313 | 2,700 |
| **TOTAL** | **10,264** | **10,092** | **10,573** |

| **Operating margin** *(as a % of revenues)* | 2012 | 2013 | 2014 |
|---|---|---|---|
| Consulting services | 11.2% | 7.8% | 8.2% |
| Local professional services (Sogeti) | 10.7% | 10.6% | 9.9% |
| Application services | 8.6% | 9.7% | 10.6% |
| Other managed services | 7.0% | 7.1% | 8.8% |

## HEADCOUNT

At December 31, 2014, the total Group headcount is 143,643 employees compared with 131,430 employees one year earlier. This 12,213 increase (+9.3%) reflects:

- 42,035 additions, comprising 39,925 new hires and 2,110 employees integrated in the Group headcount following acquisitions (primarily Euriware);
- 29,822 departures (including 24,646 resignations), representing an attrition rate of 17.8% of the headcount in 2014 (compared with 16.8% in 2013).

## ORDER BOOK

New orders recorded during the year totaled €10,978 million, an increase of 13% on 2013 on a like-for-like basis.

## SIGNIFICANT EVENTS OF 2014

Fiscal year 2014 was marked by the following events:

- the recognition for the second year running of Capgemini as a “2014 World’s Most Ethical Company” by Ethisphere Institute, a US-based international think tank specializing in corporate ethics. Each year the Ethisphere Institute draws up the world ranking of companies which are ahead of the pack in terms of ethical behavior in their business sector;
- the appointment and renewal of all directors proposed to the Combined Shareholders’ Meeting and the integration of three new directors, Caroline Watteeuw-Carlisle, Anne Bouverot and Xavier Musca. The terms of office of Paul Hermelin, Chairman and Chief Executive Officer, and Serge Kampf, founding Chairman, were renewed. Daniel Bernard, who has been an independent director and member of the Board for nine years, was appointed Chairman of the Ethics & Governance Committee and Lead Independent Director. The Board of Directors also wished that the Secretary of the Group Committee be invited to attend its meetings. In addition, the Chairman and Chief Executive Officer’s compensation was approved by nearly 97% of shareholders, one of the highest scores for a CAC 40 company;
- the refinancing of a credit facility on July 30, 2014 with a group of banks through a new multi-currency credit facility for an increased amount of €750 million, maturing July 30, 2019. This facility was undrawn at December 31, 2014;
- the third season of “Super Techie Show” an international television show broadcast in India and sponsored by Capgemini, which allows young engineers to showcase their technology skills.
- the launch of the third employee share ownership plan (ESOP). This transaction was proposed to approximately 96% of Group employees and aims to associate employees with the Group’s development and performance. Employee shareholdings following the ESOP 2009 and ESOP 2012 plans currently represent 6.4% of the Capgemini share capital;
- the rating agency, Standard & Poor’s, upgraded Capgemini’s rating from “BBB” to “BBB+”, with a stable outlook.

On an operational level, the other significant events of 2014 were as follows:

**January 20, 2014**. Capgemini and VMware join forces to create cloud orchestration solutions: the two companies expand their strategic partnership to develop new client offerings.

The new solutions resulting from this partnership will help companies adopt cloud technologies more rapidly and benefit from all their advantages. They will also help simplify the management of cloud services often made complex by multiple providers and operators, while maximizing efficiency. Finally, these solutions will help improve the performance and service quality of information systems.

**February 11, 2014**. Capgemini creates a new global service line to accompany companies in digitizing their customers' experiences. Capgemini is combining its key digital assets and capabilities under a new global service line entitled Digital Customer Experience (DCX). DCX provides organizations with the seamless offer they need to define their digital strategies and adopt the appropriate platforms and solutions to fundamentally change how they interact with their customers. This new service line consolidates Capgemini's digital transformation expertise and intellectual property. Capgemini has already successfully implemented a number of digital customer experience projects in various sectors, including for Hydro Quebec. Capgemini has also gathered precious information thanks to a partnership forged three years ago with the MIT Center For Digital Business focusing on digital transformation. The DCX global service line will be supported by a new dedicated Center of Excellence in India. Finally, Capgemini is strengthening its specialist digital teams through a global recruitment drive.

**April 10, 2014**. Capgemini signs a new five year contract with Lloyd's Register Group, the British maritime classification society, to deliver new infrastructure and application services. The €43.5 million contract will enable the Lloyd's Register to optimize its current IT platforms and deliver an improved customer experience at a competitive cost.

**May 7, 2014**. AREVA and Capgemini finalized major agreements concerning a major outsourcing and systems integration contract worth €1 billion over 10 years and the acquisition of Euriware and its subsidiaries by Capgemini Group. This acquisition is part of an ambitious industrial and social plan including in particular a commitment on employment and the retention of its geographic locations.

**May 26, 2014**. Capgemini receives the SAP HANA Partner of the Year award at the 2014 SAP Pinnacle Awards. SAP HANA is a platform designed for the real time processing of large volumes of operating and transaction data. The SAP Pinnacle Awards are presented to SAP partners that have strengthened their partnership with SAP by supplying high-quality products, services and solutions to clients. Finalists and winners in 21 categories were selected based on recommendations, customer feedback and performance indicators. Leveraging its global network, Capgemini has delivered numerous SAP HANA-based projects globally and has a comprehensive portfolio of service offerings to provide the value of SAP HANA to its clients, including services around analytics and big data. Capgemini is also a leader in projects involving SAP Business Suite powered by SAP HANA and has a range of "Path" solutions, which Capgemini has migrated to SAP HANA.

**June 12, 2014**. Capgemini signs a 5-year BPO contract with the US industrial group, Honeywell. Under this contract, Capgemini will deliver general accounting and procure-to-pay services from its Center of Excellence for Business Process & Outsourcing (BPO) in Bangalore, India, leveraging its Global Enterprise Model. Capgemini will also work to streamline processes and improve the performance of end-to-end finance procedures.

**July 9, 2014**. Capgemini announces the strengthening of its partnership with Cloudera, the leader in Apache™ Hadoop®-based Big Data platforms, with the launch of two new offerings combining Cloudera Enterprise, the Cloudera data management platform and Capgemini expertise in enhancing the value of information. The two offerings will enable companies to enjoy more rapidly the business benefits expected from their data via the Cloudera Big Data platform.

**July 21, 2014**. Capgemini announces an outsourcing partnership with SPIE GmbH in Germany, Switzerland, Poland, Hungary and Greece. The SPIE group, a leading European independent service provider in the energy and communications sectors, purchased in September 2013 the Service Solutions division of the Hochtief Solutions AG group, with which Capgemini had worked closely for many years. Under the four-year contract signed at the end of March 2014, Capgemini will provide SPIE GmbH with the IT services previously delivered to the Hochtief division together with other services previously managed by competitors.

**November 26, 2014**. Capgemini extends the contract initially won in 2011 with the Algar group, one of the largest conglomerates in Brazil, and successfully launches the operational phase of this project. Capgemini is now the exclusive provider of BPO services to Algar, confirming its position in Brazil as the leader in finance and accounting Business Process Outsourcing (BPO). This €43 million extension comes in addition to the €31 million initial contract signed in 2011 between Capgemini and Algar for a 13-year period – one of the longest BPO contracts in the industry.

**December 16, 2014**. Prosodie-Capgemini, a specialist in front office applications, launches with Pegasystems, a leader in business process management solutions, the Customer Interaction Efficiency offering, enabling businesses to manage in Cloud mode, using a single integrated turnkey tool, all their customer relationships. Objective: increase satisfaction, optimize the management of multi-channel interaction and enhance the value of the work of advisors.

**December 16, 2014**. A long-term partner of the Intersport Group, Prosodie-Capgemini, a specialist in front office applications and Backelite, an expert in digital services on new screens, will design and develop using responsive web design techniques Intersport's dedicated ski rental website, INTERSPORT-Rent. The leader in ski equipment rental over the internet, Intersport wishes to strengthen its digital communication with customers by offering them a cross-channel rental system from the start of the ski season. WOPE was selected as the development solution for the ski rental website in responsive web design mode. This solution offers the best user experience whether on a mobile device, tablet or computer and maximizes performance.

**December 29, 2014. Capgemini's Aspire contract: novation of Fujitsu and Accenture contracts**

Capgemini amends its Fujitsu and Accenture contracts as part of its agreement with HMRC (Her Majesty Revenue and Customs) in the United Kingdom. As previously announced, Capgemini, HMRC, Fujitsu and Accenture have worked together to finalize the transfer to HMRC of the Fujitsu and Accenture subcontracts entered into with Capgemini. This will enable HMRC to take direct management of the Fujitsu and Accenture contracts from January 1, 2015. These two contracts would have represented estimated combined revenues of €270 million for Capgemini in 2015, with a very limited impact on profits. This novation implements arrangements that were agreed in 2012 in a Memorandum of Understanding between Capgemini and HRMC and brings the Aspire contract closer in line with the latest outsourcing guidelines issued by the British government. Capgemini continues to work collaboratively with HMRC and this latest amendment to the Aspire contract underlines Capgemini's commitment to the UK public sector.

## 4.1.2 COMMENTS ON THE CAPGEMINI GROUP CONSOLIDATED FINANCIAL STATEMENTS AND OUTLOOK FOR 2015

### CONSOLIDATED INCOME STATEMENT

Consolidated revenues total €10,573 million for the year ended December 31, 2014, up 3.4% like-for-like compared with 2013 (4.8% on published figures). Operating expenses total €9,603 million, compared with €9,235 million last year.

An analysis of costs by nature reveals:

- a €218 million increase in personnel costs (+3.6%) to €6,301 million for 2014. Personnel costs represent 59.6% of revenues compared with 60.3% in 2013. The average headcount rose 7.5% in 2014 to 137,747, compared with 128,126 in 2013. Offshore employees represent 47% of the total Group headcount, compared with 44% in 2013;
- an increase of 5.8% or €125 million in "purchases and sub-contracting" (21.6% of revenues compared with 21.4% last year).

An analysis of costs by function reveals:

- the cost of services rendered is €7,960 million, or 75.3% of revenues, down slightly by 0.4 points on 2013. This enabled an improvement in the gross margin to 24.7% of revenues in 2013;
- selling costs total €855 million, or 8.1% of revenues, up slightly by 0.1 points on last year;
- general and administrative expenses (€788 million) represent 7.5% of revenues, an improvement of 0.4 points on 2013 as a result of strict cost control measures.

The operating margin on this basis is €970 million in 2014, or 9.2% of revenues, compared with an operating margin rate of 8.5% in 2013.

Other operating income and expense (now including the amortization of intangible assets recognized in business combinations) represents an overall net expense of €117 million in 2014, compared with €137 million in 2013.

Operating profit is €853 million, or 8.1% of revenues, compared with €720 million (7.1% of revenues) in 2013, representing an increase of 18.4% year-on-year.

The net financial expense is €70 million, compared with €102 million in 2013. This decrease on 2013 is mainly due to a fall in interest expense on borrowings following the repurchase, conversion and redemption in the second half of 2013 of OCEANE 2009 bonds convertible/exchangeable into new or existing Cap Gemini S.A. shares.

The income tax expense is €210 million, compared with €182 million last year. The effective tax rate decreased from 29.4% in 2013 to 26.8% in 2014.

Profit for the year attributable to owners of the Company is €580 million, up 31.2% on 2013. Earnings per share is €3.55 based on the 163,592,949 shares outstanding at December 31, 2014.

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

**Equity attributable to owners of the Company** totaled €5,057 million at December 31, 2014, up €599 million on December 31, 2013.

This increase was mainly due to:

- profit for the year of €580 million;
- the €229 million share capital increase under the 2014 employee share ownership plan;
- the €255 million increase in foreign exchange translation reserves;

partially offset by:

- the payment to shareholders of the 2013 dividend of €174 million;
- the cancellation of Cap Gemini S.A. shares held in the amount of €181 million;
- the recognition in equity of actuarial losses on provisions for pensions and other post-employment benefits of €210 million, net of tax.

**Non-current assets** increased €345 million on December 31, 2013, mainly due to:

- a €176 million increase in goodwill due to the positive impact of foreign currency translation adjustments;

- a €21 million net increase in property, plant and equipment, including €20 million due to foreign currency translation adjustments,
- a €42 million increase in deferred tax assets; and
- a €107 million increase in other non-current assets, primarily due to:
  - a €46 million (the current portion amounts to €32 million) increase following the fair value remeasurement of cash flow hedging derivative instruments contracted pursuant to the central management of foreign exchange risk, recognized through equity (at December 31, 2013, the fair value of these instruments was recorded in "Other non-current liabilities" in the amount of €18 million and in "Other current payables" in the amount of €9 million),
  - the call option on Cap Gemini S.A. shares purchased on October 18, 2013 in the amount of €25 million.

**Operating receivables** (accounts and notes receivable) totaled €2,849 million at December 31, 2014, compared with €2,587 million at December 31, 2013, up 10%. Accounts receivable, net of advances from clients and amounts billed in advance and excluding capitalized costs on projects, totaled €1,981 million at December 31, 2014 compared with €1,800 million at December 31, 2013. They represented 67 days annual revenue (64 days at December 31, 2013).

**Non-current liabilities** increased €342 million at December 31, 2014 (to €2,644 million compared with €2,302 million last year). This increase was mainly due to the €322 million rise in provisions for pensions and other post-employment benefits, primarily attributable to the net actuarial loss resulting from the decrease in discount rates in Canada and the United Kingdom between December 31, 2013 and December 31, 2014.

**Accounts and notes payable** mainly consist of trade payables and related accounts, personnel costs and accrued taxes other than income tax and total €2,543 million at December 31, 2014, compared with €2,293 million at December 31, 2013.

**Net cash and cash equivalents** totaled €1,218 million at December 31, 2014 compared with €678 million at December 31, 2013. This €540 million increase was mainly due to:

- organic free cash flow generated in 2014 of €668 million (compared with €455 million in 2013 before the €235 million exceptional contribution to a UK pension fund);
- a share capital increase of €229 million;
- the €60 million positive impact of exchange rate fluctuations;

partially offset by:

- payment of the 2013 dividend of €174 million;
- a net cash outflow of €181 million in respect of treasury share transactions;
- a €46 million increase in finance lease obligations.

## OUTLOOK FOR 2015

In a context of improving demand, the Group forecasts for 2015 a revenue growth, at current rates and perimeter, of 3% to 5% and an operating margin rate between 9.5% and 9.8%. Organic free cash flow is expected to exceed €600 million.

# 4.2 Consolidated accounts

## 4.2.1 CONSOLIDATED INCOME STATEMENT

| | | 2013 | | 2014 | |
|---|---|---|---|---|---|
| *in millions of euros* | **Notes** | **Amount** | **%** | **Amount** | **%** |
| **Revenues** | 3-5 | **10,092** | **100** | **10,573** | **100** |
| Cost of services rendered | | (7,636) | (75.7) | (7,960) | (75.3) |
| Selling expenses | | (807) | (8.0) | (855) | (8.1) |
| General and administrative expenses | | (792) | (7.9) | (788) | (7.5) |
| **Operating expenses** | 6 | **(9,235)** | **(91.5)** | **(9,603)** | **(90.8)** |
| **Operating margin** | | **857** | **8.5** | **970** | **9.2** |
| Other operating income and expense(1) | 7 | (137) | (1.4) | (117) | (1.1) |
| **Operating profit** | | **720** | **7.1** | **853** | **8.1** |
| Net finance costs | 8 | (47) | (0.5) | (15) | (0.1) |
| Other financial income and expense | 8 | (55) | (0.6) | (55) | (0.5) |
| **Net financial expense** | | **(102)** | **(1.0)** | **(70)** | **(0.7)** |
| **Income tax expense** | 9 | **(182)** | **(1.8)** | **(210)** | **(2.0)** |
| **Share of profit of associates** | | **(1)** | **(0.0)** | **-** | **-** |
| **PROFIT FOR THE YEAR** | | **435** | **4.3** | **573** | **5.4** |
| *Attributable to:* | | | | | |
| *Owners of the Company* | | *442* | *4.4* | *580* | *5.5* |
| *Non-controlling interests* | | *(7)* | *(0.1)* | *(7)* | *(0.1)* |

**EARNINGS PER SHARE**

| | | 2013 | 2014 |
|---|---|---|---|
| Average number of shares outstanding during the year | | 158,147,868 | 157,855,433 |
| **Basic earnings per share** *(in euros)* | 10 | **2.80** | **3.68** |
| Number of shares outstanding at the year-end | | 160,317,818 | 163,592,949 |
| **Earnings per share at the year-end** *(in euros)* | | **2.76** | **3.55** |
| Diluted average number of shares outstanding | | 179,596,733 | 170,226,305 |
| **Diluted earnings per share** *(in euros)* | 10 | **2.59** | **3.44** |

*(1) Effective from January 1, 2014, amortization of intangible assets recognized in business combinations is included in "Other operating income and expense". The comparative period has been adjusted to reflect this change in presentation.*

## 4.2.2 STATEMENT OF INCOME AND EXPENSE RECOGNIZED IN EQUITY

| *in millions of euros* | 2013 | 2014 |
|---|---|---|
| Actuarial gains and losses on defined benefit pension plans, net of tax[1] | (98) | (210) |
| Remeasurement of hedging derivatives, net of tax[2] | 2 | 57 |
| Translation adjustments[2] | (162) | 255 |
| **TOTAL INCOME AND EXPENSE RECOGNIZED IN EQUITY** | **(258)** | **102** |
| Profit for the year (reminder) | 435 | 573 |
| If this income and expense recognized in equity had been recognized in profit or loss, profit for the year would have been as follows: | 177 | 675 |
| *Attributable to:* | | |
| *Owners of the Company* | *191* | *682* |
| *Non-controlling interests* | *(14)* | *(7)* |

*(1) Items that will not be reclassified subsequently to profit or loss,*
*(2) Items that may be reclassified subsequently to profit or loss.*

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## 4.2.3 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| *in millions of euros* | Notes | December 31, 2013 | December 31, 2014 |
|---|---|---|---|
| Goodwill | 12-14 | 3,601 | 3,784 |
| Intangible assets | 12 | 166 | 158 |
| Property, plant and equipment | 13 | 494 | 515 |
| Deferred taxes | 15 | 1,023 | 1,065 |
| Other non-current assets | 17 | 153 | 260 |
| **Total non-current assets** | | **5,437** | **5,782** |
| Accounts and notes receivable | 18 | 2,587 | 2,849 |
| Current income taxes | | 69 | 46 |
| Other current receivables | 19 | 368 | 551 |
| Cash management assets | 20 | 77 | 90 |
| Cash and cash equivalents | 20 | 1,638 | 2,141 |
| **Total current assets** | | **4,739** | **5,677** |
| **TOTAL ASSETS** | | **10,176** | **11,459** |

| *in millions of euros* | Notes | December 31, 2013 | December 31, 2014 |
|---|---|---|---|
| Share capital | | 1,283 | 1,309 |
| Additional paid-in capital | | 2,930 | 3,010 |
| Retained earnings and other reserves | | (197) | 158 |
| Profit for the year | | 442 | 580 |
| **Equity (attributable to owners of the Company)** | | **4,458** | **5,057** |
| Non-controlling interests | | 33 | 26 |
| **Total equity** | | **4,491** | **5,083** |
| Long-term borrowings | 20 | 906 | 914 |
| Deferred taxes | 15 | 158 | 158 |
| Provisions for pensions and other post-employment benefits | 23 | 962 | 1,294 |
| Non-current provisions | 24 | 16 | 24 |
| Other non-current liabilities | 25 | 260 | 254 |
| **Total non-current liabilities** | | **2,302** | **2,644** |
| Short-term borrowings and bank overdrafts | 20 | 133 | 102 |
| Accounts and notes payable | 26 | 2,293 | 2,543 |
| Advances from customers and billed in advance | 18 | 684 | 776 |
| Current provisions | 24 | 42 | 48 |
| Current tax liabilities | | 58 | 115 |
| Other current payables | 27 | 173 | 148 |
| **Total current liabilities** | | **3,383** | **3,732** |
| **TOTAL EQUITY AND LIABILITIES** | | **10,176** | **11,459** |

## 4.2.4 CONSOLIDATED STATEMENT OF CASH FLOWS

Cash flows for the period are discussed in Note 21, Cash flows.

| *in millions of euros* | Notes | 2013 | 2014 |
|---|---|---|---|
| **Profit for the year attributable to owners of the Company** | | **442** | **580** |
| Non-controlling interests | | (7) | (7) |
| Depreciation, amortization and impairment of fixed assets | 12 – 13 | 208 | 204 |
| Change in provisions | | (284)[1] | 2 |
| Losses on disposals of assets | | 6 | 6 |
| Expenses relating to share grants | | 20 | 28 |
| Net finance costs | 8 | 47 | 15 |
| Income tax expense | 9 | 182 | 210 |
| Unrealized losses on changes in fair value and other | | 21 | 6 |
| **Cash flows from operations before net finance costs and income tax (A)** | | **635** | **1,044** |
| **Income tax paid (B)** | | **(124)** | **(97)** |
| Change in accounts and notes receivable and advances from customers and amounts billed in advance | | (58) | (71) |
| Change in capitalized costs on projects | | 1 | 19 |
| Change in accounts and notes payable | | 39 | 26 |
| Change in other receivables/payables | | (103) | (106) |
| **Change in operating working capital (C)** | | **(121)** | **(132)** |
| **NET CASH FROM OPERATING ACTIVITIES (D=A+B+C)** | | **390** | **815** |
| Acquisitions of property, plant and equipment and intangible assets | 12 – 13 | (143) | (150) |
| Proceeds from disposals of property, plant and equipment and intangible assets | | 3 | 8 |
| | | **(140)** | **(142)** |
| Cash inflows (outflows) on business combinations net of cash and cash equivalents acquired | | (11) | 3 |
| Cash outflows in respect of cash management assets | | (2) | (12) |
| Other cash (outflows) inflows, net | | 1 | (2) |
| | | **(12)** | **(11)** |
| **NET CASH USED IN INVESTING ACTIVITIES (E)** | | **(152)** | **(153)** |
| Proceeds from issues of share capital | | - | 229 |
| Proceeds from issues of share capital subscribed by non-controlling interests | | 19 | - |
| Dividends paid | | (157) | (174) |
| Net payments relating to transactions in Cap Gemini S.A. shares | | (28) | (181) |
| Proceeds from borrowings | | 406 | 160 |
| Repayments of borrowings | | (747) | (248) |
| Interest paid | 8 | (56) | (35) |
| Interest received | 8 | 26 | 30 |
| **NET CASH USED IN FINANCING ACTIVITIES (F)** | | **(537)** | **(219)** |
| **NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (G=D+E+F)** | | **(299)** | **443** |
| Effect of exchange rate movements on cash and cash equivalents (H) | | (88) | 68 |
| **CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (I)** | 20 | **2,016** | **1,629** |
| **CASH AND CASH EQUIVALENTS AT END OF YEAR (G+H+I)** | 20 | **1,629** | **2,140** |

*(1) Including the €235 million exceptional contribution for the accelerated financing of the funding shortfall on a pension plan in the United Kingdom.*

## 4.2.5 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| *in millions of euros* | Number of shares | Share capital | Additional paid-in capital | Treasury shares | Consolidated retained earnings and other reserves | Total income and expense recognized in equity | | Equity (attributable to owners of the Company) | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Translation adjustments | Other | | | |
| **At January 1, 2013** | **161,770,362** | **1,294** | **2,976** | **(92)** | **1,045** | **(110)** | **(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) |
| Derivative instrument on Cap Gemini S.A. 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)** | **1,246** | **(265)** | **(727)** | **4,458** | **33** | **4,491** |
| Dividends paid out for 2013 | - | - | - | - | (174) | - | - | (174) | - | (174) |
| Incentive instruments and employee share ownership | 5,530,539 | 44 | 184 | 8 | 30 | - | - | 266 | - | 266 |
| Adjustments to the put option granted to minority shareholders | - | - | - | - | (3) | - | - | (3) | - | (3) |
| Derivative instrument on Cap Gemini S.A. shares, net of tax | - | - | - | | 9 | - | - | 9 | - | 9 |
| Elimination of treasury shares | - | - | - | (181) | - | - | - | (181) | - | (181) |
| Share capital reduction by cancellation of treasury shares | (2,255,408) | (18) | (104) | 122 | - | - | - | - | - | - |
| **Transactions with shareholders** | **3,275,131** | **26** | **80** | **(51)** | **(138)** | **-** | **-** | **(83)** | **-** | **(83)** |
| **Income and expense recognized in equity** | **-** | **-** | **-** | **-** | **-** | **255** | **(153)** | **102** | **-** | **102** |
| **Profit for the year** | **-** | **-** | **-** | **-** | **580** | **-** | **-** | **580** | **(7)** | **573** |
| **AT DECEMBER 31, 2014** | **163,592,949** | **1,309** | **3,010** | **(60)** | **1,688** | **(10)** | **(880)** | **5,057** | **26** | **5,083** |

## 4.2.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

## NOTE 1 ACCOUNTING BASIS

The consolidated financial statements for the year ended December 31, 2014 and the notes thereto were adopted by the Board of Directors on February 18, 2015. The consolidated financial statements will be approved by the Combined Shareholders' Meeting, scheduled for May 6, 2015.

### A) IFRS standards-base

Pursuant to European Commission Regulation no. 1606/2002 of July 19, 2002, the 2014 consolidated financial statements have been prepared in accordance with international accounting standards (IFRS, International Financial Reporting Standards) as issued by the International Accounting Standards Board (IASB) and endorsed by the European Union (EU).

The Group also takes account of the positions adopted by Syntec Numérique, an organization representing major consulting and computer services companies in France, regarding the application of certain IFRSs.

The main accounting policies are presented at the beginning of each note to the consolidated financial statements.

### B) New standards and interpretations applicable in 2014

#### a) New standards, amendments and interpretations of mandatory application (published by the IASB, endorsed by the EU, entered into effect on January 1, 2014)

The accounting policies applied by the Group are unchanged on those applied for the preparation of the 2013 consolidated financial statements, with the exception of new standards, amendments and interpretations which entered into effect on January 1, 2014 and which had no impact on the Group financial statements.

#### b) New standards, amendments and interpretations not adopted early (published by the IASB, endorsed by the EU, not yet in effect at January 1, 2014)

The potential impacts of the application of new standards, amendments and interpretations (particularly IFRIC 21, *Levies*) on the Group consolidated financial statements will not be material.

#### 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, 2014)

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, 2014 or in effect at January 1, 2014.

#### Changes in presentation decided by the Group

- Growing demand from clients to group application development and maintenance services in a single contract led the Group to review the presentation of its segment reporting by business. The distinction between technology services, which include application development and outsourcing services, which include the maintenance activity, has therefore become artificial.

  Accordingly, from January 1, 2014, the segment reporting by business presented in Note 3 is grouped as follows:

  - Consulting Services, which help to enhance the performance of organizations based on in-depth knowledge of client industries and processes,
  - Local Professional Services, which provide assistance and support to internal IT teams within client companies,
  - Application Services, which devise, develop, implement and maintain IT applications covering the Group's system integration and application maintenance activities,
  - Other Managed Services, which integrate, manage and/or develop either fully or partially, client IT Infrastructure systems (or those of a group of clients), transaction services, on-demand services and/or business activities (Business Process Outsourcing, BPO).

  Comparative information for fiscal year 2013 has also been restated to reflect this new classification.

- Amortization of intangible assets recognized in business combinations is now included in "Other operating income and expense".

### 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 provisions.

## NOTE 2 CONSOLIDATION PRINCIPLES AND GROUP STRUCTURE

### 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 32, List of the main consolidated companies by country.

All consolidated companies prepared their accounts to December 31, 2014 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.

### 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 rate | | Closing rate | |
|---|---|---|---|---|
| | 2013 | 2014 | 2013 | 2014 |
| Australian dollar | 0.72942 | 0.67960 | 0.64838 | 0.67435 |
| Brazilian real | 0.35084 | 0.32053 | 0.30697 | 0.31049 |
| Canadian dollar | 0.73142 | 0.68225 | 0.68162 | 0.71109 |
| Chinese renminbi yuan | 0.12249 | 0.12235 | 0.11977 | 0.13270 |
| Indian rupee | 0.01292 | 0.01235 | 0.01171 | 0.01304 |
| Norwegian krona | 0.12834 | 0.11976 | 0.11957 | 0.11060 |
| Polish zloty | 0.23829 | 0.23899 | 0.24071 | 0.23402 |
| Pound Sterling | 1.17767 | 1.24055 | 1.19947 | 1.28386 |
| Swedish krona | 0.11564 | 0.10997 | 0.11288 | 0.10646 |
| Swiss franc | 0.81242 | 0.82333 | 0.81460 | 0.83167 |
| US dollar | 0.75317 | 0.75373 | 0.72511 | 0.82366 |

### 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 negative goodwill is recognized immediately in the Income Statement in “Other operating income and expense”.

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.

### 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.

## ACQUISITIONS / DISPOSALS IN FISCAL YEAR 2014

### Euriware

On May 7, 2014, the Group finalized the acquisition of Euriware and its subsidiaries from the Areva group. At December 31, 2014 the purchase price allocation led to the recognition of negative goodwill of €6 million in “Other operating income and expense”.

Euriware and its subsidiaries had 1,800 employees at the acquisition date and reported revenues of €214 million in 2013 for the scope purchased, primarily realized with the Areva group.

### Strategic Systems & Products Corp.

During the first-half 2014, the Group finalized the acquisition of the entire share capital of Strategic Systems & Products Corp. in the United States.

These two companies contributed €153 million to Group revenues in 2014. Their contribution to the Group operating margin was €8 million in 2014.

## NOTE 3 OPERATING SEGMENTS

Group Management analyzes and measures activity performance:

- in the geographic areas where the Group is present;
- in the different businesses (consulting services, local professional services, application services, other managed services).

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 countries, 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.

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

Accordingly, the Group presents segment reporting for the 8 geographic areas where it is located.

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

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

The performance of operating segments is measured based on the 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.

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.



### SEGMENT REPORTING BY GEOGRAPHIC AREA

The Group has operations in the following eight geographic areas:

| Geographic area | Main countries |
|---|---|
| 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, Saudi Arabia, Singapore, United Arab Emirates, Vietnam |

### ANALYSIS OF THE INCOME STATEMENT BY GEOGRAPHIC AREA

| 2014 *(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 | HQ expenses | Elimi-nations | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | | | | | |
| ▪ external | 2,230 | 2,342 | 2,197 | 1,074 | 497 | 699 | 653 | 881 | - | - | 10,573 |
| ▪ inter-geographic area | 113 | 173 | 149 | 62 | 24 | 20 | 161 | 698 | - | (1,400) | - |
| **TOTAL REVENUES** | **2,343** | **2,515** | **2,346** | **1,136** | **521** | **719** | **814** | **1,579** | **-** | **(1,400)** | **10,573** |
| **OPERATING MARGIN** | **281** | **197** | **249** | **113** | **19** | **79** | **62** | **54** | **(84)** | **-** | **970** |
| *% of revenues* | *12.6* | *8.4* | *11.3* | *10.5* | *3.8* | *11.3* | *9.4* | *6.1* | - | - | *9.2* |
| **OPERATING PROFIT** | **274** | **158** | **232** | **95** | **5** | **76** | **54** | **43** | **(84)** | **-** | **853** |

| 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 | HQ expenses | Elimi-nations | 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* |
| **OPERATING PROFIT** | **243** | **164** | **159** | **83** | **10** | **61** | **46** | **22** | **(68)** | **-** | **720** |

### 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 2014** *(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 | 1,207 | 2,220 | 1,307 | 1,115 | 299 | 370 | 460 | 926 | 36 | - | 7,940 |
| ▪ inter-geographic area | 76 | 66 | 56 | 20 | 10 | 9 | 38 | 98 | 25 | (398) | - |
| **TOTAL ASSETS** | **1,283** | **2,286** | **1,363** | **1,135** | **309** | **379** | **498** | **1,024** | **61** | **(398)** | **7,940** |
| *o/w acquisitions of intangible assets and property, plant and equipment(1)* | *21* | *40* | *28* | *20* | *6* | *20* | *9* | *52* | - | - | *196* |
| Deferred tax assets | | | | | | | | | | | 1,065 |
| Current income taxes | | | | | | | | | | | 46 |
| Cash management assets | | | | | | | | | | | 90 |
| Cash and cash equivalents | | | | | | | | | | | 2,141 |
| Derivative instruments | | | | | | | | | | | 177 |
| **TOTAL ASSETS** | | | | | | | | | | | **11,459** |
| **Liabilities by geographic area** | | | | | | | | | | | |
| ▪ external | 684 | 1,154 | 1,488 | 302 | 204 | 213 | 256 | 682 | 8 | - | 4,991 |
| ▪ inter-geographic area | 73 | 92 | 93 | 38 | 10 | 27 | 23 | 42 | - | (398) | - |
| **TOTAL LIABILITIES** | **757** | **1,246** | **1,581** | **340** | **214** | **240** | **279** | **724** | **8** | **(398)** | **4,991** |
| Equity | | | | | | | | | | | 5,083 |
| Deferred tax liabilities | | | | | | | | | | | 158 |
| Current tax liabilities | | | | | | | | | | | 115 |
| Borrowings and bank overdrafts | | | | | | | | | | | 1,016 |
| Derivative instruments | | | | | | | | | | | 96 |
| **TOTAL LIABILITIES AND EQUITY** | | | | | | | | | | | **11,459** |

| **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** |
| *o/w acquisitions of intangible assets and property, plant and equipment(1)* | *17* | *32* | *34* | *23* | *5* | *15* | *12* | *41* | - | - | *179* |
| Deferred tax assets | | | | | | | | | | | 1,023 |
| Current income taxes | | | | | | | | | | | 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 tax liabilities | | | | | | | | | | | 58 |
| Borrowings and bank overdrafts | | | | | | | | | | | 1,039 |
| Derivative instruments | | | | | | | | | | | 99 |
| **TOTAL LIABILITIES AND EQUITY** | | | | | | | | | | | **10,176** |

*(1) Total acquisitions of intangible assets and property, plant and equipment is different from the figure reported in the Statement of Cash Flows (€150 million in 2014 and €143 milllion in 2013), which excludes acquisitions of assets held under finance leases (€46 million in 2014 and €36 million in 2013).*

### SEGMENT REPORTING BY BUSINESS

Segment reporting by business is presented according to the following classification:

- Consulting Services, which help to enhance the performance of organizations based on in-depth knowledge of client industries and processes;
- Local Professional Services, which provide assistance and support to internal IT teams within client companies;
- Application Services, which devise, develop, implement and maintain IT applications covering the Group's system integration and application maintenance activities;
- Other Managed Services, which integrate, manage and/or develop either fully or partially, client IT Infrastructure systems (or those of a group of clients), transaction services, on demand services and/or business activities (Business Process Outsourcing, BPO).

#### BREAKDOWN OF REVENUES BY BUSINESS

| | 2013 | | 2014 | |
|---|---|---|---|---|
| *in millions of euros* | **Amount** | **%** | **Amount** | **%** |
| Consulting services | 456 | 4 | 442 | 4 |
| Local professional services | 1,498 | 15 | 1,577 | 15 |
| Application services | 5,825 | 58 | 5,854 | 55 |
| Other managed services | 2,313 | 23 | 2,700 | 26 |
| **REVENUES** | **10,092** | **100** | **10,573** | **100** |

#### BREAKDOWN OF OPERATING MARGIN BY BUSINESS

| | 2013 | | 2014 | |
|---|---|---|---|---|
| *in millions of euros* | **Amount** | **%** | **Amount** | **%** |
| Consulting services | 35 | 7.8 | 37 | 8.2 |
| Local professional services | 159 | 10.6 | 156 | 9.9 |
| Application services | 566 | 9.7 | 623 | 10.6 |
| Other managed services | 165 | 7.1 | 238 | 8.8 |
| Headquarter expenses | (68) | - | (84) | - |
| **OPERATING MARGIN** | **857** | **8.5** | **970** | **9.2** |

## NOTE 4 CONSOLIDATED INCOME STATEMENT

Income and expenses are presented in the Consolidated Income Statement by function. Operating expenses are broken down into the cost of services rendered (corresponding to costs incurred for the execution of client projects), selling expenses, and general and administrative expenses.

These three captions represent ordinary operating expenses which are deducted from revenues to obtain operating margin, one of the main Group business performance indicators.

Operating profit is obtained by deducting other operating income and expenses from operating margin.

Other operating income and expenses include amortization of intangible assets recognized in business combinations, the charge resulting from the deferred recognition of the fair value of shares granted to employees (including social security contributions and employer contributions), and non-recurring revenues and expenses, notably impairment of goodwill, badwill, 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.

## NOTE 5 REVENUES

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.

Group revenues total €10,573 million (€10,092 million in 2013), representing a year-on-year increase of 4.8%, based on the year-end Group structure and exchange rates and 3.4% on a like-for-like basis (constant Group structure and exchange rates).

## NOTE 6 OPERATING EXPENSES BY NATURE

| *in millions of euros* | 2013 Amount | 2013 % of revenues | 2014 Amount | 2014 % of revenues |
|---|---|---|---|---|
| Personnel expenses | 6,083 | 60.3% | 6,301 | 59.6% |
| Travel expenses | 428 | 4.2% | 428 | 4.0% |
| | **6,511** | **64.5%** | **6,729** | **63.6%** |
| Purchases and sub-contracting expenses | 2,159 | 21.4% | 2,284 | 21.6% |
| Rent, facilities and local taxes | 329 | 3.3% | 336 | 3.2% |
| Other charges to depreciation, amortization and provisions and proceeds from asset disposals | 236 | 2.3% | 254 | 2.4% |
| **OPERATING EXPENSES** | **9,235** | **91.5%** | **9,603** | **90.8%** |

### BREAKDOWN OF PERSONNEL COSTS

| *in millions of euros* | Note | 2013 | 2014 |
|---|---|---|---|
| Wages and salaries | | 4,801 | 4,976 |
| Payroll taxes | | 1,219 | 1,256 |
| Pension costs related to defined benefit pension plans and other post-employment benefit expenses | 23 | 63 | 69 |
| **PERSONNEL EXPENSES** | | **6,083** | **6,301** |

## NOTE 7 OTHER OPERATING INCOME AND EXPENSE

| *in millions of euros* | Note | 2013 | 2014 |
|---|---|---|---|
| Amortization of intangible assets recognized in business combinations[(1)] | | (30) | (20) |
| Expense relating to share grants | 11 | (23) | (36) |
| Restructuring costs | | (68) | (68) |
| Integration and acquisition costs for purchased companies | | (2) | (5) |
| Other operating expenses | | (16) | (9) |
| **Total operating expenses** | | **(139)** | **(138)** |
| Other operating income | | 2 | 21 |
| **Total operating income** | | **2** | **21** |
| **OTHER OPERATING INCOME AND EXPENSE** | | **(137)** | **(117)** |

*(1) Effective from January 1, 2014, amortization of intangible assets recognized in business combinations is included in "Other operating income and expense". The comparative period has been adjusted to reflect this change in presentation.*

### RESTRUCTURING COSTS

Fiscal year 2014 restructuring costs primarily concern workforce reduction measures in the amount of €46 million (€44 million in 2013) and the streamlining of real estate and production assets in the amount of €21 million (€23 million in 2013).

## NOTE 8 NET FINANCIAL EXPENSE

| *in millions of euros* | Note | 2013 | 2014 |
|---|---|---|---|
| Income from cash, cash equivalents and cash management assets | | 25 | 30 |
| Interest on borrowings | | (55) | (35) |
| **Net finance costs at the nominal interest rate** | | **(30)** | **(5)** |
| Impact of amortized cost on borrowings | | (17) | (10) |
| **Net finance costs at the effective interest rate** | | **(47)** | **(15)** |
| Net interest cost on defined benefit pension plans | 23 | (42) | (40) |
| Exchange losses on financial transactions | | (5) | (7) |
| Gains (losses) on derivative instruments | | (1) | 1 |
| Other | | (7) | (9) |
| **Other financial income and expense** | | **(55)** | **(55)** |
| *o/w financial income* | | *52* | *45* |
| *o/w financial expenses* | | *(107)* | *(100)* |
| **NET FINANCIAL EXPENSE** | | **(102)** | **(70)** |

Interest on borrowings (€35 million) and the impact of amortized cost on borrowings (€10 million) totals €45 million, mainly comprises:

- coupons on the 2011 bond issue of €26 million (stable on 2013), plus an amortized cost accounting impact of €1 million;
- an amortized cost accounting impact of €9 million on the "ORNANE 2013" bonds redeemable in cash and/or in new and/or existing shares issued in October 2013 (zero-coupon bonds) compared with €2 million in 2013;
- interest on finance leases of €5 million, primarily in the United Kingdom, the United States and Brazil (€7 million in 2013).

Note that 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 20, 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.

## NOTE 9 INCOME TAX EXPENSE

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.

### Current income 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.

### Deferred taxes

Deferred taxes are:

- recorded to take account of temporary differences between the carrying amounts of certain assets and liabilities and their tax basis;
- recognized in income or expenses in the Income Statement, in income and expense recognized in equity, or directly in 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.

The income tax expense for fiscal year 2014 breaks down as follows:

| *in millions of euros* | Note | 2013 | 2014 |
|---|---|---|---|
| Current income taxes | | (161) | (161) |
| Deferred taxes | 15 | (21) | (49) |
| **INCOME TAX EXPENSE** | | **(182)** | **(210)** |

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

| | 2013 | | 2014 | |
|---|---|---|---|---|
| *in millions of euros* | **Amount** | **%** | **Amount** | **%** |
| **Profit before tax** | **618** | | **783** | |
| **Standard tax rate in France** *(%)* | **38.0** | | **38.0** | |
| **Tax expense at the standard rate** | **(235)** | **38.0** | **(297)** | **38.0** |
| Difference in tax rates between countries | 36 | (5.8) | 53 | (6.8) |
| *Impact of:* | | | | |
| Deferred tax assets not recognized on temporary differences and tax loss carry-forwards arising in the period | (51) | 8.3 | (34) | 4.4 |
| Net recognition of deferred tax assets on temporary differences and tax loss carry-forwards arising prior to January 1 | 102 | (16.6) | 93 | (11.9) |
| Utilization of previously unrecognized tax loss carry-forwards | 11 | (1.7) | 9 | (1.1) |
| Taxes not based on taxable income | (37) | 6.0 | (37) | 4.6 |
| Permanent differences and other items | (8) | 1.2 | 3 | (0.4) |
| **ACTUAL TAX EXPENSE** | **(182)** | **29.4** | **(210)** | **26.8** |
| **Effective rate of income tax** | **29.4%** | | **26.8%** | |

The heading "Taxes not based on taxable income" primarily consists of the Corporate Value-Added Contribution (*Cotisation sur la Valeur Ajoutée des Enterprises*, CVAE) and the additional 3% contribution on dividends paid in France, State taxes in the United States and the regional tax on productive activities (IRAP) in Italy.

## NOTE 10 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) bonds convertible/exchangeable into new or existing shares, (ii) redeemable share subscription or purchase warrants, (iii) performance shares (iv) free share grants and (v) bonds redeemable in cash and/or in new and/or existing shares.

### BASIC EARNINGS PER SHARE

| | 2013 | 2014 |
|---|---|---|
| Profit for the year attributable to owners of the Company *(in millions of euros)* | 442 | 580 |
| Weighted average number of ordinary shares | 158,147,868 | 157,855,433 |
| **BASIC EARNINGS PER SHARE** *(in euros)* | **2.80** | **3.68** |

### 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 2014 was €53.83.

In 2014, instruments considered dilutive for the purpose of calculating diluted earnings per share include:

- the 5,958,587 "ORNANE 2013" convertible bonds issued on October 25, 2013, as the €6 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;
- all 1,135,300 and 1,288,500 shares available for grant under the performance share grant plans, the terms of which were approved by the Board of Directors on February 20, 2013 and July 30, 2014, respectively. The related performance conditions will be assessed in February 2015 and July 2016;
- shares to be delivered to French and foreign employees under the 2012 performance share grant plan, the number of which is now definitive (958,500 shares). At December 31, 2014, the only remaining condition applicable to these shares is the presence of the foreign beneficiaries in the Group at the delivery date, scheduled for January 2017;
- the 102,379 shares falling within the scope of the free share grant plan open to all French employees, the terms of which were approved by the Board of Directors on October 8, 2014. These shares are subject to the presence of the beneficiaries in the Group in October 2016;
- all 2,927,606 Redeemable Share Subscription or Purchase Warrants (BSAAR) still outstanding, as the aggregate market price of the Cap Gemini S.A. share in 2014 is higher than the aggregate of the €34 strike price and the €3.22 issue premium.

| *in millions of euros* | 2013 | 2014 |
|---|---|---|
| **Profit for the year attributable to owners of the Company** | **442** | **580** |
| Finance cost savings linked to the conversion of debt instruments, net of tax | 22(1) | 6 |
| **Diluted profit for the year attributable to owners of the Company** | **464** | **586** |
| **Weighted average number of ordinary shares (diluted)** | | |
| Weighted average number of ordinary shares | 158,147,868 | 157,855,433 |
| *Adjusted for:* | | |
| “ORNANE 2013” convertible bonds (weighted average) | 1,110,093 | 5,958,587 |
| Performance shares and free shares that can be granted | 2,918,860 | 3,484,679 |
| Redeemable Share Subscription or Purchase Warrants (BSAAR) | 2,991,204 | 2,927,606 |
| “OCEANE 2009” convertible bonds (weighted average) | 14,428,708 | - |
| **Weighted average number of ordinary shares (diluted)** | **179,596,733** | **170,226,305** |
| **DILUTED EARNINGS PER SHARE** *(in euros)* | **2.59** | **3.44** |

*(1) “OCEANE 2009” and “ORNANE 2013” convertible bonds are taken into account as they are considered dilutive.*

## NOTE 11 EQUITY

### Incentive instruments and employee share ownership

#### a) Instruments granted to employees

##### Share subject to 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 tax residence of the beneficiary.

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 conditions 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.

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 S.A. shares at a strike price determined at their date of acquisition by the employees and corporate officers of the Group.

##### 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 S.A. 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 set-up of a leveraged plan 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.

#### Treasury shares

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

#### 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.

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## INCENTIVE INSTRUMENTS AND EMPLOYEE SHARE OWNERSHIP

### A) Stock option plans

The Group no longer grants stock options since the plan authorized in 2005. The last grant under this plan was performed in June 2008.

### B) Performance share plans

The Combined Shareholders' Meetings of April 30, 2009, May 24, 2012 and then May 24, 2013, 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 18 months, subject to performance and presence conditions. On October 1, 2010, December 12, 2012, February 20, 2013 and July 30, 2014, 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:

| | 2010 International Plan | 2012 International Plan | 2013 International Plan | 2014 International Plan |
|---|---|---|---|---|
| Maximum number of shares that may be granted | 1,557,703 shares | 2,426,555 shares | 2,426,555 shares | 1,590,639 shares |
| % of share capital at the date of the Board of Directors' decision | 1% | 1.5% | 1.5% | 1% |
| Total number of shares granted | 1,555,000[1] | 1,003,500[4] | 1,209,100[4] | 1,290,500[4] |
| Date of Board of Directors' decision | October 1, 2010 | December 12, 2012 | February 20, 2013 | July 30, 2014 |
| 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 | Three years for the internal performance condition and two years for the external performance condition |
| Vesting period | 2 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) | 2 years as from the grant date (France) or four years as from the grant date (other countries) |
| Mandatory lock-in period effective as from the vesting date (France only) | 2 years, or 5 years in the event of departure from the Group during the two years following the vesting date | 4 years | 4 years | 4 years |
| Main market conditions at the grant date | | | | |
| ▪ Volatility | *42.80%* | *25.80%* | *38.70%* | *26.33%* |
| ▪ Risk-free interest rate | *1.67%* | *0.35% – 0.98%* | *0.59% – 1.28%* | *0.34% – 0.81%* |
| ▪ Expected dividend rate | *3.00%* | *3.00%* | *3.00%* | *2.31%* |
| 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* |
| Pricing model used to calculate the fair value of shares | Monte Carlo for performance shares with external (market) conditions<br>Black & Scholes for shares without conditions or with internal performance conditions | Monte Carlo for performance shares with external (market) conditions | | |
| Range of fair values *(in euros)*: | | | | |
| ▪ Free shares *(per share and in euros)* | 32.32 – 32.96 | n/a | n/a | n/a |
| ▪ Performance shares *(per share and in euros)* | 21.54 – 32.96 | 14.35 – 28.67 | 16.18 – 32.14 | 26.46 – 48.26 |
| *Of which corporate officers* | n/a | 16.18 | 18.12 | 29.32 |

| | 2010 International Plan | 2012 International Plan | 2013 International Plan | 2014 International Plan |
|---|---|---|---|---|
| Number of shares at December 31, 2013 | *that may vest under the plan in respect of shares previously granted, subject to conditions (performance and presence)* | | | |
| | 584,055 | 981,500 | 1,178,300 | - |
| | *o/w to corporate officers* | | | |
| | - [2] | 50,000 [4] | 50,000 [4] | - |
| Change during the period | *Number of shares subject to performance and/or presence conditions granted during the year* | | | |
| | - | - | - | 1,290,500 |
| | *o/w to corporate officers* | | | |
| | - | - | - | 50,000[4] |
| | *Number of shares forfeited or canceled during the year* | | | |
| | 53,516 | 23,000 | 43,000 | 2,000 |
| | *Number of shares vested during the year* | | | |
| | 530,539 [3] | - | - | - |
| Number of shares at December 31, 2014 | *that may vest under the plan in respect of shares previously granted, subject to conditions (performance and presence)* | | | |
| | Plan expired | 958,500 [5] | 1,135,300 [6] | 1,288,500 [7] |
| Share price at the grant date *(in euros)* | 37.16 | 33.15 | 36.53 | 53.35 |

*(1) Of which 124,000 shares granted without performance conditions (8% of the total) pursuant to the resolution (authorization capped at 15% of the total),*
*(2) No performance shares were granted in 2010,*
*(3) Balance on the "foreign" plan granted in October 2014, subject to presence conditions at that date (including 59,250 shares without performance conditions),*
*(4) Grant subject to performance conditions only,*
*(5) Of which 434,000 shares in respect of the French plan and 524,500 shares in respect of the "foreign" plan,*
*(6) Of which 376,600 shares in respect of the French plan and 758,700 shares in respect of the "foreign" plan,*
*(7) Of which 420,250 shares in respect of the French plan and 868,250 shares in respect of the "foreign" plan.*

### a) Shares vested under the 2010 plan

The 2010 plan expired in 2014 and led to the delivery on October 1, 2014 of 530,539 shares to beneficiaries not tax resident in France and still present in the Group at this date, out of a total initial grant of 1,026,500 shares. Accordingly, including the 350,509 shares delivered on October 1, 2012 to beneficiaries tax resident in France, a total of 881,048 shares were ultimately delivered under this plan, representing 56.7% of the volume initially granted, as a result of both performance and presence conditions.

#### Reminder

The external performance condition calculation led to the grant of only 55% of the maximum number of shares initially defined in this respect. The internal performance condition calculated based on the increase in the 2011 operating margin compared with the 2010 operating margin at constant Group structure and exchange rates, led to the delivery of all shares defined in this respect following a margin increase of 15.6%, above the maximum threshold set.

### b) Performance conditions of the 2012, 2013 and 2014 plans

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 from the 2010 plan to add an internal condition to the external condition initially planned.

The following internal and external performance conditions apply:

The external performance condition accounts for 50% of the grant calculation.

#### External performance condition

The external performance condition is applied in an identical manner across the three plans and in line with the conditions applied to the first two plans, as follows:

- no shares are granted if the performance of the Cap Gemini S.A. share during the period in question is less than 90% of the performance of the basket of securities over the same period;
- the number of shares ultimately granted:
  - is equal to 40% of the number of shares initially allocated if the performance of the Cap Gemini S.A. share is at least equal to 90% of the basket,
  - is equal to 60% of the number of shares initially allocated if the performance of the Cap Gemini S.A. share is equal to 100% of the basket,
  - varies on a straight-line basis between 40% and 60% and between 60% and 100% of the initial allocation, based on a pre-defined schedule, where the performance of the Cap Gemini S.A. share is between 90% and 100% of the basket in the first case and 100% and 110% of the basket in the second case,
  - is equal to 100% of the number of shares initially allocated if the relative performance of the Cap Gemini S.A. share is higher than or equal to 110% of the basket.

Under these conditions, if the performance of the Cap Gemini S.A. share is in line with that of the basket of comparable shares, only 60% of the initial allocation will be granted in respect of the central performance condition (or 30% of the initial grant).

The benchmark basket comprises the following securities, with each security equally weighted:

- 2012 and 2013 Plans: Accenture / CSC / Atos / Tieto / Steria / CGI Group / Infosys / Sopra / Cognizant;
- 2014 Plan: Accenture / CSC/ Atos / Tieto / CAC 40 index / CGI Group / Infosys / Sopra / Cognizant.

The fair value of shares subject to external performance conditions is 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 generation of Organic Free Cash Flow (OFCF) over a three-year period encompassing fiscal years 2012 to 2014 for the 2012 and 2013 plans and fiscal years 2013 to 2015 for the 2014 plan. 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 for the 2012 and 2013 plans and €850 million for the 2014 plan;
- 100% of the initial internal allocation will be granted if Organic Free Cash Flow is equal to or exceeds €1 billion for the 2012 and 2013 plans and €1.1 billion for the 2014 plan.

The internal performance condition accounts for 50% of the grant calculation.

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 plans

At the Combined Shareholders' Meetings of May 24, 2012 and then May 24, 2013, the Board of Directors was given an 18-month authorization to grant shares to certain Group employees, on one or several occasions 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 meetings of July 25, 2012 and October 8, 2014.

The main features of these plans are set out in the table below:

| | 2012 Plan France | 2014 Plan France |
|---|---|---|
| Maximum number of shares that may 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 | 1% of the share capital on the date of the Board of Directors' decision i.e. a maximum of 1,595,495 shares, of which a maximum of 15% granted without performance conditions |
| Total number of shares granted | 202,538[1] | 104,379[2] |
| Date of the Board of Directors' decision | July 25, 2012 | October 8, 2014 |
| Grant condition assessment date | Presence condition only (employee presence within the Group at the vesting date) | |
| Vesting period | 2 years as from the grant date Democratic plan | |
| Mandatory lock-in period effective as from the vesting date | 2 years | 2 years |
| 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 | - |
| Number of shares subject to presence conditions granted during the year | - | 104,379 |
| Number of shares forfeited or canceled during the year | 17,719 | 2,000 |
| Number of shares vested during the year | 157,286 | - |
| Number of shares at December 31, 2014 that may vest under this plan in respect of shares previously granted, subject to presence conditions | Plan delivered | 102,379 |
| Share price at the grant date *(in euros)* | 26.30 | 52.69 |
| Main market conditions at the grant date | | |
| ▪ *Risk-free interest rate* | *0.88%* | *0.34%* |
| ▪ *Expected dividend rate* | *3.00%* | *2.31%* |
| Fair value in euros *(per share)* | €20.22 | €43.91 |

*(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),*
*(2) i.e. 6.5% of the total authorized maximum granted without performance conditions, pursuant to the resolution (authorization capped at 15% of the total).*

These transactions aim to develop employee share ownership by enabling all employees of French companies with at least three months seniority at the grant date to receive shares and thereby become Cap Gemini S.A. shareholders at the end of the vesting period. More than 20,000 employees were concerned by each share grant, with a differentiated share allocation based on annual salary (four categories): the lowest paid employees receiving more shares than the highest paid employees.

The Board of Director decisions were preceded each time by the signature of a company-wide agreement, in respect of payment of the profit-sharing bonus.

### D) 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). 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.

Since the date of admission of the BSAAR warrants to trading on the Euronext Paris market, 71,394 BSAAR warrants have been exercised resulting in delivery of the same number of shares.

### 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.

## F) International Employee Share Ownership Plan – ESOP 2014

Pursuant to the 30th and 31st resolutions adopted by the Combined Shareholders' Meeting of May 7, 2014, the Group set up an employee share ownership plan (ESOP 2014) in the second half of 2014. Nearly 132,000 Group employees in 20 countries, representing approximately 96% of the Group headcount, were invited to subscribe for Cap Gemini S.A. shares. Under the plan, a minimum length of service of three months was required at November 20, 2014, acquired consecutively or not since January 1, 2013, to qualify as a candidate for subscription. This leveraged plan offered employees the possibility of subscribing at a discounted preferential rate and, via a bank which secured and supplemented the investment so that the total amount invested represented ten times the personal contribution of the employee, potentially generating a greater capital gain than would have been the case had it been calculated based solely on the employee's personal contribution. In return, the employee waives a portion of any increase in the price of shares subscribed on his behalf, as well as dividends and other financial rights that could be paid on these shares throughout the entire term of the plan. In addition, the shares will be unavailable for a period of five years (except for cases of early release covered by plan rules in accordance with applicable legislation).

This employee share ownership plan (ESOP 2014) includes a 12.5% discount. Under the delegation of authority granted by the Board of Directors, the subscription price was set at €46.00 by the Chairman and Chief Executive Officer on November 17, 2014. This price corresponds to the daily average Cap Gemini S.A. share price adjusted for volumes observed over the twenty stock market trading days preceding the Chairman and Chief Executive Officer's decision, less a 12.5% discount.

On December 18, 2012, the Group issued 5,000,000 new shares reserved for employees with a par value of €8, representing a share capital increase of €229 million net of issue costs (€1.0 million, net of tax).

In those countries where the set-up of an FCPE has been possible, the IFRS 2 expense is nil, as the cost of non-transferability to the participant is greater than the total discount at the date of grant plus the opportunity gain. The IFRS 2 expense is attributable to the Stock Appreciation Rights (SAR) mechanism for employees in countries where the introduction of a leveraged plan through an FCPE or directly in the name of the employee is not possible or relevant.

Finally, it should also be noted that a decrease of 0.5 points in the employee financing rate would not impact the IFRS 2 expense, as the non-transferability cost would remain greater than the total discount at the grant date.

The table below presents the main features of the ESOP 2014 employee share ownership plan, the amounts subscribed and the pricing assumptions (excluding SAR):

| | 2014 Plan |
|---|---|
| **Plan features** | |
| Grant date | November 17, 2014 |
| Plan maturity *(in years)* | 5 |
| Base price *(in euros)* | 54.76 |
| Subscription price *(in euros)* | 46.00 |
| Par value discount *(in %)* | 12.50% |
| Total discount at the grant date *(in %)* (a) | 16.00% |
| Amount subscribed by employees *(in millions of euros)* | 23 |
| Total amount subscribed *(in millions of euros)* | 230 |
| Total number of shares subscribed | 5,000,000 |
| **Pricing assumptions** | |
| Employee financing rate | 6.12% |
| 5-year risk-free interest rate | 0.41% |
| Repo and reverse repo rates | 1.00% |
| Retail rate / Institutional rate volatility difference | 4.48% |
| Cost of non-transferability to the participant *(in %)* (b) | 26.58% |
| Opportunity gain *(in %)* (c) | 2.49% |
| Total cost for the Group (in %) (a-b+c)[1] | 0.00% |

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

### 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.

| *in millions of euros* | Note | 2013 | | 2014 | |
|---|---|---|---|---|---|
| | | Expense of the period | At December 31 | Expense of the period | At December 31 |
| Performance share plans | | 21 | 37 | 32 | 57 |
| Free share plans | | 2 | 1 | 3 | 3 |
| Employee Share Ownership Plan – ESOP | | - | - | 1 | - |
| **TOTAL** | 7 | **23** | **38** | **36** | **60** |

### 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, 2014, treasury shares were deducted from consolidated equity in the amount of €60 million. These consist of (i) 835,116 shares purchased between January and October 2014 under the share buyback program and (ii) 288,418 shares relating to the implementation of the liquidity agreement (the associated liquidity line is €10 million) and 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 (see Note 29 – Off-balance sheet commitments). At December 31, 2014 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.

It is recalled that in October 2013, the Group sold a call option on Cap Gemini S.A. shares to a bank counterparty. At December 31, 2014, the derivative instrument is recognized in equity in the amount of €43 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, the consolidated financial statements are particularly impacted by fluctuations in the US dollar, Canadian dollar and Indian rupee against the euro. The positive impact on translation reserves is mainly due to the appreciation of the US dollar and the Indian rupee against the euro during 2014.

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 2, Group Structure: Foreign currency translation.

## NOTE 12 GOODWILL AND INTANGIBLE ASSETS

### 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 negative goodwill is recognized immediately in the Income Statement in “Other operating income and expense”.

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.

### Customer relationships

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.

### Licenses and software

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.

| *in millions of euros* | Goodwill | Customer relationships | Licenses and software | Other intangible assets | Total |
|---|---|---|---|---|---|
| **GROSS** | | | | | |
| **At January 1, 2013** | **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** |
| Translation adjustments | 176 | 11 | 7 | - | 194 |
| Acquisitions / Increase | - | - | 24 | - | 24 |
| Internal developments | - | - | - | 20 | 20 |
| Disposals / Decrease | - | - | (13) | (1) | (14) |
| Business combinations | 8 | 1 | 13 | - | 22 |
| Other movements | (1) | | (2) | | (3) |
| **At December 31, 2014** | **3,835** | **213** | **236** | **270** | **4,554** |
| **ACCUMULATED AMORTIZATION AND IMPAIRMENT [1]** | | | | | |
| **At January 1, 2013** | **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** |
| Translation adjustments | - | 10 | 6 | - | 16 |
| Charges and provisions | - | 17 | 21 | 17 | 55 |
| Disposals | - | - | (12) | - | (12) |
| Business combinations | - | - | 11 | - | 11 |
| Other movements | - | - | (2) | - | (2) |
| **At December 31, 2014** | **51** | **164** | **190** | **207** | **612** |
| **NET** | | | | | |
| **At December 31, 2013** | **3,601** | **64** | **41** | **61** | **3,767** |
| **AT DECEMBER 31, 2014** | **3,784** | **49** | **46** | **63** | **3,942** |

*(1) Goodwill is subject to impairment only.*

## NOTE 13 PROPERTY, PLANT AND EQUIPMENT

### A) 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.

### B) 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.

| *in millions of euros* | Land, buildings and fixtures and fittings | Computer equipment | Other PP&E | Total |
|---|---|---|---|---|
| **GROSS** | | | | |
| **At January 1, 2013** | **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** |
| Translation adjustments | 18 | 20 | 11 | 49 |
| Acquisitions / Increase | 37 | 94 | 21 | 152 |
| Disposals / Decrease | (27) | (42) | (8) | (77) |
| Business combinations | 16 | 17 | 4 | 37 |
| Other movements | - | (7) | - | (7) |
| **At December 31, 2014** | **616** | **635** | **213** | **1,464** |
| **ACCUMULATED DEPRECIATION AND IMPAIRMENT** | | | | |
| **At January 1, 2013** | **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** |
| Translation adjustments | 10 | 13 | 6 | 29 |
| Charges and provisions | 46 | 87 | 16 | 149 |
| Disposals | (21) | (35) | (7) | (63) |
| Business combinations | 10 | 13 | 2 | 25 |
| Other movements | - | (7) | - | (7) |
| **At December 31, 2014** | **349** | **451** | **149** | **949** |
| **NET** | | | | |
| **At December 31, 2013** | **268** | **173** | **53** | **494** |
| **AT DECEMBER 31, 2014** | **267** | **184** | **64** | **515** |

## PROPERTY, PLANT AND EQUIPMENT PURCHASED UNDER FINANCE LEASE

| **Net** *(in millions of euros)* | 2013 | 2014 |
|---|---|---|
| **At January 1** | **172** | **156** |
| Translation adjustments | (4) | 6 |
| Acquisitions / Increase | 36 | 46 |
| Disposals / Decrease | (1) | - |
| Depreciation and impairment | (44) | (41) |
| Business combinations | - | 2 |
| Other movements | (3) | (65) [1] |
| **AT DECEMBER 31** | **156** | **104** |

*(1) Including €61 million following exercise of the lease finance option by S.A.R.L. Immobilière Les Fontaines, leading to the transfer of the asset from PP&E purchased under finance lease to assets owned outright.*

## NOTE 14 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 in the three-year strategic 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."

### 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, 2013 | | | December 31, 2014 | | |
|---|---|---|---|---|---|---|
| *in millions of euros* | **Gross value** | **Impairment** | **Net carrying amount** | **Gross value** | **Impairment** | **Net carrying amount** |
| North America | 597 | (6) | 591 | 687 | (7) | 680 |
| France | 1,035 | (2) | 1,033 | 1,057 | (1) | 1,056 |
| United Kingdom and Ireland | 528 | - | 528 | 569 | - | 569 |
| Benelux | 793 | (12) | 781 | 808 | (12) | 796 |
| Southern Europe | 50 | - | 50 | 50 | - | 50 |
| Nordic countries | 158 | - | 158 | 159 | - | 159 |
| Germany and Central Europe | 253 | (31) | 222 | 263 | (31) | 232 |
| Asia-Pacific and Latin America | 238 | - | 238 | 242 | - | 242 |
| **GOODWILL** | **3,652** | **(51)** | **3,601** | **3,835** | **(51)** | **3,784** |

This goodwill was tested for impairment at December 31, 2014 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 three-year strategic plan process, with extrapolation of this data for the remaining period;
- long-term growth rate used to extrapolate to perpetuity final year estimated cash flows: 5.5% for Brazil, 3.8% for India and 2.3% for the rest of the Group (stable on 2013);
- discount rate: 9.0% for North America (9.6% in 2013), 8.9% for the United Kingdom (9.7% in 2013), 13.1% for Brazil (13.5% in 2013), 12.5% for India (stable on 2013) and 9.3% for the rest of the Group (9.6% in 2013).

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 2014, the Group used estimates produced by nine financial analysts, all of whom were included in the 2013 group of financial analysts. 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 S.A. share price in relation to changes in its listed market (“beta”).

No impairment losses were recognized at December 31, 2014 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 15 DEFERRED TAXES

Deferred tax assets are recognized when it is probable that taxable profits will be available against which the recognized tax asset can be utilized. The carrying amount of deferred tax assets is reviewed at each period end. This amount is reduced to the extent that it is no longer probable that additional taxable profit will be available against which to offset all or part of the deferred tax assets 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 in the long-term against which to offset tax losses not yet recognized. The probability of recovering deferred tax assets is primarily assessed based on a 10-year plan, taking account of the probability of realization of future taxable profits.

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.

## RECOGNIZED DEFERRED TAX ASSETS

Deferred tax assets and movements therein break down as follows:

| *in millions of euros* | Note | Tax loss carry-forwards excl. the US | US amortizable goodwill and tax loss carry-forwards | Provisions for pensions and other post-employment benefits | Other deductible temporary differences | Total deferred tax assets |
|---|---|---|---|---|---|---|
| **At January 1, 2013** | | **441** | **204** | **296** | **124** | **1,065** |
| Translation adjustments | | (1) | (9) | (11) | (8) | (29) |
| Deferred tax expense recognized in the Income Statement | 9 | (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** |
| Business combinations | | - | - | 5 | 6 | 11 |
| Translation adjustments | | - | 26 | 14 | 4 | 44 |
| Deferred tax expense recognized in the Income Statement | 9 | (58) | - | (5) | (4) | (67) |
| Deferred tax expense recorded in income and expense recognized in equity | | 5 | - | 48 | - | 53 |
| Other movements | | (3) | - | 1 | 3 | 1 |
| **AT DECEMBER 31, 2014** | | **378** | **221** | **315** | **151** | **1,065** |

### a) Deferred tax assets arising from tax loss carry-forwards (excluding the United States)

Recognized tax loss carry-forwards (excluding the United States) total €378 million at December 31, 2014. They include tax losses of €327 million recognized in France.

### b) US deferred tax assets arising from amortizable goodwill and tax loss 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, 2014, the cumulative amount of US tax losses carried forward, including the amortization charges already deducted for tax purposes referred to above, totaled €3,006 million (USD 3,649 million). To these tax loss carry-forwards are added future amortization charges deductible for tax purposes of €98 million (USD 119 million) at December 31, 2014.

Recognized deferred tax assets total €221 million at December 31, 2014. After the utilization of USD 103 million (€78 million) in 2014 tied to the offset of tax-deductible amortization against 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, 2014 compared with December 31, 2013 at USD 269 million (€221 million).

Unrecognized deferred tax assets at December 31, 2014 amount to €970 million (USD 1,178 million).

## UNRECOGNIZED DEFERRED TAX ASSETS

| **At December 31** *(in millions of euros)* | **2013** | **2014** |
|---|---|---|
| Tax loss carry-forwards, excluding the United States | 226 | 218 |
| US deferred tax on amortizable goodwill and tax loss carry-forwards | 933 | 970 |
| Deferred tax on other temporary differences | 120 | 150 |
| **UNRECOGNIZED DEFERRED TAX ASSETS** | **1,279** | **1,338** |

## EXPIRY DATES OF TAX LOSS CARRY-FORWARDS *(TAXABLE BASE)*

| | **2013** | | **2014** | |
|---|---|---|---|---|
| **At December 31** *(in millions of euros)* | **Amount** | **%** | **Amount** | **%** |
| Between 1 and 5 years | 92 | 2 | 94 | 2 |
| Between 6 and 10 years | 1,092 | 23 | 1,335 | 27 |
| Between 11 and 15 years | 1,112 | 24 | 1,204 | 25 |
| Beyond 15 years (definite expiry date) | 696 | 15 | 461 | 9 |
| Carried forward indefinitely | 1,700 | 36 | 1,745 | 36 |
| **TAX LOSS CARRY-FORWARDS** *(taxable base)* | **4,692** | **100** | **4,839** | **100** |
| *o/w recognized tax losses* | *1,624* | *35* | *1,550* | *32* |

## DEFERRED TAX LIABILITIES

Deferred tax liabilities and movements therein break down as follows:

| *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, 2013** | | **50** | **31** | **5** | **77** | **163** |
| Translation adjustments | | (2) | (1) | - | (2) | (5) |
| Deferred tax expense recognized in the Income Statement | 9 | 2 | (9) | - | (4) | (11) |
| Deferred tax expense recorded in income and expense recognized in equity | | - | - | - | 13 | 13 |
| Other movements | | 4 | - | - | (6) | (2) |
| **At December 31, 2013** | | **54** | **21** | **5** | **78** | **158** |
| Translation adjustments | | 4 | - | - | 1 | 5 |
| Deferred tax expense recognized in the Income Statement | 9 | 1 | (5) | - | (14) | (18) |
| Deferred tax expense recorded in income and expense recognized in equity | | - | - | - | 12 | 12 |
| Other movements | | - | - | - | 1 | 1 |
| **AT DECEMBER 31, 2014** | | **59** | **16** | **5** | **78** | **158** |

## NOTE 16 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.

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 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.

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 (in the form of tunnels, where applicable), interest rate swaps and call options on own shares.

#### 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 firstly in "Income and expense recognized in equity" and subsequently taken to operating profit when the hedged item itself impacts the Income Statement.

### c) Fair value measurement

Fair value measurement methods for financial and non-financial assets and liabilities as defined above are classified according to the following three fair value levels:

- Level 1: fair values measured based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities;
- Level 2: fair values measured using 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: fair values of assets or liabilities measured using inputs that are not based on observable market data (unobservable inputs).

As far as possible, the Group applies Level 1 measurement methods.

### FINANCIAL INSTRUMENT CLASSIFICATION AND FAIR VALUE HIERARCHY

The following table presents the net carrying amount of financial assets and liabilities and the fair value of financial instruments broken down according to the three classification levels defined above (except for financial instruments where the net carrying amount represents a reasonable approximation of fair value).

| | | Net carrying amount | | Fair value | | |
|---|---|---|---|---|---|---|
| **At December 31, 2014** *(in millions of euros)* | **Notes** | **Fair value** | **Amortized costs** | **Level 1** | **Level 2** | **Level 3** |
| **Financial assets** | | | | | | |
| Shares in non-consolidated companies | 17 | 1 | | | | 1 |
| Shares in associates | 17 | 3 | | | | 3 |
| Deposits and long-term receivables | 17 | | 71 | | | |
| Other non-current assets | 17 | | 44 | | | |
| Asset derivatives instruments | 17 – 19 | 177 | | | 177 | |
| Accounts and notes receivables | 18 | | 2,849 | | | |
| Other current receivables | 19 | | 515 | | | |
| Cash management asses | 20 | 90 | | 90 | | |
| Cash and cash equivalents | 20 | 2,141 | | 2,141 | | |
| **Financial liabilities** | | | | | | |
| Bonds | 20 | | 860 | 935 | | |
| Finance lease obligations | 20 | | 105 | | | |
| Other borrowings | 20 | | 50 | | | |
| Other non-current liabilities | 25 | | 159 | | | |
| Liability derivative instruments | 25 – 27 | 96 | | | 96 | |
| Accounts payable | 26 | | 2,543 | | | |
| Other current liabilities | 27 | | 147 | | | |
| Bank overdrafts | 20 | 1 | | 1 | | |

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## NOTE 17 OTHER NON-CURRENT ASSETS

| **At December 31** *(in millions of euros)* | **Notes** | **2013** | **2014** |
|---|---|---|---|
| Deposits, receivables and other long-term investments | | 63 | 71 |
| Derivative instruments | 22 | 71 | 141 |
| Other | | 19 | 48 |
| **OTHER NON-CURRENT ASSETS** | 21 | **153** | **260** |

Deposits and long-term receivables consist mainly of "*aides à la construction*" (building aid program) loans and security deposits and guarantees relating to leases, as well as escrow accounts guaranteeing tax and employee-related disputes and rental deposits for premises.

Derivative instruments consist of (i) the call option on own shares purchased by Cap Gemini S.A. on October 18, 2013, valued at €95 million at December 31, 2014 (€71 million at December 31, 2013) and (ii) the fair value of derivative instruments contracted as part of the centralized management of currency risk in the amount of €46 million (the current portion of €32 million is recorded in Other current receivables, see Note 19). At December 31, 2013, the fair value of these instruments was recorded in "Other non-current liabilities" in the amount of €18 million and in "Other current payables" in the amount of €9 million.

## NOTE 18 ACCOUNTS AND NOTES RECEIVABLE

| **At December 31** *(in millions of euros)* | **Note** | **2013** | **2014** |
|---|---|---|---|
| Accounts receivable | | 1,630 | 1,834 |
| Provisions for doubtful accounts | | (10) | (20) |
| Accrued income | | 864 | 943 |
| **Accounts and notes receivable, excluding capitalized costs on projects** | 21 | **2,484** | **2,757** |
| Capitalized costs on projects | 21 | 103 | 92 |
| **ACCOUNTS AND NOTES RECEIVABLE** | | **2,587** | **2,849** |

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** | **2013** | **2014** |
|---|---|---|---|
| Accounts and notes receivable, excluding capitalized costs on projects | 21 | 2,484 | 2,757 |
| Advances from customers and billed in advance | 21 | (684) | (776) |
| **TOTAL ACCOUNTS RECEIVABLE NET OF ADVANCES FROM CUSTOMERS AND BILLED IN ADVANCE** | | **1,800** | **1,981** |
| In number of days' annual revenues[1] | | 64 | 67 |

*(1) In 2014, this ratio is adjusted to take account of the impact of entries into the scope of consolidation.*

In 2014, receivables totaling €33 million were assigned with transfer of credit risk as defined by IAS 39 to a financial institution (€36 million in 2013) and were therefore derecognized in the Statement of Financial Position at December 31, 2014.

### AGED ANALYSIS OF ACCOUNTS RECEIVABLE

The low bad debt ratio (1.1% at December 31, 2014) reflects the fact that most invoices are only issued after the client has validated the services provided.

At end-2014, past due balances totaled €398 million, representing 21.9% 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** | **247** | **96** | **55** |
| As a % of accounts and notes receivable, net of provisions for doubtful accounts | 13.6% | 5.3% | 3.0% |

Past due balances concern accounts receivable from customers which are individually analyzed and monitored.

### CREDIT RISK

The Group's 5 largest clients contribute around 15% of Group revenues (stable on 2013). 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 credit risk that could materially impact the financial position of the Group as a whole.

## NOTE 19 OTHER CURRENT RECEIVABLES

| At December 31 *(in millions of euros)* | Notes | 2013 | 2014 |
|---|---|---|---|
| Social security and tax-related receivables, other than income tax | | 171 | 258 |
| Prepaid expenses | | 168 | 214 |
| Derivative instruments | 22 | 3 | 36 |
| Other | | 26 | 43 |
| **OTHER CURRENT RECEIVABLES** | 21 | **368** | **551** |

At December 31, 2014, the heading "Social security and tax-related receivables, other than income tax" includes research tax credit receivables in France in the amount of €91 million (€71 million at December 31, 2013), after recognition of research tax credit income deducted from operating expenses of €22 million (€25 million in 2013).

## NOTE 20 NET CASH AND CASH EQUIVALENTS

Cash and cash equivalents presented in the Consolidated Statement of Cash Flows consist of short-term investments and cash at bank less bank overdrafts, and also include the fair value of hedging instruments relating to these items.

Net cash and cash equivalents comprise cash and cash equivalents as defined above, and cash management assets (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 own shares.

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| At December 31 *(in millions of euros)* | Note | 2013 | 2014 |
|---|---|---|---|
| Short-term investments | | 1,177 | 1,668 |
| Cash at bank | | 461 | 473 |
| Bank overdrafts (liability) | | (9) | (1) |
| **Cash and cash equivalents** | 21 | **1,629** | **2,140** |
| **Cash management assets** | | **77** | **90** |
| Bonds | | (848) | (858) |
| Obligations under finance leases | | (57) | (56) |
| Draw-downs on bank and similar facilities and other borrowings | | (1) | - |
| **Long-term borrowings** | | **(906)** | **(914)** |
| Bonds | | (2) | (2) |
| Obligations under finance leases | | (50) | (49) |
| Draw-downs on bank and similar facilities and other borrowings | | (72) | (50) |
| **Short-term borrowings** | | **(124)** | **(101)** |
| **Borrowings** | | **(1,030)** | **(1,015)** |
| Derivative instruments[(1)] | | 2 | 3 |
| **NET CASH AND CASH EQUIVALENTS** | | **678** | **1,218** |

*(1) Including the fair value of the conversion option embedded in the "ORNANE 2013" bonds and the call option on own shares purchased by Cap Gemini S.A. on October 18, 2013.*

### CASH MANAGEMENT ASSETS

Cash management assets consist of capitalization contracts with insurance companies (Generali, AG2R la Mondiale and Natixis Life). These contracts may be cancelled by Cap Gemini S.A. at any time without penalty.

### SHORT-TERM INVESTMENTS

At December 31, 2014, short-term investments mainly consist of money market mutual funds (FCP), 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 S.A. 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. 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 Company benchmark 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 2013 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).

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 S.A. 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 S.A. performed a 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.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.

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.A.'s credit rating would not constitute an early repayment event.

Furthermore, Cap Gemini S.A. has undertaken that the bonds will rank pari passu with all other bonds issued by the Company.

#### c) "OCEANE 2009" convertible bond issue

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

During fiscal year 2013, Cap Gemini S.A. repurchased 14,280,305 "OCEANE 2009" bonds 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 S.A. 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 S.A. redeemed in full the remaining 2,896 bonds outstanding on January 2, 2014.

### IMPACT OF BONDS ON THE FINANCIAL STATEMENTS

| At December 31 *(in millions of euros)* | 2013 | | 2014 | |
|---|---|---|---|---|
| | 2011 Bond issue | "ORNANE 2013" bonds | 2011 Bond issue | "ORNANE 2013" bonds |
| Equity component | n/a | n/a | n/a | n/a |
| Option component in respect of the embedded conversion option | n/a | 70 | n/a | 95 |
| Debt component at amortized cost | 499 | 351 | 500 | 360 |
| Effective interest rate | 5.5% | 2.7% | 5.5% | 2.7% |
| Interest expense recognized in the Income Statement for the period | 27 | 2 | 27 | 9 |
| Nominal interest rate | 5.3% | 0.0% | 5.3% | 0.0% |
| Nominal interest expense (coupon) | 26 | - | 26 | - |

### FAIR VALUE OF BONDS

| At December 31 *(in millions of euros)* | 2013 | | 2014 | |
|---|---|---|---|---|
| | 2011 Bond issue | "ORNANE 2013" bonds | 2011 Bond issue | "ORNANE 2013" bonds |
| Fair value | 553 | 360 | 548 | 387 |
| Market rate | 1.4% | 2.1% | 0.4% | 0.8% |

## B) Obligations under finance leases

| *in millions of euros* | Earliest date of leases | Latest expiry date | Effective interest rate | December 31, 2014 |
|---|---|---|---|---|
| Obligations under finance leases: Computer equipment and other fixed assets | February 2008 | December 2019 | 5.22% | 105 |
| *o/w long-term obligations* | | | | *56* |
| *o/w short-term obligations* | | | | *49* |

## C) Breakdown of borrowings by currency

| *in millions of euros* | At December 31, 2013 | | | At December 31, 2014 | | |
|---|---|---|---|---|---|---|
| | Euro | Other currencies | Total | Euro | Other currencies | Total |
| 2011 Bond issue | 499 | - | 499 | 500 | - | 500 |
| "ORNANE 2013" bonds | 351 | - | 351 | 360 | - | 360 |
| Draw-downs on bank and similar facilities | 52 | 21 | 73 | 1 | 49 | 50 |
| Obligations under finance leases | 35 | 72 | 107 | 41 | 64 | 105 |
| Bank overdrafts (liability) | 9 | - | 9 | 1 | - | 1 |
| **BORROWINGS** | **946** | **93** | **1,039** | **903** | **113** | **1,016** |

Obligations under finance leases are mainly denominated in Pound Sterling in the amount of €39 million (€51 million at December 31, 2013) and in US dollar in the amount of €16 million (€11 million at December 31, 2013).

### D) Effective Interest Rate (EIR)

In 2014, the effective interest rate on the Group's average outstanding borrowings was 4.3% (5.3% in 2013). At December 31, 2014, 98% of the Group's borrowings are at fixed rates, unchanged on December 31, 2013 and the remainder is at floating rates.

### E) Syndicated credit facility negotiated by Cap Gemini S.A.

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.

This facility was refinanced on July 30, 2014 with a group of 18 banks by a new multi-currency credit facility for an increased amount of €750 million, maturing on July 30, 2019. In the event of exercise (subject to the approval of the banks) of two one-year extension options, exercisable at the end of the first and second years, respectively, the maturity of the new facility will be extended by a maximum of two additional years.

The initial margin on the new credit facility is 0.45% (excluding the fee on drawn amounts which varies according to the portion of the facility drawn), compared with the margin of 0.75% applied previously at the same credit-rating level. 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. Following the upgrade of Cap Gemini S.A.'s credit rating to BBB+ by Standard & Poor's on August 5, 2014, the margin applicable is now 0.35% and the fee on undrawn amounts is 0.1225%.

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, are detailed in Note 29, Off balance sheet commitments.

This credit facility was not drawn at December 31, 2014.

#### 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, 2014** | | | | | | | |
| **Cash and cash equivalents** | 2015 | **2,140** | **2,140** | **2,140** | **-** | **-** | **-** |
| **Cash management assets** | 2015 | **90** | **90** | **90** | **-** | **-** | **-** |
| 2011 Bond issue | 2016 | (500) | (552) | (26) | (526) | - | - |
| "ORNANE 2013" bonds | 2019 | (360) | (400) | - | - | (400) | - |
| Obligations under finance leases | 2015 to 2019 | (105) | (112) | (53) | (34) | (25) | - |
| Draw-downs on bank and similar facilities and other borrowings | 2015 | (50) | (52) | (52) | - | - | - |
| **Borrowings** | | **(1,015)** | **(1,116)** | **(131)** | **(560)** | **(425)** | **-** |
| Derivative instruments on borrowings | | 3 | | | | | |
| **NET CASH AND CASH EQUIVALENTS** | | **1,218** | **1,114** | **2,099** | **(560)** | **(425)** | **-** |
| **At December 31, 2013** | | | | | | | |
| **Cash and cash equivalents** | 2014 | **1,629** | **1,629** | **1,629** | **-** | **-** | **-** |
| **Cash management assets** | 2014 | **77** | **77** | **77** | **-** | **-** | **-** |
| 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)** |
| Derivative instruments on borrowings | n/a | 2 | | | | | |
| **NET CASH AND CASH EQUIVALENTS** | | **678** | **543** | **1,555** | **(64)** | **(548)** | **(400)** |

### NET CASH AND CASH EQUIVALENTS AND LIQUIDITY RISK

The financial liabilities whose repayability could expose the Group to liquidity risk are mainly the convertible bonds ("OCEANE 2013") and the 2011 bond issue.

To manage the liquidity risk that may result from financial liabilities becoming due and payable, at the 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 (€2,231 million at December 31, 2014), which could be increased by a multi-currency syndicated credit facility of €750 million (undrawn at December 31, 2014);
- 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 (FCP), subject to minimum credit rating and diversification rules.

At December 31, 2014, short-term investments totaled €1,668 million and comprise mainly (i) money market mutual funds (FCP) 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 21 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.

At December 31, 2014, cash and cash equivalents totaled €2,140 million (see Note 20, Net cash and cash equivalents), up €511 million on December 31, 2013 (€1,629 million). Excluding the impact of exchange rate fluctuations on cash and cash equivalents of €68 million, this increase is €443 million. Cash flow impacts are shown in the Consolidated Statement of Cash Flows.

### NET CASH FROM OPERATING ACTIVITIES

In 2014, net cash from operating activities totaled €815 million (compared with €390 million in 2013, including the €235 million exceptional contribution for the accelerated financing of a UK pension fund) and resulted from:

- cash flows from operations before net finance costs and income tax in the amount of €1,044 million;
- payment of current income taxes in the amount of €97 million,
- an increase in working capital requirements, generating a negative cash impact of €132 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, 2013 | December 31, 2014 | Net impact | Non working capital items[1] | Impact of WCR items | Foreign exchange impact | Reclassifications[2] and changes in Group structure | Amount |
| Accounts and notes receivable, excl. capitalized costs on projects | 18 | 2,484 | 2,757 | (273) | (7) | (280) | 77 | 66 | (137) |
| Capitalized costs on projects | 18 | 103 | 92 | 11 | (1) | 10 | 6 | 3 | 19 |
| Advances from customers and billed in advance | 18 | (684) | (776) | 92 | - | 92 | (22) | (4) | 66 |
| **Change in accounts and notes receivable and advances from customers and amounts billed in advance** | | | | **(170)** | **(8)** | **(178)** | **61** | **65** | **(52)** |
| Accounts and notes payable (accounts payable) | 26 | (920) | (1,015) | 95 | 7 | 102 | (40) | (36) | 26 |
| **Changes in accounts and notes payable** | | | | **95** | **7** | **102** | **(40)** | **(36)** | **26** |
| Other non-current assets | 17 | 153 | 260 | (107) | 78 | (29) | 3 | 8 | (18) |
| Other current receivables | 19 | 368 | 551 | (183) | 48 | (135) | 12 | 1 | (122) |
| Other non-current liabilities | 25 | (260) | (254) | (6) | (7) | (13) | (2) | (4) | (19) |
| Accounts and notes payable (excluding accounts payable) | 26 | (1,373) | (1,528) | 155 | 2 | 157 | (36) | (39) | 82 |
| Other current payables | 27 | (173) | (148) | (25) | 1 | (24) | - | (5) | (29) |
| **Change in other receivables/payables** | | | | **(166)** | **122** | **(44)** | **(23)** | **(39)** | **(106)** |
| **CHANGE IN OPERATING WORKING CAPITAL** | | | | | | **(120)** | **(2)** | **(10)** | **(132)** |

*(1) Consolidated Statement of Financial Position items explaining cash flows relating to investing and financing activities and the payment of the income tax expense are not included in working capital requirements. They also include the recognition of amounts not impacting cash, through an item not classified in working capital.*

*(2) The Reclassifications heading mainly includes changes relating to the current and non-current reclassification of certain accounts and notes receivable and payable and changes in the position of certain tax and employee-related receivables and payables in assets or liabilities.*

### NET CASH USED IN INVESTING ACTIVITIES

The main components of net cash used in investing activities of €153 million (compared with €152 million in 2013) reflect:

- net cash outflows of €98 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;
- cash outflows of €44 million relating to acquisitions of intangible assets, net of disposals, mainly involving software for customer projects or for internal use and internally generated intangible assets (see Note 12, Goodwill and intangible assets);
- cash outflows of €12 million in respect of cash management assets.

### NET CASH USED IN FINANCING ACTIVITIES

Net cash outflows as a result of financing activities totaled €218 million (compared with cash outflows of €537 million in 2013) and mainly comprised:

- a share capital increase of €229 million following the issue of new shares under the ESOP 2014 employee share ownership plan;
- net cash outflows of €181 million in respect of treasury share transactions;
- payment of the 2013 dividend of €174 million;
- cash outflows of €55 million to reimburse obligations under finance leases;
- cash outflows of €51 million to redeem commercial paper issued by Cap Gemini S.A.

## NOTE 22 CURRENCY, INTEREST RATE AND COUNTERPARTY RISK MANAGEMENT

### CURRENCY RISK MANAGEMENT

#### A) Exposure to currency risk and currency risk management policy

##### a) Currency risk and hedging operating transactions

The growing use of offshore production centers located in India, in Poland and in Latin America, exposes the Group to currency risk with respect to some of its production costs.

The Group implements a policy aimed at minimizing and managing these currency risks, due in the majority to internal flows with India. The definition of the hedging policy and the management of operational currency risk is centralized at parent company level. Currency risk is managed primarily 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 purchase and sale foreign exchange contracts.

These hedging transactions are generally recorded in accordance with cash flow hedge accounting rules.

##### b) Currency risk and hedging financial transactions

The Group is exposed to the risk of exchange rate fluctuations in respect of:

- inter-company financing transactions, mainly within the parent company: as inter-company lending and borrowing is generally hedged (in particular using forward purchase 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) Sensitivity of revenues and the operating margin to fluctuations in the main currencies

A 10% fluctuation in the Pound Sterling-euro exchange rate would trigger a corresponding 2.1% change in revenues and a 2.6% change in the operating margin amount. Similarly, a 10% fluctuation in the US dollar-euro exchange rate would trigger a corresponding 1.8% change in revenues and a 2.2% change in the operating margin amount.

#### B) Hedging derivatives

Amounts hedged at December 31, 2014 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, 2014, 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 | | 700 | 610 | 1,012 | 2,322 |
| *o/w* | ▪ fair value hedge | 197 | - | - | 197 |
| | ▪ cash flow hedge | 503 | 610 | 1,012 | 2,125 |
| Financial transactions | ▪ fair value hedge | 128 | - | - | 128 |
| **TOTAL** | | **828** | **610** | **1,012** | **2,450** |

Hedges contracted in respect of operating transactions mainly comprise forward purchase and sale foreign exchange contracts maturing between 2015 and 2018 with an aggregate euro-equivalent value of €2,322 million (€948 million at December 31, 2013). The hedges were chiefly taken out in respect of transactions in Indian rupee (INR 122,047 million), US dollar (USD 417 million), Polish zloty (PLN 634 million) and Pound Sterling (GBP 42 million).

The maturities of the hedges range from 1 to 37 months and the main counterparty is Cap Gemini S.A. (for a euro-equivalent value of €2,293 million).

Hedges contracted in respect of financial transactions primarily concern Cap Gemini S.A. in the amount of €128 million at December 31, 2014. They mainly comprise hedged inter-company loans for €115 million (€197 million at December 31, 2013) and primarily correspond to loans denominated in US dollar, Australian dollar and Pound Sterling.

## C) Fair value of hedging derivatives

| **At December 31** *(in millions of euros)* | Notes | 2013 | 2014 |
|---|---|---|---|
| Other non-current assets | 17 | 71 | 141 |
| Other current receivables | 19 | 3 | 36 |
| Other non-current liabilities | 25 | (88) | (95) |
| Other current payables | 27 | (11) | (1) |
| **Fair value of hedging derivatives** | | **(25)** | **81** |
| *Relating to:* | | | |
| ▪ *operating transactions* | | *(27)* | *78* |
| ▪ *financial transactions* | | *2* | *3* |

The main hedging derivatives comprise:

- the call option on own shares purchased by Cap Gemini S.A. on October 18, 2013 recorded in Other non-current assets (€95 million at December 31, 2014);
- the conversion option embedded in the “ORNANE 2013” bonds recorded in Other non-current liabilities (€95 million at December 31, 2014);
- the fair value of derivative instruments contracted as part of the centralized management of currency risk recorded in Other non-current assets in the amount of €46 million and in Other current receivables in the amount of €32 million.

The change in the period in derivative instruments hedging operating transactions recorded in income and expense recognized in equity breaks down as follows:

| *in millions of euros* | 2014 |
|---|---|
| **Hedging derivatives recorded in income and expense recognized in equity at January 1** | **(20)** |
| Amounts reclassified to operating profit in respect of transactions performed | (15) |
| Fair value of derivative instruments hedging future transactions | 104 |
| **HEDGING DERIVATIVES RECORDED IN INCOME AND EXPENSE RECOGNIZED IN EQUITY AT DECEMBER 31** | **69** |

### 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, 2014, the Group had €2,231 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 €1,016 million in gross indebtedness principally at fixed rates (98%) (see Note 20, 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

As 98% of Group borrowings were at fixed rates in 2014, any increase or decrease in interest rates would have had a negligible impact on the Group's net finance costs.

Based on average levels of floating-rate short-term investments and cash management assets, a 100-basis point rise in interest rates would have had a positive impact of around €8 million on the Group's net finance costs in 2014. Conversely, a 100-basis point fall in interest rates would have had an estimated €8 million negative impact on the Group's net finance costs.

#### C) Fair value of interest rate derivatives

An interest rate swap contract covering 50% of a finance lease taken out by S.A.R.L. Immobilière Les Fontaines (Group international training center ) was entered into by the latter in 2003. This swap contact matured on July 31, 2014.

### 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, 2014, the Group's main counterparties for managing currency and interest rate risk are Barclays, BNP Paribas, CA CIB, Citibank, Commerzbank, HSBC, ING, JP Morgan, Natixis, Royal Bank of Scotland, Santander, and Société Générale.



## NOTE 23 PROVISIONS FOR 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 defined benefit obligations as well as the expected return on plan assets is recorded net in "Other financial income" or "Other financial expense."

Actuarial gains and losses correspond to the effect of changes in actuarial assumptions and experience adjustments (i.e. differences between projected actuarial assumptions and actual data) on the amount of the 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).

## BREAKDOWN OF PROVISIONS FOR PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

### CHANGE IN THE OBLIGATION, PLAN ASSETS AND THE EXPENSE RECOGNIZED IN THE INCOME STATEMENT

Provisions for pensions and other post-employment benefits comprise obligations under funded defined benefit plans (particularly in the United Kingdom and Canada) and obligations primarily relating to retirement termination payments (particularly in France, Germany, Sweden and India). Movements during the last two fiscal years were as follows:

| | | Obligation | | Plan assets | | Net provision in the Consolidated Statement of Financial Position | |
|---|---|---|---|---|---|---|---|
| *in millions of euros* | **Notes** | **2013** | **2014** | **2013** | **2014** | **2013** | **2014** |
| **PRESENT VALUE OF THE BENEFIT OBLIGATION AT JANUARY 1** | | **3,355** | **3,428** | **(2,153)** | **(2,466)** | **1,202** | **962** |
| **Expense for the period recognized in the Income Statement** | | **206** | **225** | **(101)** | **(116)** | **105** | **109** |
| Service cost | 6 | 63 | 69 | - | - | 63 | 69 |
| Interest cost | 8 | 143 | 156 | (101) | (116) | 42 | 40 |
| **Impact on income and expense recognized in equity** | | **60** | **618** | **17** | **(362)** | **77** | **256** |
| Change in actuarial gains and losses | | 60 | 618 | - | - | 60 | 618 |
| *Impact of changes in financial assumptions* | | *59* | *603* | - | - | *59* | *603* |
| *Impact of changes in demographic assumptions* | | *11* | *21* | - | - | *11* | *21* |
| *Experience adjustments* | | *(10)* | *(6)* | - | - | *(10)* | *(6)* |
| Return on plan assets(1) | | - | - | 17 | (362) | 17 | (362) |
| **Other** | | **(193)** | **161** | **(229)** | **(194)** | **(422)** | **(33)** |
| Contributions paid by employees | | 7 | 7 | (7) | (7) | - | - |
| Benefits paid to employees | | (95) | (98) | 83 | 89 | (12) | (9) |
| Contributions paid | | - | - | (376) | (96) | (376) | (96) |
| Translation adjustments | | (114) | 235 | 78 | (179) | (36) | 56 |
| Business combinations | | - | 15 | - | - | - | 15 |
| Other movements | | 9 | 2 | (7) | (1) | 2 | 1 |
| **PRESENT VALUE OF THE BENEFIT OBLIGATION AT DECEMBER 31** | | **3,428** | **4,432** | **(2,466)** | **(3,138)** | **962** | **1,294** |

*(1) After deduction of financial income on plan assets recognized in the Income Statement and calculated using the discount rate.*

### ANALYSIS OF THE CHANGE IN PROVISIONS FOR PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

## A) United Kingdom

In the United Kingdom, post-employment benefits primarily consist of defined benefit pension plans. The plans are administered within trusts which are legally separate from the employer. They are governed by a board of directors comprising independent trustees and representatives of the employer.

The plans provide pensions and lump sums to members on retirement and to their dependents on death. Members who leave service before retirement are entitled to a deferred pension. The main plan closed to accrual of benefits for the majority of members on March 31, 2008. In exchange, these individuals were given the opportunity to join a defined contribution pension plan.

Employees covered by defined benefit pension plans break down as follows:

- 995 current employees accruing pensionable service (1,057 in 2013);
- 8,096 former and current employees not accruing pensionable service (8,301 in 2013);
- 2,417 retirees (2,190 in 2013).

The plans are subject to the supervision of the UK Pension Regulator; the funding schedules for these plans are determined by an independent actuary as part of actuarial valuations usually carried out every three years. Capgemini UK Plc., the employer, gives firm commitments to the trustees regarding the funding of any deficits identified, over an agreed period.

The responsibility to fund these plans lies with the employer. The defined benefit pension plans expose the Group to the increase in liabilities that could result from changes in the life expectancy of members, fluctuations in interest and inflation rates and, more generally, a downturn in financial markets.

The average maturity of pension plans in the United Kingdom is 22 years.

In accordance with local regulations, the non-renewal of certain contracts in full or in part could require Capgemini UK Plc. to bring forward the funding of any deficits in respect of the employees concerned.

| | Obligation | | Plan assets | | Net provision in the Consolidated Statement of Financial Position | |
|---|---|---|---|---|---|---|
| *in millions of euros* | **2013** | **2014** | **2013** | **2014** | **2013** | **2014** |
| **PRESENT VALUE OF THE BENEFIT OBLIGATION AT JANUARY 1** | **2,387** | **2,512** | **(1,626)** | **(1,911)** | **761** | **601** |
| **Expense for the period recognized in the Income Statement** | **119** | **130** | **(79)** | **(89)** | **40** | **41** |
| Service cost | 14 | 14 | - | - | 14 | 14 |
| Interest cost | 105 | 116 | (79) | (89) | 26 | 27 |
| **Impact on income and expense recognized in equity** | **90** | **468** | **46** | **(329)** | **136** | **139** |
| Change in actuarial gains and losses | 90 | 468 | - | - | 90 | 468 |
| *Impact of changes in financial assumptions* | *92* | *456* | - | - | *92* | *456* |
| *Impact of changes in demographic assumptions* | - | *11* | - | - | - | *11* |
| *Experience adjustments* | *(2)* | *1* | - | - | *(2)* | *1* |
| Return on plan assets[(1)] | - | - | 46 | (329) | 46 | (329) |
| **Other** | **(84)** | **142** | **(252)** | **(151)** | **(336)** | **(9)** |
| Contributions paid by employees | 1 | 1 | (1) | (1) | - | - |
| Benefits paid to employees | (38) | (54) | 38 | 54 | - | - |
| Contributions paid | - | - | (318) | (54) | (318) | (54) |
| Translation adjustments | (47) | 195 | 29 | (149) | (18) | 46 |
| Business combinations | - | - | - | - | - | - |
| Other movements | - | - | - | (1) | - | (1) |
| **PRESENT VALUE OF THE BENEFIT OBLIGATION AT DECEMBER 31** | **2,512** | **3,252**[(2)] | **(1,911)** | **(2,480)** | **601** | **772** |

*(1) After deduction of financial income on plan assets recognized in the Income Statement and calculated using the discount rate.*
*(2) The year-on-year increase in the present value of the obligation is mainly due to the impact of a fall in the benchmark discount rate (4.5% to 3.6%).*

### a) Main actuarial assumptions

#### DISCOUNT RATE, SALARY INFLATION RATE AND INFLATION RATE

| *in %* | 2013 | 2014 |
|---|---|---|
| Discount rate | 4.5 | 3.6 |
| Salary inflation rate | 3.4 | 3.1 |
| Inflation rate | 3.4 | 3.1 |

In 2014, the benchmark indexes used to calculate discount rates were similar to those used in previous years.

Mortality tables used are those commonly used in the United Kingdom.

### b) Plan assets

| **At December 31** *(in millions of euros)* | 2013 | | 2014 | |
|---|---|---|---|---|
| Shares | 1,082 | 57% | 1,363 | 55% |
| Bonds and hedging assets | 780 | 41% | 1,085 | 44% |
| Other | 49 | 2% | 32 | 1% |
| **TOTAL** | **1,911** | **100%** | **2,480** | **100%** |

Shares correspond to investments in equities or diversified growth investments, the majority of which in developed markets.

Bonds and hedging assets consist of bonds and bank loans. A portion of these investments seeks to hedge interest rate risk on the plan liabilities; this matching portfolio consists in UK government bonds (GILT), owned directly or borrowed via sale and repurchase agreements.

### c) Sensitivity analysis

| | Impact on the obligation at December 31, 2014 | |
|---|---|---|
| *in millions of euros* | Increase | Decrease |
| Increase/decrease of 50 basis points in the discount rate | (334) | 389 |
| Increase/decrease of 50 basis points in the inflation rate | 264 | (296) |
| Increase/decrease of 50 basis points in the mortality rate | 39 | (45) |

### d) Contributions

#### Accelerated financing of the deficit of one of the UK pension funds in 2013

In July 2013, the Group launched the accelerated financing of the deficit of one of the UK pension funds through an exceptional contribution of €235 million.

#### Future contributions

Contributions to defined benefit pension funds in the United Kingdom in respect of 2015 are estimated at €57 million, including the funding of pension plan deficits over the period defined with the trustees as part of the regular actuarial valuations.

## B) Canada

In Canada, post-employment benefits consist of defined benefit pension plans and other pension and similar plans. The plans' assets are held in trust separately from the employer's assets. Nonetheless, the responsibility to fund the plans lies with the employer. The plans expose the Group to the increase in liabilities that could result from changes in the life expectancy of members, fluctuations in interest and inflation rates and, more generally, a downturn in financial markets.

The average maturity of pension plans in Canada is 17 years.

The plans are subject to regular actuarial valuations performed at least every three years. In accordance with local regulations, the non-renewal of certain contracts in full or in part could require the Canadian entities to bring forward the funding of any deficits in respect of the employees concerned.

In Canada, employees covered by defined benefit pension plans break down as follows:

- 809 current employees accruing pensionable service (847 in 2013);
- 79 former and current employees not accruing pensionable service (81 in 2013);
- 262 retirees (251 in 2013).

| | Obligation | | Plan assets | | Net provision in the Consolidated Statement of Financial Position | |
|---|---|---|---|---|---|---|
| *in millions of euros* | **2013** | **2014** | **2013** | **2014** | **2013** | **2014** |
| **PRESENT VALUE OF THE BENEFIT OBLIGATION AT JANUARY 1** | **569** | **499** | **(389)** | **(403)** | **180** | **96** |
| **Expense for the period recognized in the Income Statement** | **44** | **42** | **(17)** | **(20)** | **27** | **22** |
| Service cost | 19 | 17 | - | - | 19 | 17 |
| Interest cost | 25 | 25 | (17) | (20) | 8 | 5 |
| **Impact on income and expense recognized in equity** | **(26)** | **102** | **(23)** | **(24)** | **(49)** | **78** |
| Change in actuarial gains and losses | (26) | 102 | - | - | (26) | 102 |
| *Impact of changes in financial assumptions* | *(37)* | *103* | - | - | *(37)* | *103* |
| *Impact of changes in demographic assumptions* | *13* | *10* | - | - | *13* | *10* |
| *Experience adjustments* | *(2)* | *(11)* | - | - | *(2)* | *(11)* |
| Return on plan assets[1] | - | - | (23) | (24) | (23) | (24) |
| **Other** | **(88)** | **4** | **26** | **(23)** | **(62)** | **(19)** |
| Contributions paid by employees | 4 | 4 | (4) | (4) | - | - |
| Benefits paid to employees | (35) | (26) | 33 | 25 | (2) | (1) |
| Contributions paid | - | - | (46) | (25) | (46) | (25) |
| Translation adjustments | (59) | 26 | 45 | (19) | (14) | 7 |
| Business combinations | - | - | - | - | - | - |
| Other movements | 2 | - | (2) | - | - | - |
| **PRESENT VALUE OF THE BENEFIT OBLIGATION AT DECEMBER 31** | **499** | **647[2]** | **(403)** | **(470)** | **96** | **177** |

*(1) After deduction of financial income on plan assets recognized in the Income Statement and calculated using the discount rate.*
*(2) The year-on-year increase in the present value of the obligation is mainly due to the impact of a fall in the benchmark discount rate (4.9% to 4.0%).*

### a) Main actuarial assumptions

#### DISCOUNT RATE, SALARY INFLATION RATE AND INFLATION RATE

| *in %* | **2013** | **2014** |
|---|---|---|
| Discount rate | 4.9 | 4.0 |
| Salary inflation rate | 3.0 | 3.0 |
| Inflation rate | 2.0 | 2.0 |

In 2014, the benchmark indexes used to calculate discount rates were similar to those used in previous years.

Mortality tables used are those commonly used in Canada.

### b) Plan assets

| At December 31 *(in millions of euros)* | 2013 | | 2014 | |
|---|---|---|---|---|
| Shares | 248 | 62% | 287 | 61% |
| Bonds | 145 | 36% | 172 | 37% |
| Other | 10 | 2% | 11 | 2% |
| **TOTAL** | **403** | **100%** | **470** | **100%** |

Shares correspond to investments in equities or diversified growth investments, mainly in North America.

Bonds are primarily comprised of Canadian government bonds.

### c) Sensitivity analysis

| | Impact on the obligation at December 31, 2014 | |
|---|---|---|
| *in millions of euros* | **Increase** | **Decrease** |
| Increase/decrease of 50 basis points in the discount rate | (59) | 69 |
| Increase/decrease of 50 basis points in the inflation rate | 40 | (38) |
| Increase/decrease of 50 basis points in the mortality rate | 2 | (2) |

### d) Future contributions

Contributions to the Canadian defined benefit pension funds in respect of 2015 are estimated at €31 million, including the funding of pension plan deficits defined as part of the regular actuarial valuations.

## NOTE 24 CURRENT AND NON-CURRENT 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.

Movements in current and non-current provisions break down as follows:

| *in millions of euros* | 2013 | 2014 |
|---|---|---|
| **At January 1** | **64** | **58** |
| Charge | 33 | 25 |
| Reversals (utilization of provisions) | (17) | (12) |
| Reversals (surplus provisions) | (19) | (14) |
| Other | (3) | 15 |
| **AT DECEMBER 31** | **58** | **72** |

At December 31, 2014, current provisions (€48 million) and non-current provisions (€24 million) mainly concern risks relating to projects and contracts amounting to €56 million (€45 million at December 31, 2013) and risks relating to tax and labor disputes amounting to €16 million (€13 million at December 31, 2013).

## NOTE 25 OTHER NON-CURRENT LIABILITIES

| **At December 31** *(in millions of euros)* | Notes | 2013 | 2014 |
|---|---|---|---|
| Special employee profit-sharing reserve | | 34 | 27 |
| Derivative instruments | 22 | 88 | 95 |
| Liabilities related to acquisitions of consolidated companies | | 118 | 120 |
| Other | | 20 | 12 |
| **OTHER NON-CURRENT LIABILITIES** | 21 | **260** | **254** |

Liabilities related to acquisitions of consolidated companies consist for €116 million of put options granted to Caixa Participacões and EMC in 2012 and 2013 on their investments in CPM Braxis 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 €95 million at December 31, 2014.

## NOTE 26 ACCOUNTS AND NOTES PAYABLE

| **At December 31** *(in millions of euros)* | Note | 2013 | 2014 |
|---|---|---|---|
| Accounts payable | | 920 | 1,015 |
| Accrued taxes other than income tax | | 358 | 386 |
| Personnel costs | | 994 | 1,128 |
| Other | | 21 | 14 |
| **ACCOUNTS AND NOTES PAYABLE** | 21 | **2,293** | **2,543** |



## NOTE 27 OTHER CURRENT PAYABLES

| **At December 31** *(in millions of euros)* | Notes | 2013 | 2014 |
|---|---|---|---|
| Special employee profit-sharing reserve | | 18 | 15 |
| Derivative instruments | 22 | 11 | 1 |
| Liabilities related to acquisitions of consolidated companies | | 90 | 90 |
| Other | | 54 | 42 |
| **OTHER CURRENT PAYABLES** | 21 | **173** | **148** |

Liabilities related to acquisitions of consolidated companies consist for €81 million of the initial put option (net of price adjustments and the impact of the unwinding of the discount) granted to the remaining minority shareholders from which CPM Braxis was purchased in 2010 (€83 million at December 31, 2013). This put option is exercisable between October 2013 and October 2015.

## NOTE 28 NUMBER OF EMPLOYEES

### AVERAGE NUMBER OF EMPLOYEES BY GEOGRAPHIC AREA

| | 2013 | | 2014 | |
|---|---|---|---|---|
| | Employees | % | Employees | % |
| North America | 9,664 | 7 | 10,064 | 7 |
| France | 21,616 | 17 | 22,667 | 17 |
| United Kingdom and Ireland | 9,123 | 7 | 9,007 | 7 |
| Benelux | 8,942 | 7 | 8,674 | 6 |
| Southern Europe | 7,269 | 6 | 7,350 | 5 |
| Nordic countries | 4,394 | 3 | 4,231 | 3 |
| Germany and Central Europe | 9,885 | 8 | 10,302 | 8 |
| Asia-Pacific and Latin America | 57,075 | 45 | 65,299 | 47 |
| Not allocated | 158 | - | 153 | - |
| **AVERAGE NUMBER OF EMPLOYEES** | **128,126** | **100** | **137,747** | **100** |

### NUMBER OF EMPLOYEES AT DECEMBER 31 BY GEOGRAPHIC AREA

| | 2013 | | 2014 | |
|---|---|---|---|---|
| | Employees | % | Employees | % |
| North America | 9,710 | 7 | 10,384 | 7 |
| France | 21,705 | 17 | 23,600 | 17 |
| United Kingdom and Ireland | 9,130 | 7 | 8,766 | 6 |
| Benelux | 8,775 | 7 | 8,547 | 6 |
| Southern Europe | 7,187 | 5 | 7,446 | 5 |
| Nordic countries | 4,277 | 3 | 4,145 | 3 |
| Germany and Central Europe | 10,095 | 8 | 10,484 | 7 |
| Asia-Pacific and Latin America | 60,394 | 46 | 70,122 | 49 |
| Not allocated | 157 | - | 149 | - |
| **NUMBER OF EMPLOYEES AT DECEMBER 31** | **131,430** | **100** | **143,643** | **100** |

## NOTE 29 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, Johnson & Johnson Services, Inc., the Department of Work and Pensions, EMC and Michelin.

In addition, certain clients enjoy:

- limited financial guarantees issued by the Group and totaling €1,367 million at December 31, 2014 (€1,059 million at December 31, 2013);
- bank guarantees borne by the Group and totaling €105 million at December 31, 2014 (€81 million at December 31, 2013).

### B) Commitments given on non-cancellable leases

| *in millions of euros* | Computer equipment | Offices | Vehicles and other non-cancellable leases | Total |
|---|---|---|---|---|
| Y+1 | 14 | 172 | 57 | 243 |
| Y+2 | 9 | 144 | 38 | 191 |
| Y+3 | 6 | 109 | 21 | 136 |
| Y+4 | 1 | 83 | 6 | 90 |
| Y+5 | - | 51 | - | 51 |
| Y+6 and beyond | - | 66 | - | 66 |
| **AT DECEMBER 31, 2014** | **30** | **625** | **122** | **777** |
| **At December 31, 2013** | **31** | **668** | **133** | **832** |

Lease payments recognized in the Income Statement in 2014 totaled €319 million (€317 million in 2013).

### C) Other commitments given

Other commitments given total €93 million at December 31, 2014 (€91 million at December 31, 2013) and mainly comprise:

- bank guarantees given to the tax authorities in connection with tax disputes mainly in India;
- firm purchase commitments relating to goods or services in India and the United Kingdom.

### D) Commitments received on client contracts

Pursuant to a contract signed in 2010, Capgemini Group received a limited financial guarantee of €50 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 20, Net cash and cash equivalents, Cap Gemini S.A. has committed to standard obligations and particularly to maintain pari passu status with all other negotiable bonds that may be issued by the Company.

### B) Syndicated credit facility obtained by Cap Gemini S.A. and not drawn to date

Cap Gemini S.A. has agreed to comply with the following financial ratios (as defined in IFRS) in respect of the credit facility disclosed in Note 20, Net cash and cash equivalents:

- the consolidated net debt to consolidated equity ratio must be less than 1 at all times;
- the interest coverage ratio (the extent to which consolidated net finance costs are covered by consolidated operating margin) must be equal to or greater than 3 at December 31 and June 30 of each year (based on the 12 months then ended).

At December 31, 2013 and 2014 the Group complied with these financial ratios.

The credit facility agreement also includes covenants restricting the Cap Gemini S.A.'s ability to carry out certain operations. These covenants also apply to Group subsidiaries. They include restrictions primarily relating to pledging assets as collateral, asset sales, mergers and similar transactions. Cap Gemini S.A. also committed to standard obligations, including an agreement to maintain pari passu status.

### C) Borrowings secured by assets

Some borrowings are secured by assets recorded in the Consolidated Statement of Financial Position. At December 31, 2014, these related to finance leases for an amount of €105 million and other borrowings in the amount of €20 million.

## CONTINGENT LIABILITIES

During 2014 and in previous fiscal years, certain Group companies underwent tax audits leading in some cases to tax reassessments. A number of proposed adjustments have been challenged and litigation and pre-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 in so far as Capgemini and its advisors can justify their positions and consider the likelihood of winning the disputes to be high. This is particularly the case, in France, for the 2009 and 2010 research tax credits, in respect of which the tax authorities have rejected the portion concerning private clients.

## NOTE 30 RELATED-PARTY TRANSACTIONS

### ASSOCIATES

Associates are equity-accounted companies over which the Group exercises significant influence. At December 31, 2014, O2C Pro LLC is the only company equity-accounted by the Group since its acquisition in 2011. Transactions with this equity associate in 2014 were performed at arm's length and were of immaterial volume.

### OTHER RELATED-PARTIES

In 2014, no material transactions were carried out with:

- shareholders holding significant voting rights in the share capital of Cap Gemini S.A.;
- members of management, including Directors;
- 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 approximately 41% of its revenues.

### GROUP MANAGEMENT COMPENSATION

The table below provides a breakdown of the 2013 and 2014 compensation of members of management bodies present at each year-end, encompassing the Group operating management structure, i.e. 20 members in 2014 (20 members in 2013) and the compensation and attendance fees paid to Directors and non-voting Directors.

| *in thousands of euros* | **2013** | **2014** |
|---|---|---|
| Short-term benefits excluding employer payroll taxes(1) | 17,445 | 19,320 |
| *o/w attendance fees to salaried Directors* | *51* | *53* |
| *o/w attendance fees to non-salaried Directors and non-voting Director (2)(3)* | *485* | *725* |
| Short-term benefits: employer payroll taxes(4) | 6,288 | 7,495 |
| Post-employment benefits(5) | 586 | 845 |
| Share-based payment(6) | 3,846 | 5,493 |

*(1) Includes gross wages and salaries, bonuses, profit-sharing, attendance fees and benefits in kind,*
*(2) Note that Paul Hermelin has waived receipt of his attendance fees since 2011,*
*(3) 12 directors in 2013 and 12 in 2014,*
*(4) Short-term benefits include employer social security contributions, the 30% contribution due in respect of the grant 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 grant of performance shares.*

## NOTE 31 SUBSEQUENT EVENTS

At the Combined Shareholders' Meeting, the Board of Directors will recommend a dividend payout to Cap Gemini S.A. shareholders of €1.20 per share in respect of 2014. A dividend of €1.10 per share was paid in respect of fiscal year 2013.

## NOTE 32 LIST OF THE MAIN CONSOLIDATED COMPANIES BY COUNTRY

FC = Full consolidation

EM = Equity method

| Country | List of the main companies consolidated at December 31, 2014 | % 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 |
| 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 Capgemini 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 | 100.00% | FC |
| CZECH REPUBLIC | Capgemini Czech Republic s.r.o. | 100.00% | FC |
| DENMARK | Capgemini Sogeti Danmark AS | 100.00% | FC |
| FINLAND | Capgemini Finland Oy | 100.00% | FC |
| | Sogeti Finland Oy | 100.00% | FC |

| Country | List of the main companies consolidated at December 31, 2014 | % 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 |
| | Euriware S.A. | 100.00% | FC |
| | Immobilière Les Fontaines S.A.R.L. | 100.00% | FC |
| | Open Cascade S.A.S. | 100.00% | FC |
| | Prosodie S.A.S. | 100.00% | FC |
| | SCI Paris Etoile | 100.00% | FC |
| | Sogeti France S.A.S. | 100.00% | FC |
| | Sogeti High Tech S.A.S. | 100.00% | FC |
| | Sogeti S.A.S. | 100.00% | FC |
| **GERMANY** | Capgemini Deutschland GmbH | 100.00% | FC |
| | Capgemini Deutschland Holding GmbH | 100.00% | FC |
| | Capgemini Outsourcing Services GmbH | 100.00% | FC |
| | 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) Pvt 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 K.K. | 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 |
| **MOROCCO** | Capgemini Technology Services Maroc S.A. | 100.00% | FC |
| **MEXICO** | Capgemini Mexico S. de R.L. de C.V. | 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 |

| Country | List of the main companies consolidated at December 31, 2014 | % interest | Consolidation Method |
|---|---|---|---|
| **NORWAY** | Capgemini Norge AS | 100.00% | FC |
| | IBX Norge AS | 100.00% | FC |
| | Sogeti Norge AS | 100.00% | FC |
| **PHILIPPINES** | Capgemini Phillippines Corp. | 100.00% | FC |
| **POLAND** | Capgemini Polska Sp z.o.o. | 100.00% | FC |
| **PORTUGAL** | Capgemini Portugal, Serviços de Consultoria e Informatica S.A. | 100.00% | FC |
| **ROMANIA** | Capgemini Services Romania s.r.l. | 100.00% | FC |
| **RUSSIA** | Datavision NN | 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 |
| **UNITED STATES** | Capgemini America Inc. | 100.00% | FC |
| | Capgemini Business Services USA LLC | 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 |
| | Strategic Systems & Products Corporation | 100.00% | FC |
| **VIETNAM** | Capgemini Vietnam Co. Ltd. | 100.00% | FC |

## 4.2.7 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended December 31, 2014**

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, 2014, 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.

These 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 involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as 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 Group as at December 31, 2014 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to Note I to the consolidated financial statement which notably sets out the change in presentation of the consolidated income statement following the classification of the Amortization of intangible assets recognized in business combination into the "Other financial income and expense".

### 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 5 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 €3,784 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 Note 14 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 €1,065 million are recorded in the consolidated balance sheet. Note 15 to the consolidated financial statements describes the methods used to calculate the value of these assets. As part of our assessments, we verified the overall consistency of the information and assumptions used to perform these calculations. These assessments were made as part 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.

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, 2015 | Paris La Défense, February 27, 2015 |
| PricewaterhouseCoopers Audit | KPMG Audit |
| | Division of KPMG S.A. |
| Françoise Garnier | Frédéric Quélin |
| 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, 2014 of €248 million (including €237 million in royalties received from subsidiaries) compared with €241 million last year (including €233 million in royalties).

**Operating profit** is €177 million, compared with €182 million in 2013.

**Net financial income** totaled €1,020 million (compared with €160 million in 2013) and reflects the difference between:

- income of €1,233 million, mainly comprising reversals of provisions for equity interests (€992 million), foreign exchange gains on the pooling of currency risk at Group level (€143 million) and dividends received from subsidiaries (€83 million);
- expenses of €213 million, mainly comprising charges to provisions for equity interests (€42 million), a provision on a call option on own shares sold on October 18, 2013 (€24 million), foreign exchange losses on the pooling of currency risk at Group level (€115 million) and the interest expense on the 2011 bond issue (€27 million).

This €860 million improvement in net financial income year-on-year was mainly due to net reversals of provisions for equity interests.

The **net non-recurring expense** is €2 million compared with €188 million in 2013.

After an **income tax expense** of €34 million (compared with income tax income of €11 million in 2013), reflecting the income tax expense of the tax consolidation group, the Company reported a **net profit** of €1,161 million.

## BALANCE SHEET

**Net investments** rose from €9,214 million last year to €10,200 million at December 31, 2014. This €986 million increase is mainly attributable to:

- net reversals of provisions for equity interests of €950 million;
- share capital increases by European and Asia-Pacific subsidiaries in the amount of €62 million;
- a €51 million increase in other long-term investments corresponding to the net impact of treasury share transactions during the year;
- a net decrease of €77 million in loans granted to subsidiaries.

**Shareholders' equity** is €9,513 million, up €1,096 million on last year. This increase essentially reflects the difference between:

- profit for 2014 (€1,161 million);
- the €230 million share capital increase following the issue of 5 million new shares under the share issue reserved for employees (ESOP 2014); and
- a €122 million share capital reduction following the cancellation of 2,255,408 shares purchased for cancellation;
- the May 21, 2014 dividend payment of €1.10 per share on the 158,237,939 shares making up the Company's share capital at May 16, 2014, representing a total payment of €174 million (taking into account the 825,976 treasury shares held by the Company at the dividend payment date).

**Borrowings** totaled €1,745 million at December 31, 2014, up €73 million compared with December 31, 2013. This increase was mainly due to:

- the €80 million increase in bank overdrafts on the accounts included in the Group's cash pooling arrangement (Cash pooling international), for which the Company acts as the centralizing agent, offset in full by an opposite position of the same amount in the cash and cash equivalents of the Company;
- the €44 million increase in outstanding inter-company loans;
- the redemption of commercial paper issued in 2013 in the amount of €51 million.

**Cash and cash equivalents net of borrowings** totaled negative €5 million at the end of 2014, compared with negative €414 million at December 31, 2013. This €409 million decrease was mainly due to:

- the collection of brand royalties and other income of €259 million;
- the share capital increase reserved for employees (ESOP 2014) of €230 million;
- the decrease in current account advances to Group subsidiaries of €152 million;
- dividends received from subsidiaries of €81 million;
- the net repayment of loans granted to certain subsidiaries in 2014 of €77 million;
- payments relating to the acquisition of shares for cancellation under the share buyback program authorized by the Combined Shareholders' Meetings of May 23, 2013 and May 7, 2014 of €180 million;
- payment of the 2013 dividend for €174 million;

- payments in respect of share capital increases performed by European subsidiaries of €52 million.

In addition to the above, the following two disclosures are required by law:

- in May 2014, Capgemini France S.A.S., a subsidiary of Cap Gemini S.A. finalized the acquisition of the French IT services company Euriware and its subsidiaries, previously held by AREVA;
- external accounts payable of Cap Gemini S.A. total €0.76 million, 84% of which (€0.6 million) are not yet due. Group accounts payable total €5.3 million, 99% of which are not yet due.

### APPROPRIATION OF EARNINGS

During its meeting of February 18, 2015, 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 | €1,161,201,146.56 |
| Allocation to the legal reserve | €0 |
| i.e. a balance of | €1,161,201,146.56 |
| Retained earnings of previous years | €486,443,710.88 |
| *i.e.* Distributable earnings at December 31, 2014 of | €1,647,644,857.44 |
| This amount will be allocated to: | |
| ▪ payment of a divided of €1.20 per share: | €196,311,538.80 |
| ▪ retained earnings for the balance: | €1,451,333,318.64 |
| Giving a total of: | €1,647,644,857.44 |

This dividend of €1.20 for each of the 163,592,949 shares bearing dividend rights on January 1, 2014, 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 scheduled for May 6, 2015, the Board of Directors proposes an ex-dividend date of Monday, May 18, 2015 and a dividend payment date of Wednesday, May 20, 2015. 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:

- €176,349,599.80 for 2013 (€1.10 per share);
- €162,055,362.00 for 2012 (€1 per share);
- €155,770,362.00 for 2011 (€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 2014, the share capital increased from €1,282,542,544 to €1,308,743,592 following:

- a share capital reduction by cancellation of 1,253,903 treasury share decided by the Board of Directors' meeting of May 6, 2014, bringing the share capital to €1,272,511,320 divided into 159,063,915 shares;
- the issue of 530,539 new shares after the vesting of performance shares on October 1, 2014, noted by the Board of Directors on October 8, 2014, bringing the share capital to €1,276,755,632 divided into 159,597,454 shares;
- a share capital reduction by cancellation of 1,001,505 treasury shares decided by the Board of Directors' meeting of October 8, 2014, bringing the share capital to €1,268,743,592 divided into 158,592,949 shares;
- the issue of 5,000,000 new shares on December 18, 2014 following the share capital increase reserved for employees (ESOP 2014), bringing the share capital to €1,308,743,592 divided into 163,592,949 shares at December 31, 2014.

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)[(1)];
- the US company, BlackRock Inc.[(2)], acting on behalf of clients and managed funds.

(1) *Amundi reported that it fell below and then exceeded the 5% share capital and voting rights threshold on December 16 and December 18, 2014, respectively. These movements were tied to the divestment by the "ESOP CAPGEMINI" fund on December 16, 2014 following the expiry of the "ESOP 2009" plan, immediately followed by the reinvestment by the same fund in the share capital increase reserved for employees performed on December 18, 2014 (ESOP 2014).*

(2) *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, 2013 AND 2014

| *in thousands of euros* | Dec. 31, 2013 Net | Dec. 31, 2014 Gross | Dec. 31, 2014 Depreciation, amortization and provisions | Dec. 31, 2014 Net |
|---|---|---|---|---|
| **Assets** | | | | |
| **Intangible assets** | | | | |
| Trademarks, patents and similar rights | 2,370 | 36,712 | (33,629) | 3,083 |
| **Property, plant and equipment** | 224 | 224 | - | 224 |
| **Financial fixed assets** | | | | |
| Equity interests | 9,042,997 | 14,844,426 | (4,789,457) | 10,054,969 |
| Receivable from controlled entities(1) | 167,426 | 90,264 | | 90,264 |
| Other financial fixed assets(1) | 3,245 | 54,402 | (45) | 54,357 |
| **NON-CURRENT ASSETS** | **9,216,262** | **15,026,028** | **(4,823,131)** | **10,202,897** |
| Accounts and notes receivable(1) | - | 71 | (71) | - |
| Other receivables(1) | 99,156 | 97,829 | - | 97,829 |
| Receivable from related and associated companies(1) | 165,831 | 33,270 | - | 33,270 |
| Miscellaneous receivables(1) | 26 | - | - | - |
| Marketable securities | 669,086 | 1,075,139 | - | 1,075,139 |
| Cash and cash equivalents | 589,013 | 665,189 | - | 665,189 |
| **CURRENT ASSETS** | **1,523,113** | **1,871,499** | **(71)** | **1,871,428** |
| Prepaid expenses(1) | 42,686 | 33,992 | - | 33,992 |
| Deferred charges | 10,524 | 10,026 | - | 10,026 |
| Unrealized foreign exchange losses | 19 | 2,391 | - | 2,391 |
| **OTHER ASSETS** | **53,228** | **46,409** | **-** | **46,409** |
| **TOTAL ASSETS** | **10,792,603** | **16,943,936** | **(4,823,202)** | **12,120,733** |
| *(1) of which due within one year* | *317,607* | *252,224* | *-* | *252,108* |

| | Dec. 31, 2013 | Dec. 31, 2014 |
|---|---|---|
| **Shareholders' equity and liabilities** | | |
| Share capital (fully paid-up) | 1,282,543 | 1,308,744 |
| Additional paid-in capital | 5,772,277 | 5,851,791 |
| Legal reserve | 129,416 | 130,874 |
| Other reserves | 559,573 | 559,573 |
| Retained earnings | 495,667 | 486,444 |
| Profit for the year | 164,839 | 1,161,201 |
| Tax-driven provisions | 12,888 | 14,627 |
| **SHAREHOLDERS' EQUITY** | **8,417,203** | **9,513,254** |
| **PROVISIONS FOR CONTINGENCIES AND LOSSES** | **28,566** | **54 891** |
| Convertible bonds(2) | 400,098 | 400,000 |
| Bond issue | 500,000 | 500,000 |
| Bank loans and borrowings(2) | 619,904 | 649,100 |
| Payable to controlled entities(2) | 152,302 | 196,053 |
| **BORROWINGS(2)** | **1,672,304** | **1,745,153** |
| Accounts and notes payable(2) | 3,808 | 4,440 |
| Tax and social security liabilities(2) | 3,118 | 2,563 |
| Payable to related and associated companies(2) | 631,544 | 764,182 |
| Other payables(2) | 493 | 642 |
| Prepaid income | 35,567 | 35,567 |
| Unrealized foreign exchange gains | - | 41 |
| **OTHER LIABILITIES** | **674,530** | **807,435** |
| **TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES** | **10,792,603** | **12 120 733** |
| *(2) of which due within one year* | *1,411,267* | *1,605,980* |

## 4.4.2 INCOME STATEMENT FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2014

| *in thousands of euros* | 2013 | 2014 |
|---|---|---|
| Royalties | 232,683 | 236,631 |
| Reversals of depreciation, amortization and provisions, expense transfers | 7,755 | 3,133 |
| Other income | 707 | 8,552 |
| **Total operating income** | **241,145** | **248,316** |
| Other purchases and external charges | 44,952 | 41,823 |
| Taxes, duties and other levies | 7,983 | 8,512 |
| Depreciation and amortization | 2,569 | 720 |
| Charges to provisions | 2,447 | 10,447 |
| Other expenses | 727 | 9,669 |
| **Total operating expenses** | **58,678** | **71,171** |
| **OPERATING PROFIT** | **182,467** | **177,145** |
| Investment income[(1)] | 55,043 | 83,321 |
| Income from other marketable securities and amounts receivable on non-current assets[(1)] | 2,901 | 3,482 |
| Other interest income[(1)] | 8,557 | 9,690 |
| Reversals of provisions | 227,992 | 992,022 |
| Foreign exchange gains | 163,984 | 143,033 |
| Net proceeds on disposals of marketable securities | 1,216 | 1,010 |
| **Total financial income** | **459,693** | **1,232,558** |
| Depreciation, amortization and provisions relating to financial items | 105,741 | 68,600 |
| Interest and similar expenses[(2)] | 42,825 | 29,204 |
| Foreign exchange losses | 151,649 | 115,023 |
| **Total financial expenses** | **300,215** | **212,827** |
| **NET FINANCE INCOME (EXPENSE)** | **159,478** | **1,019,731** |
| **RECURRING PROFIT BEFORE TAX** | **341,945** | **1,196,876** |
| Non-recurring income from operations | 1,271 | 22 |
| Non-recurring income from capital transactions | 3,483 | 2,385 |
| **Total non-recurring income** | **4,754** | **2,407** |
| Non-recurring expenses on operations | 189,249 | 1,157 |
| Non-recurring expenses on capital transactions | 1,812 | 1,631 |
| Exceptional depreciation, amortization and provisions | 2,144 | 1,740 |
| **Total non-recurring expenses** | **193,205** | **4,528** |
| **NET NON-RECURRING INCOME (EXPENSE)** | **(188,450)** | **(2,120)** |
| **INCOME TAX EXPENSE** | **11,344** | **(33,555)** |
| **PROFIT FOR THE YEAR** | **164,839** | **1,161,201** |
| *(1) of which income concerning related companies* | *60,143* | *89,358* |
| *(2) of which interest concerning related companies* | *1,839* | *1,570* |

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## 4.4.3 NOTES TO THE FINANCIAL STATEMENTS

### I – ACCOUNTING POLICIES

The annual financial statements for the year ended December 31, 2014 are prepared and presented in accordance with Regulation No. 2014-03 issued by the French Accounting Standards Authority (*Autorité des Normes Comptables*, ANC). They 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 | 35,891 | 821 | - | 36,712 |
| Sub-total | 35,891 | 821 | - | 36,712 |
| **Property, plant and equipment** | 224 | - | - | 224 |
| Sub-total | 224 | - | - | 224 |
| **Financial fixed assets** | | | | |
| Equity interests | 14,782,243 | 62,183 | - | 14,844,426 |
| Receivable from controlled entities | 167,426 | 49,616 | (126,778) | 90,264 |
| Other financial fixed assets | 3,249 | 443,309 | (392,157) | 54,402 |
| Sub-total | 14,952,917 | 555,108 | (518,935) | 14,989,091 |
| **TOTAL NON-CURRENT ASSETS** | **14,989,032** | **555,929** | **(518,935)** | **15,026,027** |

#### Equity interests

Equity interests comprise shares in the Company's subsidiaries. The main change during the year reflects share capital increases in Europe of €51,500 thousand and in the Asia-Pacific region of €10,683 thousand.

#### Receivable from controlled entities

Amounts receivable from controlled entities consist of loans granted by the Company to subsidiaries primarily in Latin America (€38,420 thousand), North America (€18,755 thousand), Europe (€17,270 thousand) and the Asia-Pacific region (€15,818 thousand).

The main changes in this heading reflect:

- a loan of €33,431 thousand granted to a Brazilian subsidiary;
- loans totaling €8,767 thousand granted to subsidiaries in the Asia-Pacific region;
- a loan of €6,999 thousand granted to a UK subsidiary;
- partial repayment of a loan granted to a US subsidiary in the amount of €89,775 thousand;
- repayment of the residual balance on a loan granted to a French subsidiary in the amount of €14,796 thousand;
- a share capital increase by conversion of an advance on share capital increases in the amount of €10,682 thousand in the Asia-Pacific region;
- partial repayment of a loan granted to a Latin American subsidiary in the amount of €6,160 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 7, 2014. Accordingly, a total of 3,863,461 shares were acquired and 3,799,199 shares were sold between January 1, 2014 and December 31, 2014. At December 31, 2014, Cap Gemini S.A. held 133,062 treasury shares (68,800 at December 31, 2013), valued at €7,896 thousand,

During 2014, the Company continued to purchase treasury shares in the amount of €180,155 thousand (including acquisition costs). These were mainly purchased for cancellation in the amount of 1,253,903 shares between January and May for a total of €65,164 thousand and 1,001,505 shares between September and October for a total of €56,798 thousand. The Board of Directors' meetings of May 6, 2014 and October 8, 2014, using the authorizations granted by the Combined Shareholders' Meetings of May 23, 2013 and May 7, 2014, decided to reduce the share capital by cancelling Cap Gemini shares purchased for cancelation in the amount of 1,253,903 shares on May 6, 2014 and 1,001,505 shares on October 8, 2014.

At December 31, 2014, other financial fixed assets also include 835,116 shares with a value of €46,506 thousand earmarked for various objectives.

## 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 | 33,521 | 108 | - | 33,629 |
| **Financial fixed assets** | | | | |
| Provisions for equity interests | 5,739,246 | 42,210 | (992,000) | 4,789,457 |
| **TOTAL DEPRECIATION, AMORTIZATION AND PROVISIONS** | **5,772,767** | **42,318** | **(992,000)** | **4,823,086** |

In 2014, the charge to provisions for equity interests concerns three European subsidiaries in the amount of €42,210 thousand. Provision reversals of €992,000 thousand concern the US subsidiary, Capgemini North America.

## 3. Marketable securities

Marketable securities break down as follows at December 31, 2014:

| *in thousands of euros* | Net asset value | Nominal value | Carrying amount |
|---|---|---|---|
| **Listed securities** | | | |
| Investment funds (FCP) | 655,485 | 655,485 | 655,485 |
| **Unlisted securities** | | | |
| Term deposits | 330,250 | 330,250 | 330,250 |
| **Other marketable securities** | | | |
| Capitalization contracts | 89,404 | 89,404 | 89,404 |
| **TOTAL** | **1,075,139** | **1,075,139** | **1,075,139** |

Other marketable securities comprise three capitalization fund contracts subscribed in July 2010, August 2010 and November 2014 with leading insurance companies in Europe for €20,000 thousand, €50,000 thousand and €10,000 thousand, respectively. The residual balance represents capitalized interest at December 31, 2014.

## 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 | 90,264 | 57,958 | 32,306 |
| Other financial fixed assets | 54,402 | 54,402 | - |
| **Current assets** | | | |
| Accounts and notes receivable | 71 | 71 | - |
| Income tax receivable | 96,848 | 96,848 | - |
| VAT receivable | 982 | 982 | - |
| Receivable from related companies | 33,270 | 33,270 | - |
| Prepaid expenses | 33,992 | 8,693 | 25,299 |
| **TOTAL** | **309,829** | **252,224** | **57,605** |

Prepaid expenses mainly comprise the call option on own shares purchased on October 18, 2013 in the amount of €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, 2011 Bond issue and ORNANE bonds | 10,524 | 3,133 | (3,631) | 10,026 |
| **TOTAL** | **10,524** | **3,133** | **(3,631)** | **10,026** |

Issuance fees on the syndicated credit facility, 2011 Bond issue and ORNANE bonds are amortized on a straight-line basis over the term of the debt.

On July 30, 2014, Cap Gemini S.A. refinanced its multi-currency credit facility with a group of 18 banks for an amount of €750 million, and with a maturity on July 30, 2019. In the event of exercise (subject to the approval of the banks) of two one-year extension options, exercisable at the end of the first and second years, respectively, the maturity of the new facility will be extended by a maximum of two additional years. Issuance fees for this new syndicated credit facility total €3,133 thousand.

## 6. Share capital and additional paid-in capital

| *in thousands of euros* | Number of shares | Share capital | Additional paid-in capital |
|---|---|---|---|
| **At December 31, 2013** *(par value of €8)* | **160,317,818** | **1,282,543** | **5,772,277** |
| + Capital increase, grant of performance shares | 530,539 | 4,244 | (4,244) |
| + Capital increase for cash reserved for employees | 5,000,000 | 40,000 | 190,000 |
| - Charge to the legal reserve following the capital increase reserved for employees | - | - | (1,458) |
| - Offset of share issue costs, net of tax | - | - | (864) |
| - Capital decrease following cancellation of shares | (2,255,408) | (18,043) | (103,919) |
| **AT DECEMBER 31, 2014** *(par value of €8)* | **163,592,949** | **1,308,744** | **5,851,791** |

### Share capital increase through the grant of performance shares

On October 8, 2014, the Board of Directors noted the creation of 530,539 new Cap Gemini shares on October 1, 2014 through the grant of performance shares to employees not tax resident in France under the 2010 Cap Gemini share grant plan subject to performance and presence conditions and the related share capital increase of €4,244 thousand.

### Share capital increase reserved for employees, share issue costs and charge to the legal reserve

Pursuant to the 30th and 31st resolutions adopted by the Combined Shareholders' Meeting of May 7, 2014, the Group set up an employee share ownership plan (ESOP 2014) in the second half of 2014. Nearly 132,000 Group employees in 20 countries, representing approximately 96% of the Group headcount, were invited to subscribe for Cap Gemini shares. Under the plan, a minimum length of service of three months was required at November 20, 2014, acquired consecutively or not since January 1, 2013. This leveraged plan offered employees the possibility of subscribing at a discounted preferential rate and, via a bank which secured and supplemented the investment so that the total amount invested represented ten times the personal contribution of the employee, potentially generating a greater capital gain than would have been the case had it been calculated based solely on the employee's personal contribution. In return, the employee waives a portion of any increase in the price of shares subscribed on his behalf, as well as dividends and other financial rights that could be paid on these shares throughout the entire term of the plan. In addition, the shares will be unavailable for a period of five years (except for cases of early release covered by plan rules in accordance with applicable legislation).

Under the delegation of authority granted by the Board of Directors, the subscription price was set at €46.00 by the Chairman and Chief Executive Officer on November 17, 2014. This price corresponds to the daily average Cap Gemini share price adjusted for volumes observed over the twenty stock market trading days preceding the Chairman and Chief Executive Officer's decision, less a 12.5% discount

On December 18, 2014, the Group issued 5,000,000 new shares reserved for employees with a par value of €8, representing a share capital increase of €229 million net of issue costs (€0.9 million, net of tax).

The Chairman and Chief Executive Officer, using the powers delegated to him, decided, concomitantly to the share capital increase, the offset of the related share issue costs against the corresponding additional paid-in capital and the deduction from additional paid-in capital of the amount necessary to increase the legal reserve to one-tenth of the new share capital amount.

### Share capital reduction by cancellation of shares purchased

In 2014, the Company continued to purchase treasury shares for cancellation in the amount of 2,255,408 shares (€121,962 thousand).

The Board of Directors' meetings of May 6, 2014 and October 8, 2014, using the authorization granted by the Combined Shareholders' Meetings of May 23, 2013 and May 7, 2014, decided to reduce the share capital by cancelling Cap Gemini shares purchased for cancelation (1,253,903 shares on May 6 and 1,001,500 shares on October 8). The capital reductions totaled €65,164 thousand and €56,798 thousand, respectively.

## 7. Stock option plans

The Group no longer grants stock options since the plan authorized in 2005. The last grant under this plan was performed in June 2008.

## 8. Performance share plan

The Combined Shareholders' Meetings of April 30, 2009, May 24, 2012 and then May 24, 2013 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 18 months, subject to performance and presence conditions. On October 1, 2010, December 12, 2012, February 20, 2013 and July 30, 2014, 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:

| | 2010 International Plan | 2012 International Plan | 2013 International Plan | 2014 International Plan |
|---|---|---|---|---|
| Maximum number of shares that may be granted | 1,557,703 shares | 2,426,555 shares | 2,426,555 shares | 1,590,639 shares |
| % of share capital at the date of the Board of Directors' decision | 1% | 1.50% | 1.50% | 1% |
| Total number of shares granted | 1,555,000[1] | 1,003,500[4] | 1,209,100[4] | 1,290,500[4] |
| Date of Board of Directors' decision | October 1, 2010 | December 12, 2012 | February 20, 2013 | July 30, 2014 |
| 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 | Three years for the internal performance condition and two years for the external performance condition |
| 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) | Two years as from the grant date (France) or four years as from the grant date (other countries) |
| Mandatory lock-in period effective as from the vesting date (France only) | Two years, or five years in the event of departure from the Group during the two years following the vesting date | 4 years | 4 years | 4 years |
| Main market conditions at the grant date | | | | |
| ■ Volatility | 42.80% | 25.80% | 38.70% | 26.33% |
| ■ Risk-free interest rate | 1.67% | 0.35% – 0.98% | 0.59% – 1.28% | 0.34% – 0.81% |
| ■ Expected dividend rate | 3.00% | 3.00% | 3.00% | 2.31% |
| 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 |
| Pricing model used to calculate the fair value of shares | Monte Carlo for performance shares with external (market) conditions<br>Black & Scholes for shares without conditions or with internal performance conditions | Monte Carlo for performance shares with external (market) conditions | | |
| Range of fair values *(in euros)* | | | | |
| Free shares *(per share and in euros)* | 32.32 – 32.96 | n/a | n/a | n/a |
| ■ Performance shares *(per share and in euros)* | 21.54 – 32.96 | 14.35 – 28.67 | 16.18 – 32.14 | 26.46 – 48.26 |
| ■ Of which corporate officers | n/a | 16.18 | 18.12 | 29.32 |
| *Number of shares at December 31, 2013* | *that may vest under the plan in respect of shares previously granted, subject to conditions (performance and presence)* | | | |
| | 584,055 | 981,500 | 1,178,300 | - |
| | o/w to corporate officers: | | | |
| | [2] | 50,000[4] | 50,000[4] | - |
| Change during the period | *Number of shares subject to performance and/or presence conditions granted during the year* | | | |
| | - | - | - | 1,290,500 |
| | *o/w to corporate officers:* | | | |
| | - | - | - | 50,000[4] |
| | *Number of shares forfeited or canceled during the year* | | | |
| | 53,516 | 23,000 | 43,000 | 2,000 |
| | *Number of shares vested during the year* | | | |
| | 530,539[3] | - | - | - |
| Number of shares at December 31, 2014 | *that may vest under the plan in respect of shares previously granted, subject to conditions (performance and presence)* | | | |
| | Plan expired | 958,500[5] | 1,135,300[6] | 1,288,500[7] |
| Share price at the grant date *(in euros)* | 37.16 | 33.15 | 36.53 | 53.35 |

*(1) 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).*
*(2) No performance shares were granted in 2010.*
*(3) Balance on the "foreign" plan granted in October 2014, subject to presence conditions at that date (including 59,250 shares without performance conditions).*
*(4) Grant subject to performance conditions only.*
*(5) Of which 434,000 shares in respect of the French plan and 524,500 shares in respect of the "foreign" plan.*
*(6) Of which 376,600 shares in respect of the French plan and 758,700 shares in respect of the "foreign" plan.*
*(7) Of which 420,250 shares in respect of the French plan and 868,250 shares in respect of the "foreign" plan.*

### Shares vested under the 2010 plan

The 2010 plan expired in 2014 and led to the delivery on October 1, 2014 of 530,539 shares to beneficiaries not tax resident in France and still present in the Group at this date, out of a total initial grant of 1,026,500 shares.

Accordingly, including the 350,509 shares delivered on October 1, 2012 to beneficiaries tax resident in France, a total of 881,048 shares were ultimately delivered under this plan, representing 56.7% of the volume initially granted, as a result of both performance and presence conditions.

#### Recap:

The external performance condition calculation led to the grant of 55% of the maximum number of shares initially defined in this respect.

The internal performance condition calculated based on the increase in the 2011 operating margin compared with the 2010 operating margin at constant Group structure and exchange rates, led to the delivery of all shares due in this respect following a margin increase of 15.6%, above the maximum threshold set.

### Performance conditions of the 2012, 2013 and 2014 plans

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 from the 2010 plan to add an internal condition to the external condition initially planned.

The external performance condition accounts for 50% of the grant calculation.

#### External performance condition

The external performance condition is applied in an identical manner across the three plans and in line with the conditions applied to the first two plans, as follows:

No shares are granted if the performance of the Cap Gemini share during the period in question is less than 90% of the performance of the basket of securities over the same period.

The number of shares ultimately granted:

- 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 pre-defined 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 S.A. share is in line with that of the basket of comparable shares, only 60% of the initial allocation will be granted (or 30% of the initial grant).

The benchmark basket comprises the following securities, with each security equally weighted:

- 2012 and 2013 Plans: Accenture/ CSC/ Atos/ Tieto/ Steria/ CGI Group/ Infosys/ Sopra/ Cognizant;
- 2014 Plan: Accenture/ CSC/ Atos/ Tieto/ CAC 40 index/ CGI Group/ Infosys/ Sopra/ Cognizant

The fair value of shares subject to external performance conditions is 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 generation of Organic Free Cash Flow (OCFC) over a three-year period encompassing fiscal years 2012 to 2014 for the 2012 and 2013 plans and fiscal years 2013 to 2015 for the 2014 plan. 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 for the 2012 and 2013 plans and €850 million for the 2014 plan;
- 100% of the initial internal allocation will be granted if Organic Free Cash Flow is equal to or exceeds €1 billion for the 2012 and 2013 plans and €1.1 billion for the 2014 plan.

The internal performance condition accounts for 50% of the grant calculation.

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 plans

At the Combined Shareholders' Meetings of May 24, 2012 and then May 24, 2013, the Board of Directors was given an 18-month authorization to grant shares to certain Group employees, on one or several occasions 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' meetings of July 25, 2012 and October 8, 2014.

The main features of these plans are set out in the table below:

| | 2012 Plan France | 2014 Plan France |
|---|---|---|
| Maximum number of shares that may 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 | 1% of the share capital on the date of the Board of Directors' decision i.e. a maximum of 1,595,495 shares, of which a maximum of 15% granted without performance conditions |
| Total number of shares granted | 202,538(1) | 104,379(2) |
| Date of the Board of Directors' decision | July 25, 2012 | October 8, 2014 |
| Grant condition assessment date | | Presence condition only (employee presence within the Group at the vesting date) |
| Vesting period | | 2 years as from the grant date Democratic plan |
| Mandatory lock-in period effective as from the vesting date | | 2 years |
| 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 | - |
| Number of shares subject to presence conditions granted during the year | - | 104,379 |
| Number of shares forfeited or canceled during the year | 17,719 | 2,000 |
| Number of shares vested during the year | 157,286 | - |
| Number of shares at December 31, 2014 that may vest under this plan in respect of shares previously granted, subject to presence conditions | Plan delivered | 102,379 |
| Share price at the grant date *(in euros)* | 26.30 | 52.69 |
| Main market conditions at the grant date | | |
| ■ Risk-free interest rate | 0.88% | 0.34% |
| ■ Expected dividend rate | 3.00% | 2.30% |
| Fair value in euros *(per share)* | €20.22 | €43.91 |

*(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).*
*(2) i.e. 6.5% of the total authorized maximum granted without performance conditions, pursuant to the resolution (authorization capped at 15% of the total).*

These transactions aim to develop employee share ownership by enabling all employees of French companies with at least three months seniority at the grant date to receive shares and thereby become Cap Gemini S.A. shareholders at the end of the vesting period. More than 20,000 employees were concerned by each share grant, with a differentiated share allocation based on annual salary (four categories); the lowest paid employees receiving more shares than the highest paid employees.

In both instances, the Board of Director decisions were preceded by the signature of a company-wide agreement, in respect of payment of the profit-sharing bonus.

## 10. Change in shareholders' equity

| *in thousands of euros* | At December 31, 2013 | Appropriation of profit for 2013 | Other movements | At December 31, 2014 |
|---|---|---|---|---|
| Share capital | 1,282,543 | - | 26,201 | 1,308,744 |
| Additional paid-in capital | 5,772,277 | - | 79,514 | 5,851,791 |
| Legal reserve | 129,416 | - | 1,458 | 130,874 |
| Other reserves | 559,573 | - | - | 559,573 |
| Retained earnings | 495,667 | (9,223) | - | 486,444 |
| Dividends paid | - | 174,062 | (174,062) | - |
| Profit for the year | 164,839 | (164,839) | 1,161,201 | 1,161,201 |
| Tax-driven provisions | 12,888 | - | 1,740 | 14,627 |
| **TOTAL** | **8,417,202** | **-** | **1,096,052** | **9,513,254** |

The appropriation of the net profit for 2013 led to the distribution on May 21, 2014 of a dividend of €1.10 on each of the 158,237,939 shares making-up the share capital at May 16, 2014, for a total of €174,062 thousand. The amount not paid out on the 825,976 shares held by the Company on May 21, 2014 of €2,288 thousand (the company having cancelled 1,253,903 shares on May 6, 2014) was appropriated to retained earnings.

Other movements mainly concern:

- the share capital increase of €40,000 thousand following the issue of 5 million new shares pursuant to the share issued reserved for employees (ESOP 2014);
- additional paid-in capital in the amount of €190,000 thousand pursuant to the aforementioned transaction. Issue costs, net of tax, of €907 thousand were offset against this balance and €1,458 thousand was transferred to the legal reserve to bring it to one-tenth of the new share capital balance at December 18, 2014;
- the share capital reduction of €121,962 thousand following the cancellation of 2,255,408 shares purchased for cancellation;
- the €1,740 thousand charge to tax-driven provisions, 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 | 19 | 2,390 | 19 | 2,390 |
| ▪ on derivative instruments: option on own shares | 28,547 | 23,954 | - | 52,501 |
| **TOTAL** | **28,566** | **26,344** | **19** | **54,891** |

Charges for the period totaled €26,344 thousand and concern a provision for financial risks of €23,954 thousand on a call option on own shares sold on October 18, 2013 and a provision for foreign exchange losses of €2,390 thousand in respect of a loan granted to a Brazilian subsidiary.

## 12. Bond issues and Convertible bonds

| *in thousands of euros* | 12/ 31/2013 | 12/ 31/2014 |
|---|---|---|
| **OCEANE 2009** | 98 | 0 |
| **2011 Bond issue** | 500,000 | 500,000 |
| **ORNANE 2013** | 400,000 | 400,000 |
| **TOTAL** | **900,098** | **900,000** |

### 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 enjoyed 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.

#### 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, 2003 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.

Cap Gemini redeemed in full the remaining 2,896 bonds outstanding on January 2, 2014.

### b) Bond issued on November 29, 2011 (2011 Bond issue)

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.

#### The main features of the 2011 Bond issue are as follows:

##### 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) "ORNANE 2013" bonds issued on October 25, 2013

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 S.A. 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 November 18, 2013 under reference number n°13-557.

### The main features of the "ORNANE 2013" bonds are as follows:

Bond term

5 years and 68 days from the issue 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.

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).

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 marketable bonds issued by the Company.

## 13. Bank loans and borrowings

Bank loans and borrowings total €649,100 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 €646,467 thousand, offset in the amount of €649,462 thousand by opposite balances presented in cash and cash equivalents of the Company, (ii) bank overdrafts in the amount of €97 thousand and (iii) accrued interest of €2,536 thousand.

### Syndicated credit facility secured by Cap Gemini S.A.

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.

This facility was refinanced on July 30, 2014 with a group of 18 banks by a new multi-currency credit facility for an increased amount of €750 million, maturing on July 30, 2019. In the event of exercise (subject to the approval of the banks) of two one-year extension options, exercisable at the end of the first and second years, respectively, the maturity of the new facility will be extended by a maximum of two additional years.

The initial margin on the new credit facility was 0.45% (excluding the fee on drawn amounts which varies according to the portion of the facility drawn), compared with the margin of 0.75% applied previously at the same credit-rating level. 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.

Following the upgrade of Cap Gemini's credit rating to BBB+ by Standard & Poor's on August 5, 2014, the margin applicable is now 0.35% and the fee on undrawn amounts is 0.1225%.

An upgrade or downgrade in Cap Gemini's credit rating would have no impact on the availability of this credit facility.

Cap Gemini has agreed to comply with the following financial ratios (as defined in IFRS) in respect of this credit facility:

- the consolidated net debt to consolidated equity ratio must be less than 1 at all times;
- the interest coverage ratio (the extent to which consolidated net finance costs are covered by consolidated operating margin) must be equal to or greater than 3 at December 31 and June 30 of each year (based on the 12 months then ended).

The credit facility agreement also includes covenants restricting Cap Gemini S.A.'s ability to carry out certain operations. These covenants also apply to Group subsidiaries. They include restrictions primarily relating to pledging assets as collateral, asset sales, mergers and similar transactions. Cap Gemini S.A. also committed to standard obligations, including an agreement to maintain pari passu status.

At December 31, 2014, 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** | | 400,000 | 0 | 400,000 |
| **Bond issue** | | | | |
| ▪ 2011 Bond issue | | 500,000 | - | 500,000 |
| | **Sub-total** | **900,000** | **0** | **900,000** |
| **Bank loans and borrowings** | | | | |
| ▪ Bank overdrafts | | 97 | 97 | - |
| ▪ Bank overdrafts (Group cash pooling arrangement) | | 646,467 | 646,467 | - |
| ▪ Accrued interest | | 2,536 | 2,536 | - |
| | **Sub-total** | **649,100** | **649,100** | **-** |
| **Group loans and borrowings** | | | | |
| ▪ Loans | | 196,053 | 185,053 | 11,000 |
| ▪ Other payables | | 764,182 | 764,182 | - |
| | **Sub-total** | **960,235** | **949,235** | **11,000** |
| **Accounts and notes payable** | | **4,440** | **4,440** | **-** |
| **Tax and social security liabilities** | | **2,563** | **2,563** | **-** |
| **Other payables** | | **642** | **642** | **-** |
| **TOTAL** | | **2,516,980** | **1,605,980** | **911,000** |

Group loans of €196,053 thousand mainly comprise:

- a three-month revolving loan from Capgemini FS USA Inc. of €65,053 thousand. This loan is denominated in US dollar and hedged against currency risk;
- two three-month revolving loans from Capgemini Deutschland GmbH and Capgemini Deutschland Holding GmbH of €110,000 thousand and €10,000 thousand, respectively.

## 15. Accrued income and charges

Accrued charges reported in the balance sheet break down as follows:

| *in thousands of euros* | Amount |
|---|---|
| **Borrowings** | |
| ▪ Accrued interest payable | 2,536 |
| **Other liabilities** | |
| ▪ Accounts and notes payable | 3,677 |
| ▪ Tax and social security liabilities | 578 |
| **TOTAL** | **6,792** |

Accrued income reported in the balance sheet break down as follows:

| *in thousands of euros* | Amount |
|---|---|
| **Cash and Cash equivalents** | |
| ▪ Accrued interest receivable | 4,475 |
| **TOTAL** | **4,475** |

## 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 | 2,391 | 41 | 2,391 |
| **TOTAL** | **2,391** | **41** | **2,391** |

## 17. Net finance income (expense)

| *in thousands of euros* | | Amount |
|---|---|---|
| **Provisions relating to financial items** | | |
| Charge | | (68,600) |
| Reversal | | 992,022 |
| | **Sub-total** | **923,422** |
| Dividends received | | 83,321 |
| | **Sub-total** | **83,321** |
| **Other financial income and expense** | | |
| Net income from short-term investments | | 5,240 |
| Loan income (capitalization contracts) | | 2,021 |
| Revenue from loans, current accounts and Group cash pooling arrangements | | 6,921 |
| Net foreign exchange gains (losses) | | 28,010 |
| Interest on borrowings, current accounts and Group cash pooling arrangements | | (2,060) |
| Interest on the Bond issue | | (26,585) |
| Interest on issued commercial paper | | (550) |
| Other | | (9) |
| | **Sub-total** | **12,988** |
| **NET FINANCE INCOME (EXPENSE)** | | **1,019,731** |

Charges to provisions for financial items of €68,600 thousand primarily concern provisions for impairment of equity interests in the amount of €42,210 thousand, relating to a Spanish subsidiary (€26,800 thousand), an Austrian subsidiary (€8,300 thousand) and a French subsidiary (€7,110 thousand) and a provision for financial risks on the share option contract of €23,954 thousand.

Provision reversals of €992,022 thousand comprise the reversal of a provision for impairment of equity interests in respect of the US subsidiary in the amount of €992,000 thousand.

The dividends of €83,321 thousand correspond to dividends received during the period by the Company from French, Dutch, Swedish, Portuguese, Polish and Moroccan subsidiaries.

## 18. Net non-recurring income (expense)

| *in thousands of euros* | | **Amount** |
|---|---|---|
| Net proceeds on disposals of treasury shares under the liquidity agreement | | 1,655 |
| Other | | 22 |
| | **Sub-total** | **1,677** |
| Accelerated depreciation | | (1,740) |
| Loss on delivery of treasury shares to bondholders | | (1,275) |
| Other | | (782) |
| | **Sub-total** | **(3,797)** |
| **NET NON-RECURRING INCOME (EXPENSE)** | | **(2,120)** |

## 19. Income tax expense

In France, Cap Gemini S.A. is the parent company of a French tax consolidation group comprising 20 companies. In 2014, Cap Gemini S.A. recognized an income tax expense in respect of the tax consolidation of €33,476 thousand.

In the absence of tax consolidation, Cap Gemini S.A. would have recognized a theoretical income tax expense of €43,501 thousand. Tax losses carried forward by Cap Gemini S.A. amounted to €860,766 thousand at December 31, 2014.

### BREAKDOWN OF THE INCOME TAX EXPENSE

| | **2014** | |
|---|---|---|
| *in thousands of euros* | **Net profit before tax** | **Income tax expense at 34%** |
| Recurring profit before tax | 1,196,876 | (411,886) |
| Net non-recurring income (expense) | (2,120) | 730 |
| Accounting profit for the year before tax | 1,194,756 | (411,156) |
| Tax differences | (940,944) | 323,811 |
| Tax credits | | |
| ■ Training/family/patronage tax credit | | |
| ■ Research tax credit | | |
| Offset of tax losses carried forward | (127,406) | 43,845 |
| Tax consolidation of subsidiaries | | 9,945 |
| **INCOME TAX EXPENSE** | | **(33,555)** |

#### IMPACT OF TAX-DRIVEN VARIATIONS

| *in thousands of euros* | Amount |
|---|---|
| **Profit for the year** | **1,161,201** |
| Income tax expense (net) | 33,555 |
| **Profit before tax** | **1,194,756** |
| Change in tax-driven provisions: | |
| ▪ Accelerated depreciation | (1,740) |
| Other tax-driven valuations | n/a |
| **PROFIT EXCLUDING TAX-DRIVEN VALUATIONS (BEFORE TAX)** | **1,193,016** |

#### 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 | 105 | 95 |
| **Provisions for contingencies and losses** | | |
| ▪ Provision for foreign exchange losses | 2,391 | 19 |
| Net asset value differences on UCITS | 0 | 3 |
| Unrealized foreign exchange gains | 41 | 0 |
| Unrealized foreign exchange losses | 2,391 | 19 |
| Remeasurement differences on receivables and payables and fair value measurement of derivatives | 142,165 | 100,800 |
| Amortization of derivative on own shares | 8,330 | 1,548 |
| **TOTAL** | **155,423** | **102,483** |
| Tax rate for temporary differences | 34.43% | 34.43% |
| **DEFERRED TAX** | **53,512** | **35,285** |
| **Deferred tax assets** | | |
| ▪ Deferred tax depreciation | | |
| ▪ Tax losses carried forward | 860,767 | 988,173 |
| ▪ Long-term capital losses | | |
| **DEFERRED TAX** | **296,362** | **340,228** |

## 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, 2014 break down as follows:

| *in thousands of euros* | Amount |
|---|---|
| Financial items | 113,257 |
| Operating items | 1,166,035 |
| Tax items | 15,060 |
| **TOTAL** | **1,294,352** |

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, 2014 amounted to €17,011 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, 2014, the values of external currency derivative instruments negotiated in respect of foreign currency denominated internal financing arrangements, primarily break down as follows:

- six euro/US dollar swaps with a positive value of €2,972 thousand for a nominal amount of USD 114 million (€94 million),
- a euro/Mexican pesos swap with a positive value of €83 thousand for a nominal amount of MXN 52 million (€3 million).

At December 31, 2014, external currency derivatives hedging brand royalties invoiced to subsidiaries had a negative value of €300 thousand and mainly concerned the US dollar, pound sterling, Australian dollar and Swedish krona.

At December 31, 2014, external currency derivative instruments entered into pursuant to the pooling of currency risk at Group level, had a net positive value of €78,346 thousand.

At December 31, 2014, 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 €39,620 thousand.

## 21. Related companies

| *in thousands of euros* | **Amount** |
|---|---|
| **Balance sheet items** | |
| Equity interests | 14,844,426 |
| Receivable from controlled entities | 90,264 |
| Payable to controlled entities | 196,053 |
| Related and associated companies | |
| ▪ receivable | 33,270 |
| ▪ payable | 764,182 |
| **Income Statement items** | |
| Investment income | 83,321 |
| Income on Group loans | 3,482 |
| Other interest income | 2,555 |
| Interest expense | 1,570 |

## 22. Dilution tied to the Redeemable share subscription or purchase warrants (BSAAR)

At December 31, 2014, the 2,927,606 redeemable share subscription or purchase warrants (BSAAR) still outstanding 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 2014.

If all these redeemable share subscription or purchase warrants (BSAAR) were exercised, the dilutive impact at December 31, 2014 would be 1.76% 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 €1.20 per share in respect of 2014.

## 25. Remuneration of members of the Board of Directors

The total amount of attendance fees paid to Directors and non-voting directors in 2014 is €595,500 (or €389,371 after deduction of withholding tax for beneficiaries not tax resident in France and the 21% flat-rate income tax advance payment 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 | | 972 |
| Other services directly related to the statutory audit engagement | | 43 |
| | **Sub-Total** | **1,015** |
| **Other services** | | |
| Legal, tax and employee-related advisory services | | - |
| Other | | - |
| | **Sub-Total** | **-** |
| **TOTAL** | | **1,015** |

## 4.4.4 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

*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.*

**(Year ended December 31, 2014)**

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, 2014, 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, 2014, 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 €10,055 million at December 31, 2014. Note I to the financial statements sets out, in particular, the accounting rules and methods used to determine the value in use of these investments. 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 on acquisitions of investments and controlling interest and the identity of shareholders and holders of voting rights.

The Statutory Auditors

Neuilly-sur-Seine, February 27, 2015
PricewaterhouseCoopers Audit

Françoise Garnier
Partner

Paris La Défense, February 27, 2015
KPMG Audit

Division of KPMG S.A.
Frédéric Quélin
Partner

## 4.4.5 STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

*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*

**Shareholders' Meeting held to approve the financial statements for the year ended December 31, 2014**

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 development of Capgemini Group.

**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.

Mr. Paul Hermelin has been registered as a beneficiary of this plan. During 2014, this corporate officer did not receive any compensation pursuant to this agreement.

The Statutory Auditors

Neuilly-sur-Seine, February 27, 2015
PricewaterhouseCoopers Audit

Françoise Garnier
Partner

Paris La Défense, February 27, 2015
KPMG Audit
Division of KPMG S.A.

Frédéric Quélin
Partner

## 4.4.6 STATUTORY AUDITORS' ADDITIONAL REPORT ON THE ISSUE OF ORDINARY SHARES OR SECURITIES GRANTING ACCESS TO THE COMPANY'S SHARE CAPITAL

*This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France*

**(Authorized by the Combined Shareholders' Meeting of May 7, 2014 – 30th resolution)**

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 March 28, 2014 on the issue of ordinary shares and/or securities granting access to the Company's share capital, with cancellation of pre-emptive subscription rights, reserved for members of a Capgemini Group company savings plan, decided by your Combined Shareholders' Meeting of May 7, 2014.

This Meeting delegated to the Board of Directors, for a period of 26 months, the authority to set the terms and conditions of this transaction. Your Board of Directors used this delegation at its meeting of July 30, 2014 to issue a maximum of 5,000,000 shares with a par value of €8 each.

The Board of Directors is responsible for preparing a report in accordance with Articles R.225-115 and seq. of the French Commercial Code. Our role is to express an opinion on the fairness of the quantified data extracted from interim financial statements, on the 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, in accordance with the same accounting policies and presentation methods adopted in the most recent consolidated financial statements.

  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 accounting principles and the same valuation and presentation methods 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;
- the compliance of the transaction terms and conditions with the delegation granted by the Combined Shareholders' Meeting of May 7, 2014 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 assessed with respect to consolidated equity;
- the cancellation of pre-emptive subscription rights on which you previously voted.

Neuilly-sur-Seine and Paris-La Défense, December 19, 2014

The Statutory Auditors

| PricewaterhouseCoopers Audit | KPMG Audit<br>Division of KPMG S.A. |
|---|---|
| Françoise Garnier<br>Partner | Frédéric Quélin<br>Partner |

## 4.4.7 STATUTORY AUDITORS' ADDITIONAL REPORT ON THE SHARE CAPITAL ISSUE IN FAVOR OF CERTAIN EMPLOYEES AND CORPORATE OFFICERS OF NON-FRENCH SUBSIDIARIES

*This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France*

**(Authorized by the Combined Shareholders' Meeting of May 7, 2014 – 31st resolution)**

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 March 28, 2014 on the issue of shares, with cancellation of pre-emptive subscription rights, in favor of certain employees and corporate officers of non-French subsidiaries, decided by your Combined Shareholders' Meeting of May 7, 2014.

This Meeting delegated to the Board of Directors, for a period of 18 months, the authority to set the terms and conditions of this transaction. Your Board of Directors used this delegation at its meeting of July 30, 2014 to issue a maximum of 1,600,000 shares with a par value of €8 each.

The Board of Directors is responsible for preparing a report in accordance with Articles R.225-115 and seq. of the French Commercial Code. Our role is to express an opinion on the fairness of the quantified data extracted from interim financial statements, on the 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, in accordance with the same accounting policies and presentation methods adopted in the most recent consolidated financial statements. 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 accounting principles and the same valuation and presentation methods 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;
- the compliance of the transaction terms and conditions with the delegation granted by the Extraordinary Shareholders' Meeting of May 7, 2014 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 assessed with respect to consolidated equity;
- the cancellation of pre-emptive subscription rights on which you previously voted.

Neuilly-sur-Seine and Paris-La Défense, December 19, 2014

The Statutory Auditors

| PricewaterhouseCoopers Audit | KPMG Audit<br>Division of KPMG S.A. |
|---|---|
| Françoise Garnier<br>Partner | Frédéric Quélin<br>Partner |

# 4.5 Other financial and accounting information

## 4.5.1 FIVE-YEAR FINANCIAL SUMMARY

| *(in thousand of euros)* | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|
| **I – SHARE CAPITAL AT YEAR-END** | | | | | |
| Share capital | 1,246,163 | 1,246,163 | 1,294,163 | 1,282,543 | 1,308,744 |
| Number of common shares outstanding | 155,770,362 | 155,770,362 | 161,770,362 | 160,317,818 | 163,592,949 |
| Maximum number of future shares to be created: | | | | | |
| ▪ through exercise of equity warrants | 9,079,500 | 6,484,125 | 5,242,822 | 5,910,064 | 6,412,285 |
| ▪ through conversion fo convertible bonds | 28,722,575 | 26,372,575 | 16,911,765 | 5,961,483 | 5,958,587 |
| **II – OPERATIONS AND RESULTS OF THE CURRENT YEAR** | | | | | |
| Operating revenue | 201,567 | 241,094 | 230,370 | 241,145 | 248,316 |
| Operating revenue and financial revenue | 278,822 | 339,560 | 763,415 | 700,839 | 1,480,875 |
| Income before taxes, amortization and provisions | 208,598 | 225,363 | 189,839 | 38,404 | 284,241 |
| Income tax | (15,740) | 2,962 | 21,562 | (11,344) | 33,555 |
| Net income/(losses) | 136,889 | 171,563 | 247,759 | 164,839 | 1,161,201 |
| Distributed income | 155,770 | 155,770 | 161,770 | 176,350 | *196,312 |
| **III – EARNINGS PER SHARE** *(in euros)* | | | | | |
| Earnings after taxes, but before amortization and provisions | 1.44 | 1.43 | 1.04 | 0.31 | 1.53 |
| Net earnings | 0.88 | 1.10 | 1.53 | 1.03 | 7.10 |
| Dividend per share | 1.00 | 1.00 | 1.00 | 1.03 | *1.20 |
| **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 6, 2015.*

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## 4.5.2 SUBSIDIARIES AND INVESTMENT

| *(in millions of euros)* | Capital | Other shareholders' equity (including net income for the year) | % interest | Number of shares owned | Book value of shares Gross | Book value of shares Net | Loans & advances granted | Guaran-tees given | 2013 Revenue | Divi-dends |
|---|---|---|---|---|---|---|---|---|---|---|
| **Subsidiaries** | | | | | | | | | | |
| Capgemini North America Inc | 1 | 3,400 | 100.00% | 982,000 | 6,618 | 3,764 | 19 | - | - | - |
| CGS HOLDINGS Ltd | 682 | 0 | 100.00% | 558,777,061 | 721 | 721 | - | - | - | - |
| Gemini Consulting Holding Ltd | 0 | 10 | 100.00% | 1,083 | 23 | 23 | - | - | - | - |
| Capgemini Oldco Ltd | 13 | 28 | 100.00% | 1,033,938,858 | 801 | 380 | - | - | - | - |
| Capgemini AB (Sweden) | 3 | 346 | 100.00% | 25,861 | 387 | 387 | - | 9 | - | - |
| Capgemini NV (Benelux) | 2 | 318 | 100.00% | 21,582,376 | 1,467 | 996 | - | 10 | - | - |
| Capgemini Business services BV | 0 | 2 | 100.00% | 485 | 31 | 31 | - | - | - | - |
| Capgemini Deutschland Holding GmbH | 129 | 1 | 95.59% | 3 | 629 | 629 | - | 12 | - | - |
| Capgemini Consulting Österreich AG | 0 | 6 | 100.00% | 50,551 | 56 | 43 | - | - | 20 | - |
| Capgemini Suisse AG | 0 | 3 | 100.00% | 500 | 45 | 30 | - | 72 | 54 | - |
| Capgemini Polska Sp Z.o.o (Poland) | 4 | 32 | 100.00% | 129,160 | 25 | 25 | - | - | 177 | 11 |
| Capgemini Magyarorszag Kft | 0 | 1 | 100.00% | 1 | 2 | 2 | - | - | 5 | - |
| Capgemini Czech Republic s r o | 1 | 3 | 98.77% | 21,255 | 8 | 8 | - | - | 10 | - |
| Capgemini France S.A.S. | 89 | 686 | 100.00% | 5,713,954 | 1,324 | 1,324 | - | - | 6 | 29 |
| Capgemini Technology Services Maroc | 3 | 5 | 99.99% | 329,996 | 3 | 3 | - | - | 30 | 1 |
| SOGETI S.A.S. | 261 | 362 | 100.00% | 52,106,876 | 754 | 754 | - | - | 30 | - |
| Capgemini Italia S.p.A. | 18 | 12 | 100.00% | 3,575,000 | 543 | 50 | 10 | 17 | 201 | - |
| Capgemini España S.L. (Sociedad Unipersonal) | 42 | 9 | 85.73% | 363,217 | 319 | 173 | - | 26 | 227 | - |
| Capgemini Portugal, Serviços de Consultoria e Informatica, SA | 8 | 5 | 100.00% | 1,698,842 | 44 | 19 | - | - | 26 | 0 |
| Capgemini Business Services Guatemala S.A. | 1 | 3 | 99.80% | 12,900,034 | 1 | 1 | - | - | 19 | - |
| Capgemini Argentina S.A. | 1 | 2 | 1.16% | 126,369 | 0 | 0 | - | - | 15 | - |
| Capgemini Asia-Pacific Pte. Ltd. (Singapour) | 105 | (38) | 100.00% | 156,122,611 | 229 | 58 | - | 27 | 0 | - |
| Capgemini Australia Pty Ltd (Australia) | 128 | (110) | 100.00% | 1,502,342 | 172 | 172 | 9 | 67 | 157 | - |
| Capgemini Business Services (India), Ltd. | 0 | 48 | 99.90% | 4,995 | 25 | 25 | - | - | 81 | - |
| Capgemini Service S.A.S | 8 | (3) | 100.00% | 8,000,000 | 164 | 5 | - | 15 | 228 | - |
| S.C.I. Paris Etoile | 0 | 5 | 99.99% | 9,999 | 48 | 31 | - | - | 3 | 2 |
| Immobilière les Fontaines S.A.R.L | 3 | 5 | 99.90% | 1,004,628 | 52 | 52 | - | - | 7 | - |
| Capgemini Université S.A.S. | 0 | 0 | 100.00% | 2,500 | 0 | 0 | - | - | 19 | - |
| Capgemini Gouvieux S.A.S. | 3 | (1) | 100.00% | 210,000 | 3 | 3 | - | - | 23 | - |
| Capgemini Consulting Cyprus Ltd | 0 | (0) | 100.00% | 101 | 0 | 0 | - | - | - | - |
| Capgemini Latin America S.A.S. | 332 | (1) | 100.00% | 33,249,750 | 341 | 341 | - | 5 | - | - |
| Capgemini Reinsurance International | 20 | - | 100.00% | 10,000 | 5 | 5 | - | - | 11 | - |
| Other foreign compagnies | nm | nm | nm | nm | - | - | nm | nm | nm | |
| **Investments** | | | | | | | | | | - |
| As of December 31, 2014, investments held by Cap Gemini S.A. are not material | | | | | | | | | | |

*nm: non material*

# 5 CAP GEMINI and its shareholders

# 5.1 Cap Gemini S.A. Share Capital

## 5.1.1 SHARE CAPITAL (AMOUNT, TABLE OF MOVEMENTS AND DELEGATIONS OF AUTHORITY)

### AMOUNT OF CAPITAL

At December 31, 2014, the Company's share capital amounted to €1,308,743,592, divided into 163,592,949 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 partner capital *(in euros)* |
|---|---|---|---|
| **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 | (6,240) |
| ■ Issue costs for shares, net of taxes | | | |
| ■ 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** |
| Share capital increase: | | | |
| ■ Shares issued reserved for employees | 5,000,000 | 40,000,000 | 190,000,000 |
| ■ Issue costs for shares, net of taxes | | | (864,294) |
| ■ Shares issued after the vesting of performance shares | 530,539 | 4,244,312 | (4,244,312) |
| Allocation to legal reserve | | | (1,458,070) |
| **Capital reduction:** | | | |
| ■ Cancellation of treasury shares | (2,255,408) | (18,043,264) | (103,919,200) |
| **AT DECEMBER 31, 2014** | **163,592,949** | **1,308,743,592** | **5,851,791,323** |

## 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 2014** | **Amount** |
|---|---|---|---|---|---|
| a) Ordinary shares paid up by capitalizing additional paid-in capital, reserves, profit or other eligible amounts | 1.5 billion (par value) | 05/07/2014/21st | 07/07/2016 | 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) 4.5 billion (issue amount) | 05/07/2014/23rd | 07/07/2016 | 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** | 125 million (par value) 1.25 billion (issue amount) | 05/07/2014/24th | 07/07/2016 | 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** | 125 million (par value) 1.25 billion (issue amount) | 05/07/2014/25th | 07/07/2016 | No | |
| e) Ordinary shares and/or securities granting access to the Company's share capital, or granting a right to allocation of debt instruments **without PSR, issue price set by the Board of Directors** | 125 million (par value) 1.25 billion (issue amount) 10% of the share capital | 05/07/2014/26th | 07/07/2016 | No | |
| *"Greenshoe" option (b) to (e)* | | *27th* | | | |
| f) 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 | 05/07/2014/28th | 07/07/2016 | No | |
| g) 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 | 125 million (par value) 1.25 billion (issue amount) | 05/07/2014/29th | 07/07/2016 | No | |
| *Overall limit (b) to (g) including "Greenshoe option"* | *500 million (par value) (40% of the share capital) 4.5 billion (issue amount)* | | | | |
| Ordinary shares issued within the scope of the international employee share ownership plan: | | | | | |
| h) members of Group savings plans | 48 million (par value) (2) | *05/07/2014/30th* | 07/07/2016 | ESOP 2014 Yes | 40 million (par value) |
| i) not restricted to members of Group savings plans, but subject to similar conditions | 16 million (par value) (2) | *05/07/2014/31st* | 11/07/2015 | ESOP 2014 Yes | |
| j ) Performance shares | 1% of the share capital | 05/23/2013 | 11/23/2014 | Yes | 10 million (par value) |

*PSR: Pre-emptive Subscription Rights*
*(1) Recap of overall limits:*
- *a maximum par value amount of €500 million and a maximum issue amount of €4.5 billion for all issues with and without pre-emptive subscription rights,*
- *including a maximum par value amount of €125 million and a maximum issue amount of €1.25 billion for all issues without pre-emptive subscription rights,*
- *issues performed pursuant to h), i) and j) above are not included in these general limits.*

*(2) Total share capital issues decided pursuant to h) and i) are capped at a maximum par value amount of €48 million.*

#### USE OF AUTHORIZATIONS DURING THE FISCAL YEAR

Pursuant to the authorization granted by the Extraordinary Shareholders' Meeting of May 24, 2013, the Board of Directors' meeting of July 30, 2014 decided the issue of 1,290,500 performance shares to 517 managers and employees of the Group, and 16 members of the Executive Committee including Paul Hermelin.

The Board of Directors set at four years the minimum holding period for vested shares following the vesting period for beneficiaries tax-resident in France, unchanged on the previous plan (for further details, please refer to Section 5.1.4 of this Registration Document).

In addition, the Board used the authorizations to perform share capital increases reserved for employees (30th and 31st resolutions adopted by the Combined Shareholders' Meeting of May 7, 2014). Pursuant to these authorizations, the Board of Directors' meeting of July 30, 2014 decided in principle a share capital increase reserved for employees and corporate officers of the Company and its French and non-French subsidiaries that are members of the Group Savings Plan and the employees and corporate officers of its non-French companies and delegated to the Chairman and Chief Executive Officer the necessary powers to carry out these share issues. This latter decided the issue of 5 million new shares to employees. The issue was subscribed in full and the share capital increase was performed on December 18, 2014.

## 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.

#### 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.

2,927,606 warrants remained outstanding at December 31, 2014.

## 5.1.4 EMPLOYEE SHAREHOLDERS

#### STOCK OPTIONS

Cap Gemini no longer grants stock options. The last stock option plan expired in June 2013.

#### PERFORMANCE SHARE GRANT

### Performance share grant in 2014

The Extraordinary Shareholders' Meeting of May 24, 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 24, 2013 and expiring November 24, 2014. The number of shares granted (existing and to be issued) was not to exceed 1% 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 the executive corporate officer of the Company, it being specified that the portion of shares that must be held by him until the end of his term of office is set by the Board of Directors. 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 General Management Team "The Executive Committee" – without performance conditions.

Pursuant to this authorization, the Board of Directors' meeting of July 30, 2014 decided the issue of 1,290,500 performance shares to 517 managers and employees of the Group, 15 members of the Executive Committee (excluding Paul Hermelin) and Paul Hermelin. Paul Hermelin is required to hold one-third of vested shares until the end of his term of office, in so far as he already holds Cap Gemini S.A. shares representing more than twice his annual theoretical fixed and variable salary. The Board of Directors set at four years the minimum holding period for vested shares following the vesting period for beneficiaries tax-resident in France, unchanged on the previous plan.

As for the 2012 and 2013 grant plans, the internal performance condition is based on Organic Free Cash Flow over a three-year period, reflecting the Board of Directors' desire to prioritize long-term goals in the context of these grants.

The external performance condition is assessed over a minimum period of two years, allowing the beneficiary retention objective to be reconciled with that of maintaining the attractiveness of the instruments. In addition, this period allows an economic return to be assured taking into account the cost in France of granting this type of incentive instrument. The vesting of the shares in France at the end of a two-year period is followed by a four-year lock-in period, thereby ensuring the substantial and long-term alignment of the interests of beneficiaries of these shares with those of shareholders.

In accordance with the recommendations of the AFEP-MEDEF Code, performance share grants will be undertaken at the same calendar periods from now on and will be decided by either the Board of Directors' meeting held at the end of July or the following meeting.

### Free share grants to employees without performance conditions in 2014

On October 8, 2014, pursuant to the same authorization, the Board of Directors decided to grant a total of 104,379 shares subject only to a condition of presence, to French employees of the Economic and Social Union (*Union Economique et Sociale*, UES) with more than three months seniority at the grant date. This volume represents 6.5% of the amount authorized by the Combined Shareholders' Meeting of May 24, 2013 available for grant without performance conditions, i.e. well below the maximum volume of 15% authorized for grant without performance conditions. In addition, pursuant to the authorization granted by the Extraorindary Shareholders' Meeting of May 24, 2012, on July 25, 2012 the Board of Directors granted 202,538 shares subject only to a condition of presence, to French employees of the Economic and Social Union with more than three months seniority at the grant date. At the end of the two-year vesting period, 157,286 shares vested, representing 77.7% of the amount initially granted. Beneficiaries must hold these shares for a further two years and five years where the shares have been invested in the Group Savings Plan.

### Vesting of performance shares in 2014

On October 1, 2010, pursuant to the authorization granted by the Extraordinary Shareholders' Meeting of April 30, 2009, the Board of Directors granted 1,555,000 shares subject to performance and presence conditions. 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 October 1, 2014.

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 assessed based on the comparative performance of the Cap Gemini share compared with a basket of comparable companies in our business sector in at least five different countries. These companies are as follows: Accenture, Atos, CSC, CGI, Cognizant, Infosys, Sopra, Steria and Tieto. 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 30% of shares vest if this performance is equal to that of the basket and 50% of shares vest if this performance is 110% or more of that of the basket.

The internal performance condition focused on the increase in the operating margin between 2011 and 2010, at constant group structure and exchange rates.

While the internal performance condition for this plan was satisfied in full, the external performance condition was only partially attained and only enabled the vesting in October 2014 of 530,539 shares to beneficiaries not tax resident in France.

Ultimately, a total of 881,048 shares vested to all beneficiaries under the 2010 grant plan out of an initial grant of 1,555,000 shares, i.e. 56.7% of the initial volume granted and 0.57% of the share capital at the grant date.

## INTERNATIONAL EMPLOYEE SHAREHOLDING SYSTEM

The Combined Shareholders' Meetings of May 26, 2011 and May 7, 2014 authorized the Board of Directors to issue a maximum of 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 in the amount of 6 million shares – directly and indirectly via an Employee Savings Mutual Fund (FCPE) – by Group employees from 19 countries. The international employee shareholding transaction performed in 2014 was subscribed in the amount of 5 million shares – directly and indirectly via an Employee Savings Mutual Fund (FCPE) – by Group employees from 20 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 the 2012 transaction (ESOP 2012) and the 2014 transaction (ESOP 2014) through a Capgemini Group Company Savings Plan, as well as employees and corporate officers who subscribed to the 2009 transaction which expired on December 16, 2014 or employees and corporate officers whose shares are held in the Group Savings Plan under the 2012 free share plan, together held 6.19% of the Company's share capital at December 31, 2014.

## 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, 2014 in respect of performance and free share grant plans, BSAAR warrants and "ORNANE 2013" bonds, the dilution would be 7.1%.

The dilution in respect of performance and free share grants plans is 2.1%.

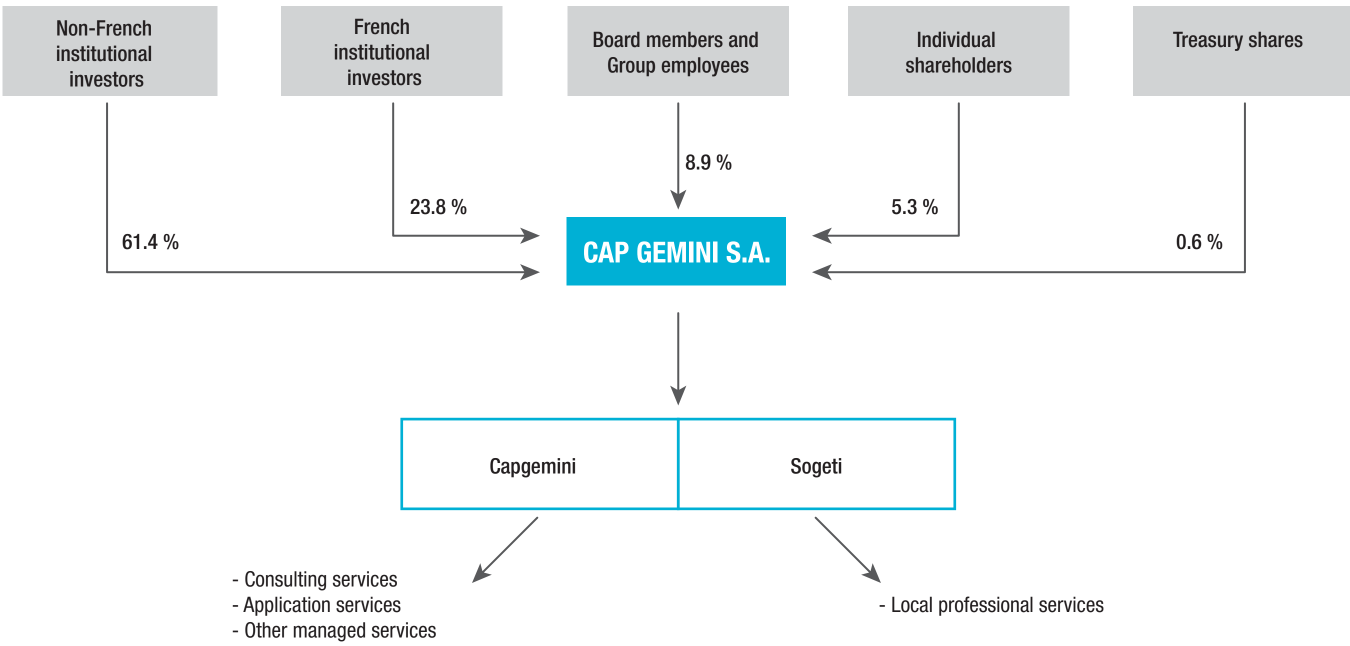
# 5.2 Cap Gemini S.A. and the stock market

At December 31, 2014, the share capital of Cap Gemini S.A. comprised 163,592,949 shares (ISIN code: FR0000125338). Cap Gemini shares are listed on the "Euronext Paris" market (compartment A) and are eligible for the SRD deferred settlement system of the Paris Stock Exchange. The increase in the number of shares between 2013 and 2014 was due to the issue of 5,000,000 new shares under the international employee share ownership plan (ESOP 2014) partially made-up for by a share capital reduction through the cancellation of 2,255,408 treasury shares.

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, 2014, the Cap Gemini share price on "Euronext Paris" increased from €48.62 to €59.48.

**CAP GEMINI S.A. SHARE OWNERSHIP STRUCTURE AT DECEMBER 31, 2014**

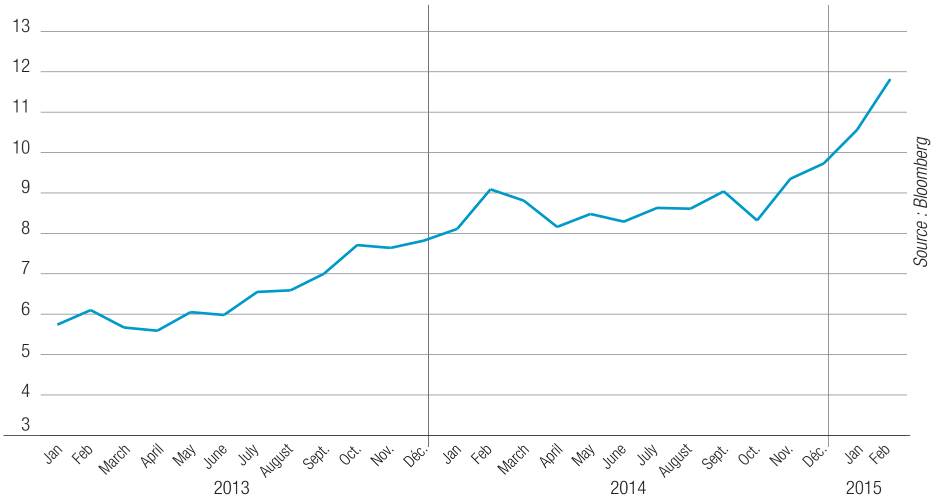
(based on a shareholder survey)



**STOCK MARKET CAPITALIZATION**

From January 2013 to February 2015

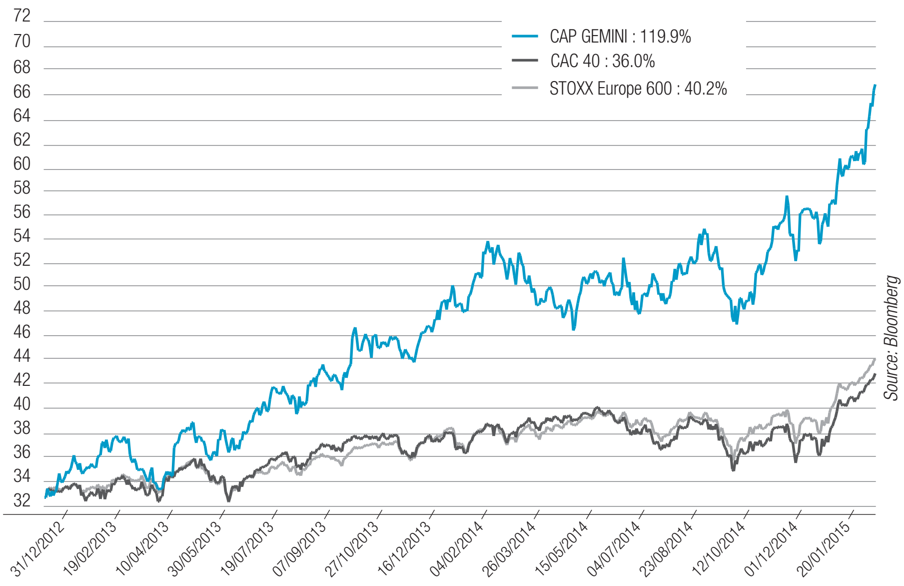
*In billions of euros*




**SHARE PERFORMANCE**

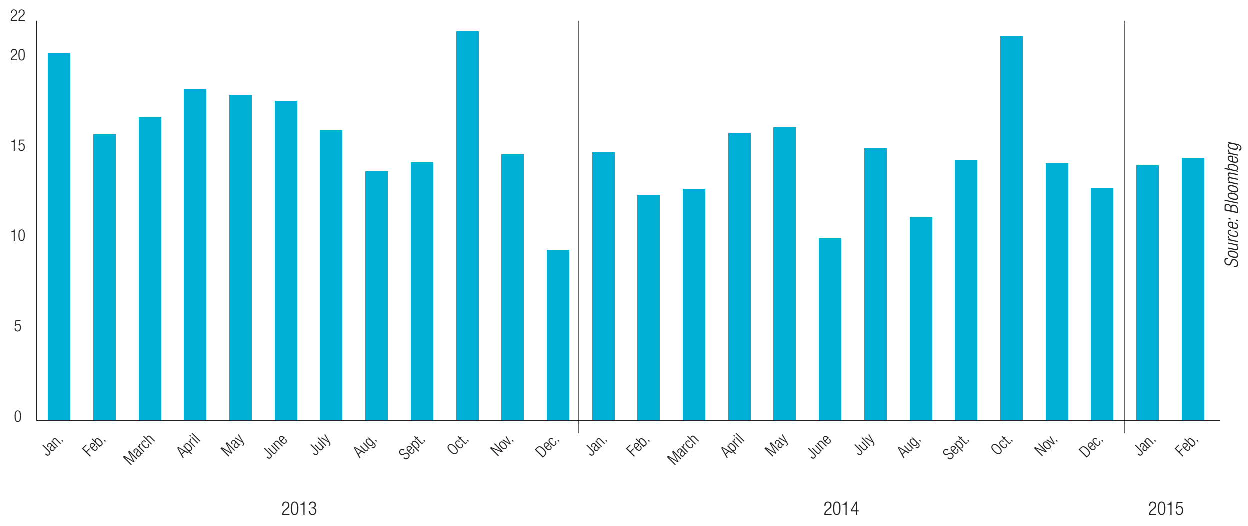
From December 31, 2012 to February 27, 2015

*In euros*



**NUMBER OF TRADES PER MONTH**

From January 2013 to February 2015



### SHARE PRICE AND TRADING VOLUME

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

| | | Share price *(in euros)* | | | Trading volume | | |
|---|---|---|---|---|---|---|---|
| | | | | | Number of shares | | Value *(millions of euros)* |
| Month | Number of trading days | High | Average | Low | Total | Average *(daily)* | |
| 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 | 678.7 |
| March 14 | 21 | 57.240 | 55.281 | 53.140 | 12,856,242 | 612,202 | 710.1 |
| April 14 | 20 | 54.560 | 52.436 | 50.360 | 15,959,318 | 797,966 | 835.3 |
| May 14 | 21 | 54.200 | 51.439 | 47.790 | 16,278,356 | 775,160 | 834.2 |
| June 14 | 21 | 54.680 | 53.535 | 51.890 | 10,110,982 | 481,475 | 541.4 |
| July 14 | 23 | 55.740 | 52.462 | 49.860 | 15,103,918 | 656,692 | 792.8 |
| August 14 | 21 | 55.240 | 53.190 | 51.010 | 11,251,170 | 535,770 | 597.2 |
| September 14 | 22 | 58.960 | 56.218 | 53.750 | 14,461,862 | 657,357 | 817.2 |
| October 14 | 23 | 56.980 | 52.105 | 48.400 | 21,310,725 | 926,553 | 1,104.6 |
| November 14 | 20 | 59.380 | 55.664 | 51.140 | 14,276,819 | 713,841 | 792.0 |
| December 14 | 21 | 61.700 | 58.990 | 54.790 | 12,907,321 | 614,634 | 759.0 |
| January 15 | 21 | 65.380 | 60.967 | 57.030 | 14,145,906 | 673,615 | 863.9 |
| February 15 | 20 | 72.400 | 66.831 | 63.400 | 14,582,238 | 729,112 | 984.4 |

*Source: Bloomberg*

### DIVIDENDS PAID BY CAP GEMINI

| | Dividend distribution | | | |
|---|---|---|---|---|
| Year ended December 31 | In € million | In% of net income | Number of shares | Dividend per share |
| 2010 | 156 | 56% | 155,770,362 | €1.00 |
| 2011 | 156 | 39% | 155,770,362 | €1.00 |
| 2012 | 162 | 44% | 161,700,362 | €1.00 |
| 2013 | 176 | 40% | 160,317,818 | €1.10 |
| 2014 | 196 | 34% | 163,592,949 | *€1.20 |

* *Recommended dividend submitted to the Annual Shareholders' Meeting of May 6, 2015.*

### 2015 PROVISIONAL FINANCIAL CALENDAR

| | |
|---|---|
| First quarter 2015 revenues: | April 29, 2015 |
| First half 2015 results: | July 30, 2015 |
| Third quarter 2015 revenues: | October 29, 2015 |
| 2015 results: | February 18, 2016 |

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, 2014 is presented below. No shares carry double voting rights. At December 31, 2014, Cap Gemini held 968,178 of its own shares.

At December 31, 2014, there were 13,722 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[(1)], acting on behalf of the Capgemini ESOP FCPE (Employee Savings Mutual Fund) which it manages (international employee share ownership plan);
- BlackRock Inc.[(2)] acting on behalf of clients and managed funds.

In accordance with Article 10 of the Company's bylaws, the companies listed below made the following disclosures to the Company during the fiscal year:

- AMUNDI disclosed that it had raised its interest above the threshold of 4% of the Company's share capital and voting rights;
- AVIVA disclosed that it had raised its interest above the threshold of 2% of the Company's share capital and voting rights;
- BANK OF AMERICA disclosed that it had raised and then reduced its interest above and then below the threshold of 1% of the Company's share capital and voting rights;
- CITIGROUP GLOBAL MARKETS LTD disclosed that it had reduced and then raised its interest below and then above the threshold of 1% of the Company's share capital and voting rights. On the most recent occasion, it decreased its interest below the 1% threshold;
- CRÉDIT SUISSE disclosed that it had raised and reduced its interest on numerous occasions (4 in total) above and below the threshold of 1% of the Company's share capital and voting rights. On the most recent occasion, it increased its interest above the 1% threshold;
- HSBC Global Asset Management (France) disclosed that it had reduced its interest below the threshold of 1% of the Company's share capital and voting rights;
- HSBC Holdings plc disclosed that it had raised its interest above the threshold of 1% of the Company's share capital and voting rights;
- NATIXIS ASSET MANAGEMENT disclosed that it had reduced and raised its interest on numerous occasions (7 in total) below and above the threshold of 1% of the Company's share capital and voting rights. On the most recent occasion, it increased its interest above the 1% threshold;
- THE ROYAL BANK OF SCOTLAND disclosed that it had raised its interest above the threshold of 3% of the Company's share capital and voting rights and then reduced its interest below the threshold of 1% of the Company's share capital and voting rights;
- STATE STREET CORPORATION disclosed that it had raised its interest above the threshold of 2% of the Company's share capital and 1% of the Company's voting rights[(3)]
- UBS AG disclosed that on numerous occasions (8 in total) it had reduced its interest below the threshold of 2% of the Company's share capital and voting rights and then successively reduced and raised its interest below and above the threshold of 1% of the Company's share capital and voting rights;
- WELLINGTON MANAGEMENT COMPANY disclosed that it had reduced and raised its interest on numerous occasions (4 in total) below and above 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.

Shares held by members of the Board of Directors represent 2.75% of the Company's share capital.



*(1) Amundi disclosed that it had reduced and raised its interest below and above the threshold of 5% of the Company's share capital and voting rights on December 16 and 18, 2014 respectively. These disclosures are tied to the disinvestment by the ESOP CAPGEMINI fund on December 16, 2014 on expiry of the ESOP 2009 plan, immediately followed by the reinvestment of this fund in the share capital increase reserved for employees on December 18, 2014 (ESOP 2014).*

*(2) 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.*

*(3) The disclosure states that State Street no longer controls some of the voting rights for shares under management.*

## CHANGES IN THE OWNERSHIP STRUCTURE OVER THE PAST THREE YEARS

| | At December 31, 2012 | | | At December 31, 2013 | | | At December 31, 2014 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Number of shares | % share capital | % voting rights | Number of shares | % share capital | % voting rights | Number of shares | % share capital | % voting rights |
| Serge Kampf | 4,897,492 | 3.0 | 3.0 | 4,650,000 | 2.9 | 2.9 | 4,340,240 | 2.7 | 2.7 |
| Paul Hermelin | 227,048 | 0.1 | 0.1 | 227,048 | 0.1 | 0.1 | 147,048 | 0.1 | 0.1 |
| Public (1) | | | | | | | | | |
| (bearer + registered) | 143,391,840 | 88.6 | 88.6 | 145,189,110 | 90.6 | 90.6 | 148,018,412 | 90.5 | 90.5 |
| Employee shareholders | 10,682,199 | 6.6 | 6.6 | 10,182,860 | 6.4 | 6.4 | 10,119,071 | 6.2 | 6.2 |
| Treasury shares (2) | 2,571,783 | 1.6 | 1.6 | 68,800 | 0.0 | 0.0 | 968,178 | 0.6 | 0.6 |
| Own shares | - | - | - | - | - | - | - | - | - |
| **TOTAL** | **161,770,362** | **100** | **100** | **160,317,818** | **100** | **100** | **163,592,949** | **100** | **100** |

*(1) Including share capital held by managers.*
*(2) At December 31, 2014, Cap Gemini S.A. held 968,178 of its own shares acquired under the share buy-back program. In accordance with French corporate law, these shares are stripped of voting shares.*

The Company does not hold any “own shares” other then those classified as treasury share .

Based on a study of identifiable bearer shares carried out at December 31, 2014, the Company has 3,387 identifiable holders of bearer shares holding at least 500 shares.

No shares carry double voting rights. Each share carries entitlement to one vote irrespective of whether the share is held in registered or bearer form.

Law No. 2014-384 of March 29, 2014 to liberate the real economy (known as the “**Florange**” law), partially codified in Article L.225-123 of the French Commercial Code with respect to double voting rights, generalized, in companies whose shares are admitted to trading on a regulated market, double voting rights for all fully paid-up shares held in registered form for at least two years by the same shareholder, in the absence of a clause to the contrary in the bylaws adopted subsequent to the enactment of this law (i.e. March 29, 2014). In the 10th resolution presented to the Combined Shareholders’ Meeting of May 6, 2015, the Board of Directors proposes to exercise this derogation option and therefore to amend Article 8, paragraph 1 of the bylaws to provide that Cap Gemini shares would retain entitlement to one vote.

## 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 2014 in connection with the liquidity agreement entered into on February 15, 2010 and more generally as part of the continued purchase by the Company of its own shares.

The liquidity agreement seeks to improve the liquidity of the Cap Gemini S.A. share and stabilize the share price. In 2014, a total of 3,863,461 shares were purchased on behalf of Cap Gemini S.A., at an average price of €53.41 per share, representing 2.36% of the share capital at December 31, 2014. During the same period, 3,799,199 Cap Gemini S.A. shares were sold at an average price of €53.09 per share, representing 2.32% of the share capital at December 31, 2014. At the year-end, the liquidity account balance comprised 133,062 treasury shares (0.08% of the share capital) for a total of approximately €10 million.

In addition, the Company continued to purchase its own shares in 2014. Excluding the liquidity contract, the Company held 835,116 of its own shares at December 31, 2014, following the various transactions described below:

- purchase of 3,311,408 shares representing 2.02% of the share capital at December 31, 2014, at an average price of €54.23 per share;
- cancellation on May 6, 2014 of 1,253,903 shares representing 0.77% of the share capital at December 31, 2014;
- cancellation on October 8, 2014 of 1,001,505 shares representing 0.61% of the share capital at December 31, 2014;
- transfer of 157,286 shares to employees under the free share grant plan;
- transfer of 63,598 shares to holders of redeemable share subscription or purchase warrants (BSAAR) who exercised their Cap Gemini S.A. share allotment rights in 2014.

# 6 Report of the Board of Directors and draft resolutions of the Combined Shareholders' Meeting of May 6, 2015

# 6.1 Resolutions presented at the Ordinary Shareholders' Meeting

Each draft resolution is preceded by the corresponding section of the Board of Directors' report on the draft resolution

*Unofficial translation from French. The English translation is for information purpose only. In the event of discrepancies the French language version of this document shall prevail.*

RESOLUTION 1

## REVIEW AND APPROVAL OF THE 2014 COMPANY FINANCIAL STATEMENTS

**In this resolution, we ask you to approve the Company financial statements of Cap Gemini for the year ended December 31, 2014, which show a net profit for the year of €1,161,201,146.56.**

### 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, 2014, showing net profit for the year of €1,161,201,146.56.

RESOLUTION 2

## REVIEW AND APPROVAL OF THE 2014 CONSOLIDATED FINANCIAL STATEMENTS

**In this resolution, we ask you to approve the consolidated financial statements of Cap Gemini for the year ended December 31, 2014, which show a net profit for the year attributable to owners of the Company of €580 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 2014, and
- the Statutory Auditors' report on the consolidated financial statements,

approves the consolidated financial statements for the year ended December 31, 2014, showing net profit for the Group of €580 million.

RESOLUTION 3

## REGULATED AGREEMENTS

**In this resolution, we ask that you duly note the absence of any new regulated agreements during the year. The only regulated agreement that continued in effect this year was the registration of Serge Kampf and Paul Hermelin as beneficiaries of the supplementary pension scheme for senior executives, authorized by the Combined Shareholders' Meeting of April 10, 2007. Pursuant to Order no. 2014-863 of July 31, 2014 relating to company law, issued in application of Article 3 of Law no. 2014-1 of January 2, 2014, the Board of Directors examined this agreement and decided that it was not necessary to amend the plan.**

### 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 18, 2015, the Board of Directors decided to recommend to the next Ordinary Shareholders' Meeting that the dividend be set at €1.20 per share for a total of €196,311,538.80, based on the number of shares ranking for dividends at December 31, 2014.**

**The balance of the profit for the year, i.e. €1,451,333,318.64, shall be added to retained earnings.**

**This dividend of €1.20 for each of the 163,592,949 shares bearing dividend rights on January 1, 2014, 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 May 18, 2015 and a dividend payment date of May 20, 2015.**

**Pursuant to Article 243 bis of the French Tax Code, the Board of Directors reminds shareholders that dividends paid over the past three fiscal years were as follows: €176,349,599.80 for 2013 (€1.10 per share), €162,055,362 for 2012 (€1 per share) and €155,770,362 for 2011 (€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.**

### **FOURTH** RESOLUTION

The Combined Shareholders' Meeting, voting in accordance with quorum and majority rule for Ordinary Shareholders' Meetings, approves the recommendations of the Board of Directors to appropriate the profit for the year ended December 31, 2014 as follows:

| | |
|---|---|
| ▪ net profit for the year | €1,161,201,146.56 |
| ▪ no allocation to the legal reserve as it is fully funded | |
| i.e. a balance of: | €1,161,201,146.56 |
| ▪ retained earnings of previous years: | €486,443,710.88 |
| i.e. distributable earnings of: | €1,647,644,857.44 |
| ▪ allocated to: | |
| payment of a dividend of €1.20 per share: | €196,311,538.80 (1) |
| retained earnings for the balance: | €1,451,333,318.64 |
| giving a total of: | €1,647,644,857.44 |

*(1) The total amount of the distribution is calculated based on the number of shares ranking for dividends at December 31, 2014, i.e. 163,592,949 shares, and could therefore change if this number varies between January 1, 2015 and the ex-dividend date.*

It should be noted that the dividend, set at €1.20 per share for each of the 163,592,949 shares bearing dividend rights on January 1, 2014, 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 is May 18, 2015 and the dividend will be payable from May 20, 2015. 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: €176,349,599.80 for 2013 (€1.10 per share), €162,055,362 for 2012 (€1 per share) and €155,770,362 for 2011 (€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 2014 TO MR. PAUL HERMELIN, CHAIRMAN AND CHIEF EXECUTIVE OFFICER

**Pursuant to the revised AFEP-MEDEF Code issued in June 2013 with which Cap Gemini complies, the compensation of each executive corporate officer due or awarded in respect of fiscal year 2014 must be presented to the Shareholders' Meeting for an advisory vote. The following table summarizes the 2014 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 2014 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 2014)** | The gross fixed compensation of €1,452,000 for fiscal year 2014 was approved by the Board of Directors on February 19, 2014 at the recommendation of the Compensation Committee. It represents 60% of the total theoretical compensation if objectives are attained and is reviewed at long intervals in accordance with the AFEP-MEDEF Code. This amount is unchanged since 2013 when it 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. The annualized increase in his theoretical compensation since 2008 and therefore in his fixed compensation is 1.6% per annum. This compensation falls within the average for CAC 40 executives. |
| **Annual variable compensation** | **€1,168,652 (paid in 2015)** | During the Board of Directors' meeting of February 18, 2015, the Board, based on the audited and approved accounts and at the recommendation of the Compensation Committee, assessed the amount of Mr. Paul Hermelin's variable compensation for fiscal year 2014, of a target amount if objectives are attained of €968,000, i.e. 40% of his total theoretical compensation and comprising two equal components, V1 and V2, that may vary between 0% and 200% of the theoretical amount.<br>**V1 component:** this component is calculated in accordance with quantifiable criteria and the following respective weightings, all relating to the financial results:<br>**1)** % attainment of the revenue objective: 30% weighting;<br>**2)** % attainment of the operating margin rate: 30% weighting;<br>**3)** % attainment of pre-tax net profit: 20% weighting;<br>**4)** 2014 Free Cash Flow: 20% weighting.<br>These objectives were assessed with respect to the budgeted objectives set by the Board of Directors' meeting of February 19, 2014.<br>Attainment rates for these four objectives were 100.1%, 101.7%, 108.1% and 121.5% respectively, which taking account of the relative weighting of each objective, gives a weighted attainment rate of 106.4%.<br>The Group's historical calculation formula accelerates actual performance upwards and downwards such that:<br>▪ if the weighted performance of the above four financial indicators is less than or equal to 70%, the V1 component will be nil;<br>▪ if the weighted performance of the above four financial indicators is greater than or equal to 130%, the V1 component will be equal to twice its theoretical amount.<br>Accordingly, with this formula, a one point change in the weighted attainment rate increases or decreases the variable component by 3.33%. Therefore, application of the formula to the weighted attainment rate of 106.4% in 2014 results in the multiplication of the theoretical variable component by 121.5%, giving an amount of 968,000/2*1.215= €587,852.<br>**V2 component:** The following appraisal was performed based on the Compensation Committee work, which reviewed the qualitative objectives grouped into three categories: "Governance" for 25%, "Profitable growth of the Group" for 50% and "Talent and succession plans" for 25%.<br>For the first category (Governance), basing its appraisal on the assessment of the Board of Directors' performance at the end of 2014 by the Lead Independent Director and the recommendations of the AFEP-MEDEF Code, the Board highlighted the implementation of the recommendations resulting from the Board assessment performed in 2013 by an external consultant, such as the appointment of a Lead Independent Director, a new allocation of duties between the Committees, increased female representation on the Board and a decrease in the average age of its members, as well as the invitation accorded to the Secretary of the International Works Council to attend meetings of the Board and the Compensation Committee. Given these achievements, the Board considered that the objectives set for this category had been attained. |

**Annual variable compensation (continued)**

For the second category (Profitable growth), the Board based its appraisal as far as possible on objective and quantifiable items and primarily the Group 2015 strategic transformation dash board, a quantitative tool comprising key transformation indicators (changes in the offering portfolio percentage of sales realized with strategic accounts, industrialization including the offshore and innovation lever). The dash board is approved by the Board of Directors in the context of the Group 3-year plan. In 2015, changes in management report indicators were in line with the objectives set. The second profitable growth criteria comprises the optimization of the balance sheet financial structure in line with the Group's strategy and the employee share ownership plan, which was a success. Finally, revenue, margin and cash trends all of which are in line with or exceed guidance presented to the market at the beginning of 2014, represent the third pillar of profitable growth. Given these achievements, the Board considered that the objectives set for this category had been exceeded.

For the third category (Talent), the Board took account of the record recruitment of 89 "Vice-Presidents" and, in particular, the recruitment of a Group Talent Officer, the promotion of 112 new Vice-Presidents, the Talent management strategy presented by the new Group HR Director favoring executive manager turnover and mobility reflected by numerous job transfers during the last year and the 5 point increase year-on-year in the percentage of women promoted Vice-President. Given these achievements, the Board took due note of the progress made and considered that the objective set had been attained. This objective will remain a priority in 2015.

The Board approved a weighted performance of 120%, therefore leading to a V2 component of €580,800.

Accordingly, variable compensation of €1,168,652 was approved by the Board for 2014, i.e. 80% of his fixed compensation for the same year and 120.7% of the theoretical variable compensation. Total fixed and variable compensation for 2014 is therefore €2,620,652, i.e. 108.3% of the theoretical compensation and may be summarized as follows.

**Paul Hermelin 2014 variable compensation calculation**

| **V1 : quantitative component based on budgeted financial targets** | | | |
|---|---|---|---|
| **Indicators** | **Weight** | **% attainment** | **Weighted** |
| Total Revenues | 30% | 100.1% | 30.0% |
| Operational Margin ( %) | 30% | 101.7% | 30.5% |
| Pre-tax net profit | 20% | 108.1% | 21.6% |
| Organic Free Cash Flow | 20% | 121.5% | 24.3% |
| Total weighted R/B before flex | | | 106.4% |
| Total weighted R/B after 70/130 flex (10/3* weighted R/B-7/3) | | | 121.5% |
| Variable V1 on target | | | 484,000 |
| Computed V1 | | | 587,852 |
| **V2 : qualitative component based on 2014 personal objectives** | | | |
| **Categories** | **Weight** | | **Weighted total** |
| Governance | 25% | | |
| Profitable growth | 50% | 120.0% | |
| Talent & succession plans | 25% | | |
| Variable V2 on target | | | 484,000 |
| Computed V2 | | | 580,800 |
| **TOTAL 2014 VARIABLE COMPENSATION** | | | **1,168,652** |
| As a % of total variable compensation on target | | | 120.7% |
| As a % of fixed compensation | | | 80.5% |

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 paid at the end of the first quarter of Y+1, or in the present case in March 2015.

**Deferred variable compensation** | **NA**

There is no deferred variable compensation.

| | | |
|---|---|---|
| **Multi-year variable compensation** | **NA** | There is no multi-year variable compensation mechanism. |
| **Exceptional compensation** | **NA** | No exceptional compensation was paid. |
| **Stock options, performance shares or any other form of long-term compensation** | **Performance shares €1,466,026 (accounting value)** | 50,000 shares granted subject to performance and presence conditions.<br>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 comprising 8 comparable companies in the same business sector and from at least 5 countries (Accenture/CSC/Atos/Tieto/Steria/CGI Group/Infosys and Cognizant) and the CAC 40 index (new in 2014). Accordingly, no shares vest if the relative performance of the Cap Gemini share is less than 90% of the performance of the basket, while 100% of shares vest only if this relative performance is at 110% or above. If performance is similar to that of the market only 30% of the initial grant vests.<br>The internal performance condition accounts for 50% of the grant and is based on Organic Free Cash Flow over the three-year period from 2013 to 2015. The minimum amount necessary for shares to vest is €850 million. Above this threshold, shares vest progressively on a straight-line basis, with the maximum grant requiring Organic Free Cash Flow of €1.1 billion or more. The IFRS value of this grant potentially represents one year's fixed compensation.<br>The number of shares that may vest to the executive corporate officer is 0.03% of the share capital.<br>Authorized by the Combined Shareholders' Meeting of May 23, 2013. (Tenth resolution)<br>Grant authorized by the Board of Directors on July 30, 2014. |
| | **Stock options = N/A<br>Other items = N/A** | No stock options or other items 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 2014 (as both Serge Kampf and he have done for the last five years and Serge Kampf did once again in 2014). |
| **Valuation of benefits in kind** | **€3,600 Contributions paid** | Unemployment insurance contributions paid on behalf of Paul Hermelin. |

**FIFTH** RESOLUTION

**Advisory vote on the components of compensation due or awarded in respect of fiscal year 2014 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 2014 to Mr. Paul Hermelin, Chairman and Chief Executive Officer, as presented in the Management Report section entitled "Components of compensation due or awarded in respect of fiscal year 2014 to Mr. Paul Hermelin, Chairman and Chief Executive Officer, subject to shareholder advisory vote".

RESOLUTION 6

## BOARD OF DIRECTORS ATTENDANCE FEES

**Your Board wishes its composition to reflect the international expansion of the Company's activities and the human diversity of its employees. The attendance fees proposed to directors must be consistent with international standards. We therefore ask you to increase the total envelop of attendance fees.**

**In this resolution, we ask that you set the maximum amount of annual attendance fees allocated to the Board of Directors at one million euros, applicable until a new Shareholders' Meeting decision. This authorization would supersede that granted by the Combined Shareholders' Meeting of May 26, 2011 and not revalued since, which capped total annual attendance fees at €800,000.**

**SIXTH** RESOLUTION

At the recommendation of the Board of Directors, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Ordinary Shareholders' Meetings, sets the total annual amount of attendance fees allocated to the Board of Directors per fiscal year at one million euros.

RESOLUTION 7

## 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 2014 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 2014, a total of 3,863,461 shares were purchased on behalf of Cap Gemini S.A., at an average price of €53.41 per share, representing 2.36% of the share capital at December 31, 2014. During the same period, 3,799,199 Cap Gemini shares were sold at an average price of €53.09 per share, representing 2.32% of the share capital at December 31, 2014. At the year-end, the liquidity account balance comprised 133,062 treasury shares (0.08% of the share capital at December 31, 2014).

In addition, the Company continued to purchase its own shares in 2014 and, excluding the liquidity contract, held 835,116 of its own shares at December 31, 2014, following the various transactions described below:

- purchase of 3,311,408 shares representing 2.02% of the share capital at December 31, 2014, at an average price of €54.23 per share;
- cancellation on May 6, 2014 of 1,253,903 shares representing 0.77% of the share capital at December 31, 2014;
- cancellation on October 8, 2014 of 1,001,505 shares representing 0.61% of the share capital at December 31, 2014;
- transfer of 157,286 shares to employees under the free share grant plan;
- transfer of 63,598 shares to holders of redeemable share subscription or purchase warrants (BSAAR) who exercised their Cap Gemini share allotment rights in 2014.

As the authorization granted by the Ordinary Shareholders' Meeting of May 7, 2014 is only valid for 18 months, we are asking shareholders to replace it with a similar authorization to allow the Company to:

- manage the secondary market and encourage the liquidity of the Cap Gemini share within the scope of the liquidity agreement;
- 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, subject to the adoption of the eighth resolution presented to this Combined Shareholders' Meeting.

The Board of Directors is therefore seeking an authorization for the Company, with the power of delegation subject to applicable regulations, to buy back or arrange the purchase of its own shares representing up to 10% of its share capital, during a period of 18 months. The total amount of such purchases may not exceed €1,960 million and the maximum authorized unit purchase price is €120 per share, these purchases taking place within the scope of Articles L. 225-209 and 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 offers for Company shares.

This new authorization shall supersede, for its unused portion, the previous authorization.

It forms part of the ongoing active management of dilution.

Pursuant to the law, a description of the share buyback program will be published prior to the Shareholders' Meeting.

## **SEVENTH** 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 €1,960 million and a maximum purchase price of €120 per share**

In accordance with Articles L. 225-209 and 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, subject to the adoption of the eighth resolution presented to this Combined Shareholders' Meeting.

The acquisition, disposal and transfer transactions described above may be carried out by any method in accordance with applicable laws and regulations – including through the use of derivative instruments or by means of a block purchase or transfer of shares – and be carried out at any time, except during public offers for Company shares.

The Combined Shareholders' Meeting:

- resolves that the total amount of purchases may not exceed €1,960 million and that the maximum unit purchase price may not exceed €120 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 maximum unit price will be adjusted based on the ratio of the number of shares issued and outstanding before the transaction to that number after the transaction and the maximum number of shares indicated above will be adjusted based on the ratio of the number of shares issued and outstanding after the transaction to that number before the transaction;
- resolves that the maximum number of shares that may be acquired under this resolution may not exceed 10% of the Company's share capital at any time. It is specified, however, that:
  - within the context of this authorization, the number of treasury shares should be taken into account to ensure that the Company does not own, at any time, over 10% of the number of shares issued and outstanding at that date,
  - the number of treasury shares to be tendered in payment or exchange in the context of a merger, de-merger or contribution may not represent more than 5% of the share capital, and
  - 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 delegation subject to applicable law) to:

- decide and implement this authorization;
- place any and all, buy and sell orders and enter into any and all agreements, in accordance with applicable regulations;
- carry out any and all filings and other formalities, in particular the keeping of registers of share purchases and sales, and generally do whatever is necessary.

The Board of Directors will detail in its Annual Report to the Combined Shareholders' Meeting all transactions carried out under this authorization, which is given for a period of eighteen months as from the date of this Shareholders' Meeting and supersedes the authorization given in the nineteenth resolution adopted by the Combined Shareholders' Meeting of May 7, 2014.

# 6.2 Resolutions presented at the Extraordinary Shareholders' Meeting

RESOLUTION 8

## AUTHORIZATION TO CANCEL SHARES PURCHASED UNDER THE BUYBACK PROGRAMS

**The Shareholders' Meeting of May 7, 2014 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 treasury 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 2014 for a total of 2,255,408 shares:**

- **firstly by the Board of Directors on May 6, 2014: cancellation of 1,253,903 treasury shares bringing the share capital to €1,272,511,320 divided into 159,063,915 shares;**
- **then by the Board of Directors on October 8, 2014: cancellation of 1,001,505 treasury shares bringing the share capital to €1,268,743,592 divided into 158,592,949 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.**

### **EIGHTH** RESOLUTION

**Authorization to the Board of Directors, for a period of twenty-four months, to cancel shares bought back by the Company under the share buyback programs**

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 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 twenty-four months as from the date of this Shareholders' Meeting and supersedes the authorization given in the twentieth resolution adopted by the Combined Shareholders' Meeting of May 7, 2014.

RESOLUTION 9

## AUTHORIZATION TO GRANT PERFORMANCE SHARES

Desirous to continue its motivation policy and involving employees and managers in the development of the Group, the Board of Directors is seeking a new authorization to grant further performance shares, existing or to be issued, subject to internal and external performance conditions, during the coming 18 months, with, in the case of shares to be issued, the waiver by shareholders of their pre-emptive subscription rights in favor of the beneficiaries of the grants, up to a maximum of 1% of the share capital.

The detailed performance conditions are presented in the draft ninth resolution presented to you for vote. In summary:

The external performance condition is assessed based on the comparative performance of the Cap Gemini share compared with a basket containing at least five comparable companies in our business sector from at least five different countries. 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 three-year period, while 30% of shares vest if this performance is equal to that of the basket and the maximum 50% of shares vest if this performance is 110% or more of that of the basket.

Compared with the previous authorization granted by the Combined Shareholders' Meeting of May 23, 2013, implementation of which is reported on below, the Board of Directors proposes to extend by one year the assessment period for the external performance condition, increasing it from two to three years and thereby responding favorably to the request by investors to include internal and external performance conditions covering a minimum period of three years.

The internal performance condition is measured by the amount of audited and published organic free cash flow for the three-year cumulative period from January 1, 2015 to December 31, 2017, excluding Group payments to make up the shortfall on its defined benefit pension funds.

The resolution limits to 10% the maximum number of shares that may be granted to the Chairman and Chief Executive Officer and the Deputy Chief Executive Officers, if any, it being specified that in this case, the Board of Directors will, in accordance with applicable laws, decide the portion of shares that must be held by each individual until the end of his/her term of office.

The resolution also authorizes the Board of Directors to grant up to 15% of the maximum number of shares to Group employees, other than members of the general management team (the Executive Committee), without performance conditions.

In accordance with the recommendations of the AFEP-MEDEF Code, performance share grants will be undertaken at the same calendar periods from now on and will be decided by either the Board of Directors' meeting held at the end of July or the following meeting.

### Recap of the use of authorizations previously granted by Shareholders' Meetings

The use by the Board of Directors of previous resolutions for the grant of performance shares is presented in the Group Management Report ("Performance share grants") and summarized below.

### Performance share grants in 2014

The Extraordinary Shareholders' Meeting of May 24, 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 24, 2013 and expiring November 24, 2014. The number of shares granted (existing and to be issued) could not exceed 1% 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 could be granted to the executive corporate officer of the Company, it being specified that the portion of shares that must be held until the end of his term of office is set by the Board of Directors.

By exception, and for an amount not exceeding 15% of "N", shares could be granted to employees of the Company and its French and non-French subsidiaries – excluding members of the General Management Team – "The Executive Committee" without performance conditions.

On July 30, 2014, pursuant to this authorization, the Board of Directors decided to grant a total of 1,290,500 performance shares to 517 managers and employees of the Group, 15 members of the Executive Committee (excluding Paul Hermelin) and Paul Hermelin. Paul Hermelin is required to hold one third of the vested shares until the end of his term of office. The Board of Directors set at four years the minimum holding period for vested shares following the vesting period for beneficiaries tax-resident in France, unchanged on the previous plan.

As for the 2012 and 2013 grant plans, the internal performance condition was based on Organic Free Cash Flow over a three-year period, reflecting the Board of Directors' desire to prioritize long-term goals in the context of these grants. The external performance condition was assessed over a minimum period of two years. The vesting of the shares in France at the end of a two-year period is followed by a four-year lock-in period, thereby ensuring the substantial and long-term alignment of the interests of beneficiaries of these shares with those of shareholders.

### Free share grants to employees without performance conditions in 2014

On October 8, 2014, pursuant to the same authorization, the Board of Directors decided to grant a total of 104,379 shares subject only to a condition of presence, to French employees of the Economic and Social Union ***(Union Économique et Sociale, UES)*** with more than three months seniority at the grant date. This volume represents 6.5% of the amount authorized by the Combined Shareholders' Meeting of May 24, 2013 available for grant without performance conditions, i.e. well below the maximum volume of 15% authorized for grant without performance conditions.

### Vesting of performance shares in 2014

**On October 1, 2010, pursuant to the authorization granted by the Extraordinary Shareholders' Meeting of April 30, 2009, the Board of Directors granted 1,555,000 shares subject to performance and presence conditions. 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 October 1, 2014.**

**The external performance condition was assessed 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. These companies are as follows: Accenture, Atos, CSC, CGI, Cognizant, Infosys, Sopra, Steria and Tieto. 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 30% of shares vest if this performance is equal to that of the basket and a maximum 50% of shares vest if this performance is 110% or more of that of the basket.**

**The internal performance condition for the 2010 grant focused on the increase in the operating margin between 2010 and 2011, at constant group structure and exchange rates.**

**While the internal performance condition for this plan was satisfied in full, the external performance condition was only partially attained and only enabled the vesting in October 2014 of 530,539 shares to beneficiaries not tax resident in France.**

**Ultimately, a total of 881,048 shares vested to all beneficiaries under the 2010 grant plan out of an initial grant of 1,555,000 shares, i.e. 56.7% of the initial volume granted and 0.57% of the share capital at the grant date.**

## NINTH RESOLUTION

### Authorization to the Board of Directors, for a period of eighteen months, to grant performance shares, existing or to be issued, to employees and corporate officers of the Company and its French and non-French subsidiaries, up to a maximum of 1% of the Company's share capital (with, in the case of shares to be issued, the waiver by shareholders of their pre-emptive subscription rights in favor of beneficiaries of the grants)

In accordance with Articles L. 225-197-1 and seq. of the French Commercial Code, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Extraordinary Shareholders' Meetings, and after having read the Board of Directors' report and the Statutory Auditors' special report:

1. authorizes the Board of Directors (with the power of sub-delegation to the extent authorized by law) – subject to the achievement of the performance conditions defined in paragraph 4 of the present resolution and for a number of shares with a par value of €8 not exceeding 1% of the share capital at the date of the decision (this maximum number of shares being referred to hereafter by the letter "N") – to allocate shares of the Company (existing or to be issued), to employees and corporate officers of the Company and its French and non-French subsidiaries;
2. resolves that up to a maximum of 10% of "N", these performance shares may also be allocated, in accordance with applicable laws, to the Chairman and Chief Executive Officer and the Deputy Chief Executive Officers of the Company, it being specified that in this case, the Board of Directors will, in accordance with applicable laws, decide the portion of shares that must be held by each individual until the end of his/her term of office;
3. resolves that these performance shares will only vest at the end of a vesting period (the "Vesting Period"):
   - a) of at least two years, in which case the beneficiary will be required to hold the shares for an additional minimum period of two years from the date on which they vest, or,
   - b) of at least four years, in which case there will be no minimum holding requirement.

   The Board of Directors may decide between the above two options and apply them alternately or concurrently, depending on regulatory provisions in force in the country of residence of the beneficiaries. However, the shares will vest before the expiry of the above periods and with no minimum holding period in the event of the death or incapacity of the beneficiary, corresponding to a Category 2 or 3 disability in France, as defined in Article L.341-4 of the French Social Security Code *(Code de la Sécurité Sociale)*;
4. resolves that the exact number of shares vesting to beneficiaries at the end of the Vesting Period, compared with the total number of shares ("Initial Allocation") indicated in the allocation notice sent to beneficiaries will be equal to:
   - i) for half, the number of shares of the Initial Allocation, multiplied by the percentage achievement of the chosen external performance target, it being specified that:
     - unless the Board of Directors subsequently makes a duly reasoned decision to the contrary, the performance target to be met in order for the shares to vest will be the performance of the Cap Gemini share measured over a minimum three-year period compared to the average performance, measured over the same period, of a basket containing at least five shares of listed companies operating in the same sector as the Group in a minimum of five countries in which the Group is firmly established (France, the United States, etc.),

- ▶ this relative performance will be measured by comparing the change in the stock market performance of the Cap Gemini share with the change in the average performance of the companies comprising the basket over the same period, such that:

- the number of shares that will ultimately vest:
  - will be equal to 50% of the Initial Allocation of shares if the relative performance of the Cap Gemini share is at least equal to 110% of the basket,
  - will vary between 30% and 50% of the Initial Allocation if the relative performance of the Cap Gemini share is between 100% and 110% of the average performance of the basket, with an additional 2% of shares vesting for each additional percentage point between these limits,
  - will be equal to 30% of the Initial Allocation of shares if the relative performance of the Cap Gemini share is equal to 100% of the basket,
  - will vary between 20% and 30% of the Initial Allocation if the relative performance of the Cap Gemini share is between 90% and 100% of the average performance of the basket, with an additional 1% of shares vesting for each additional percentage point between these limits,
- no shares will vest in respect of shares subject to this external performance condition, if, over the calculation reference period, the performance of the Cap Gemini share is less than 90% of the average performance of the basket of securities measured over the same period;

**ii)** for half, the number of shares of the Initial Allocation, multiplied by the percentage achievement of the chosen internal performance target, it being specified that:

- unless the Board of Directors subsequently makes a duly reasoned decision to the contrary, the performance target to be met in order for the shares to vest will be the amount of audited and published organic free cash flow for the three-year cumulative period from January 1, 2015 to December 31, 2017, excluding Group payments to make up the shortfall on its defined benefit pension funds,
- no shares will vest in respect of this half of the Initial Allocation subject to this internal performance condition, if the cumulative organic free cash flow for the three fiscal years is less than €1,500 million,
- the number of shares that will ultimately vest will be equal to the full amount of this half of the Initial Allocation if the cumulative organic free cash flow for the three fiscal years is at least €1,940 million and will vary on a straight-line basis between nil and half of the Initial Allocation for a cumulative organic free cash flow between these two limits; it being understood that organic free cash flow is defined as cash flow from operations less acquisitions (net of disposals) of intangible assets and property, plant and equipment, adjusted for flows relating to the net interest cost (as presented in the consolidated statement of cash flows),

**5.** resolves that by exception, and for an amount not exceeding 15% of "N", shares may be allocated to employees of the Company and its French (within the meaning, particularly, of Article L.225-197-6, paragraph 1, of the French Commercial Code) and foreign subsidiaries, excluding members of the general management team (the Executive Committee) without performance conditions;

**6.** notes that this authorization involves the waiver by shareholders of their pre-emptive subscription rights in favor of beneficiaries of performance shares if the allocation concerns shares to be issued;

**7.** gives powers to the Board of Directors to implement this authorization (including the power of delegation where authorized by law), and in particular to:

- set the share allocation date,
- draw up one or more list(s) of beneficiaries and the number of shares allocated to each beneficiary,
- determine whether the shares granted for nil consideration are existing shares or shares to be issued and, where applicable, amend this choice before the vesting of shares,
- decide, in the event that equity transactions are carried out before the shares vest, whether to adjust the number of shares allocated in order to protect the rights of the beneficiaries and, if so, define the terms and conditions of such adjustment,
- perform, where the allocations concern shares to be issued, the necessary share capital increases by capitalization of reserves and/or additional paid-in capital of the Company when the shares ultimately vest, set the dates from which shares bear dividend rights, deduct from reserves and/or additional paid-in capital of the Company the amounts necessary to bring the legal reserve to 10% of the new share capital after each increase and amend the bylaws accordingly,
- carry out all formalities and, more generally, to do whatever is necessary.

This authorization is granted for a period of eighteen months as from the date of this Shareholders' Meeting.

RESOLUTION 10

## AMENDMENT OF THE BYLAWS TO PROVIDE THAT EACH SHARE, EVEN IF HELD IN REGISTERED FORM, RETAINS ENTITLEMENT TO ONE VOTE

Article 8, paragraph 1, of the Company's bylaws provides that each share, in addition to the voting right attached to it, carries the right to a fraction of earnings, and any liquidation surplus, based on the number and par value of outstanding shares.

Law No. 2014-384 of March 29, 2014 to liberate the real economy (known as the "Florange" law), partially codified in Article L.225-123 of the French Commercial Code with respect to double voting rights, generalized, in companies whose shares are admitted to trading on a regulated market, double voting rights for all fully paid-up shares held in registered form for at least two years by the same shareholder and registered shares granted for nil consideration to a shareholder in respect of shares held in registered form for more than two years pursuant to a share capital increase by capitalization of reserves, profits and/or additional paid-in capital, in the absence of a clause to the contrary in the bylaws adopted subsequent to the enactment of this law (i.e. March 29, 2014).

The Florange law therefore reverses the principle pursuant to which companies whose shares are admitted to trading on a regulated market could, on a voluntary basis and without being so required by law, grant by way of the bylaws a double voting right to all shares held in registered form by the same shareholder for more than two years and/or shares granted for nil consideration to a shareholder in respect of shares held in registered form for more than two years pursuant to a share capital increase.

Nonetheless, this generalization of double voting rights is limited by the Florange law in the sense that companies whose shares are admitted to trading on a regulated market may derogate from this rule by adopting in their bylaws, subsequent to the enactment of this law, a clause providing that their shares shall retain entitlement to one vote.

After having carefully deliberated, in light of market practice in France and of foreign companies in its sector, the Board of Directors considered, taking account of shareholder concerns, that it was appropriate to exercise this derogation option by providing that Cap Gemini shares would retain entitlement to one vote.

Accordingly, we ask you in this resolution to amend Article 8, paragraph 1, of the Company's bylaws to introduce a provision whereby (i) fully paid-up shares held in registered form for at least two years by the same shareholder and (ii) registered shares granted for nil consideration to a shareholder in respect of shares held in registered form for more than two years pursuant to a share capital increase by capitalization of reserves, profits and/or additional paid-in capital will retain entitlement to one vote.

As this resolution concerns an amendment to the bylaws, it is subject to quorum and majority rules for Extraordinary Shareholders' Meetings.

## **TENTH** RESOLUTION

### Amendment of Article 8, paragraph 1, of the bylaws – Rights attached to shares – to provide that each share, even if held in registered form, retains entitlement to one vote

As authorized by Article L.225-123, paragraph 3 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, resolves that (i) fully paid-up shares held in registered form for at least two years by the same shareholder and (ii) registered shares granted for nil consideration to a shareholder in respect of shares held in registered form for more than two years pursuant to a share capital increase by capitalization of reserves, profits and/or additional paid-in capital, will retain entitlement to one vote.

Article 8, paragraph 1, of the bylaws is amended as follows:

Former wording of Article 8, paragraph 1:

*"In addition to the voting right attached to each share in accordance with the law, each share carries the right to a fraction of earnings, and any liquidation surplus, based on the number and par value of outstanding shares".*

New wording of Article 8, paragraph 1:

*"Each share carries the right to a fraction of earnings, and any liquidation surplus, based on the number and par value of outstanding shares. Each share carries entitlement to one vote, including fully paid-up shares held in registered form for at least two years by the same shareholder and registered shares granted for nil consideration to a shareholder in respect of shares held in registered form for more than two years pursuant to a share capital increase by capitalization of reserves, profits and/or additional paid-in capital".*

The rest of the article remains unchanged.

RESOLUTION 11

## TECHNICAL AMENDMENT OF THE BYLAWS – DISCLOSURE THRESHOLDS

Where an individual or corporate shareholder, acting alone or in concert, comes to hold a number of shares crossing certain disclosure thresholds expressed as a percentage of the share capital or voting rights of the Company, this shareholder is subject to a legislative obligation to inform the Company of the increase or decrease in its interest in the share capital of the Company. This legal obligation may be combined with obligations per the bylaws, where the bylaws of the company contain such obligations, as is the case in Article 10 of Cap Gemini's bylaws.

In determining whether the legal investment threshold triggering a disclosure obligation has been crossed, the shareholder subject to a reporting obligation must take into account not only shares and voting rights held directly in the Company, but also those deemed held by "equivalence", i.e. shares and voting rights held by other persons on behalf of the shareholder, by companies controlled by the shareholder within the meaning of Article L.233-3 of the French Commercial Code, by a third party with which the shareholder acts in concert, shares potentially resulting from the settlement of derivative instruments, etc. Such instances of equivalence are listed in Article L.233-9 of the French Commercial Code for legal thresholds and are subject to frequent legislative amendment.

Article 10, paragraph 3 of the Company's bylaws provides a non-comprehensive list for statutory disclosure threshold purposes, of instances of equivalence to shares or voting rights held by a shareholder subject to disclosure threshold obligations.

Accordingly, the Board of Directors asks this year, in the interests of consistency and simplification, that you amend Article 10, paragraph 3, of the Company's bylaws in order to bring these instances of equivalence into line with those provided by law, by introducing a reference to applicable legal provisions.

The calculation method for legal thresholds and thresholds per the bylaws will therefore apply without any ambiguity.

As this resolution concerns an amendment to the bylaws, it is subject to quorum and majority rules for Extraordinary Shareholders' Meetings.

### **ELEVENTH** RESOLUTION

**Amendment of Article 10, paragraph 3, of the bylaws – Disclosure thresholds – Technical amendment**

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, notes that the purpose of the proposed amendment is solely to bring the wording of the bylaws into line with prevailing legal provisions and resolves to amend Article 10, paragraph 3, of the bylaws "Disclosure thresholds" in order to align the shares and voting rights deemed equivalent to shares and voting rights held by shareholders subject to disclosure obligations with legal provisions:

Former wording of Article 10, paragraph 3:

*"Disclosure thresholds are assessed taking into account shares held by (i) companies which own over 50% of the disclosing company, either directly or indirectly, (ii) companies which are over 50%-owned by the disclosing company, either directly or indirectly, and (iii) companies which are over 50%-owned either directly or indirectly by a company which itself directly or indirectly owns over 50% of the disclosing company".*

New wording of Article 10, paragraph 3:

*"Disclosure thresholds are assessed taking into account shares and voting rights deemed equivalent by law to shares and voting rights held by shareholders subject to disclosure obligations".*

The rest of the article remains unchanged.

RESOLUTION 12

## TECHNICAL AMENDMENT OF THE BYLAWS – SETTING THE MAXIMUM NUMBER OF DEPUTY CHIEF EXECUTIVE OFFICERS

**When drafting its Charter, the Board of Directors became aware that in the absence of precision in the Company's bylaws, the number of Deputy Chief Executive Officers that may be appointed could be restricted to one, thereby limiting the possibility for the Chairman and Chief Executive Officer (or Chief Executive Officer) to be assisted, if necessary, by several Deputy Chief Executive Officers.**

**Pursuant to Article L.225-53, paragraph 2, of the French Commercial Code, the bylaws may set the maximum number of Deputy Chief Executive Officers, up to a maximum of five.**

**You are therefore asked today to add a new paragraph 5) to Article 15 of the Company's bylaws, setting the maximum number of Deputy Chief Executive Officers at five, in order to retain maximum flexibility in the bylaws and the Board Charter of your Company, even in the absence at the current time of any plan to appoint one or more Deputy Chief Executive Officers.**

**As this resolution concerns an amendment to the bylaws, it is subject to quorum and majority rules for Extraordinary Shareholders' Meetings.**

### TWELFTH RESOLUTION

#### Amendment of Article 15 of the bylaws – Basis of the Company's General Management – Setting the maximum number of Deputy Chief Executive Officers – Technical amendment

In accordance with Article L.225-53, paragraph 2, 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 in particular as regards the fact that in the absence of indication in the bylaws, no more than one Deputy Chief Executive Officer may be appointed and in order to retain maximum flexibility in the Company's bylaws, resolves to set the maximum number of Deputy Chief Executive Officers at five and, accordingly, adds a new paragraph 5) to Article 15 of the bylaws "Basis of the Company's General Management", as follows:

*"5) At the recommendation of the Chairman and Chief Executive Officer or the Chief Executive Officer, as appropriate, the Board of Directors may appoint, from among its members or elsewhere, one or more private individuals tasked with assisting the Chairman and Chief Executive Officer or the Chief Executive Officer, with the title of Deputy Chief Executive Officer.*

*The number of Deputy Chief Executive Officers may not exceed five.*

*The scope and term of powers entrusted to the Deputy Chief Executive Officers shall be determined by the Board of Directors, in agreement with the Chairman and Chief Executive Officer or the Chief Executive Officer.*

*In dealings with third parties, the Deputy Chief Executive Officer shall have the same powers as the Chairman and Chief Executive Officer or the Chief Executive Officer."*

The rest of the article remains unchanged.

RESOLUTION 13

## TECHNICAL AMENDMENT OF THE BYLAWS – CONDITIONS TO PARTICIPATE AT GENERAL SHAREHOLDERS' MEETING

**The thirteenth resolution presented seeks to amend Article 19, paragraph 3, of the Company's bylaws to bring it into compliance with Decree no. 2014-1466 of December 8, 2014 with regards to the date of registration of persons authorized to attend Shareholders' Meetings, changing it from an accounting entry for the shares at 12:00 a.m. (Paris time) on the third working day preceding the shareholders' meeting, to the registration of the shares in the share register at 12:00 a.m. (Paris time) on the second working day preceding the Shareholders' Meeting.**

**The Board of Directors considered it more appropriate to amend the bylaws to include a reference to the "time period set by applicable laws and regulations" rather than retain a wording detailing the current prevailing text. Accordingly, the new wording would be appropriate in the event of subsequent amendments to the rule.**

**As this resolution concerns an amendment to the bylaws, it is subject to quorum and majority rules for Extraordinary Shareholders' Meetings.**

### THIRTEENTH RESOLUTION

#### Amendment of Article 19, paragraph 3, of the bylaws – General Shareholders' Meeting – Technical amendment

In accordance with Article R. 225-71 and seq. of the French Commercial Code, the Combined Shareholders' Meeting, voting in accordance with quorum and majority rules for Extraordinary Shareholders' Meetings and after having read the Board of Directors' report, resolves to amend Article 19, paragraph 3, of the bylaws, "General Shareholders' Meeting", as follows:

Former wording of Article 19, paragraph 3:

*"The right to participate in Shareholders' Meetings is evidenced by an accounting entry for the shares 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."*

New wording of Article 19, paragraph 3:

*"The right to participate in Shareholders' Meetings is evidenced by the registration of the shares 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 registration must be recorded within the time period set by applicable laws and regulations 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."*

The rest of the article remains unchanged.

RESOLUTION 14

## POWERS TO CARRY OUT FORMALITIES

**Finally, the Board of Directors proposes that you confer on it the powers necessary to carry out the formalities following this Shareholders' Meeting.**

### FOURTEENTH RESOLUTION

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 MAY 6, 2015 – EIGHTH 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 17, 2015 | Paris La Défense, March 17, 2015 |
| PricewaterhouseCoopers Audit | KPMG Audit<br>Division of KPMG S.A. |
| Françoise Garnier<br>Partner | Frédéric Quélin<br>Partner |

# STATUTORY AUDITORS' REPORT ON THE AUTHORIZATION TO GRANT FREE SHARES (EXISTING OR TO BE ISSUED) TO EMPLOYEES AND CORPORATE OFFICERS COMBINED SHAREHOLDERS' MEETING MAY 6, 2015 – NINTH RESOLUTION

*This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in accordance with Article L.225-197-1 of the French Commercial Code (*Code de commerce*), we hereby present our report on the authorization to grant free shares (existing or to be issued) to employees and corporate officers of the Company and its French and non-French subsidiaries, as submitted to you for approval.

Based on its report, the Board of Directors is asking for authorization, for an 18-month period, to perform free grants of existing shares or shares to be issued.

The Board of Directors is responsible for preparing a report on this transaction which it wishes to perform. Our role is to express our comments, if any, on the information presented on the proposed transaction.

The Board of Directors' report states that the grant of existing shares or shares to be issued to employees of Cap Gemini S.A. and its French and foreign subsidiaries, will be subject to the achievement of performance targets and a maximum number of shares with a par value of €8 not exceeding 1% of the share capital. It also states that the grant of shares to corporate officers of Cap Gemini S.A. will be limited to 10% of the aforementioned amount.

We performed the procedures we considered necessary with regard to the professional standards of the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to such transactions. These procedures primarily consisted in verifying that the proposed terms and conditions presented in the Board of Directors' report comply with applicable legal provisions.

We have no comments to make on the information presented in the Board of Directors' report on the proposed authorization to grant free shares.

The Statutory Auditors

| | |
|---|---|
| Neuilly-sur-Seine, March 17, 2015 | Paris La Défense, March 17, 2015 |
| PricewaterhouseCoopers Audit | KPMG Audit |
| | Division of KPMG S.A. |
| Françoise Garnier | Frédéric Quélin |
| Partner | 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 company) 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 knowhow in the area of business process engineering and re-engineering, and its expertise in the area of information technologies.

To fulfill this purpose, the Company carries out on behalf of clients, either directly, or through its subsidiaries or affiliates[(1)], one or more of the following activities:

### 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

Pursuant to Decree no. 2014-1466 of December 8, 2014 applicable to Shareholders' Meetings convened after January 1, 2015, the right to participate at Shareholders' Meetings is now evidenced by the registration of shares 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 registration must be recorded at 12:00 a.m. (Paris time) on the second working day preceding the Shareholders' 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

In the 13$^{th}$ resolution presented to the Combined Shareholders' Meeting of May 6, 2015, the Board of Directors asks shareholders to amend Article 19, paragraph 3, of the Company's bylaws to bring it into compliance with this decree.

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 registered 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. This request and the decision of the Shareholders' Meeting must be recorded in the minutes of the Meeting.

In the 11th resolution presented to the Combined Shareholders' Meeting of May 6, 2015, the Board of Directors asks shareholders, in the interests of consistency and simplification, to amend Article 10, paragraph 3, of the Company's bylaws in order to align instances where shares and voting rights held by third parties are deemed equivalent to shares and voting rights held by the shareholder subject to disclosure requirements for the purposes of share capital thresholds per the bylaws, with those provided by law, by introducing a reference to applicable legal provisions.

The calculation method for legal thresholds and thresholds per the bylaws will therefore apply without any ambiguity.

## 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.

Each share carries entitlement to one vote irrespective of whether the share is held in registered or bearer form.

Law No. 2014-384 of March 29, 2014 to liberate the real economy (known as the "Florange" law), partially codified in Article L.225-123 of the French Commercial Code with respect to double voting rights, generalized, in companies whose shares are admitted to trading on a regulated market, double voting rights for all fully paid-up shares held in registered form for at least two years by the same shareholder, in the absence of a clause to the contrary in the bylaws adopted subsequent to the enactment of this law (i.e. March 29, 2014).

In the 10th resolution presented to the Combined Shareholders' Meeting of May 6, 2015, the Board of Directors proposes to exercise this derogation option and therefore to amend Article 8, paragraph 1 of the bylaws to provide that each Cap Gemini share would retain entitlement to one vote.

## 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 of the Board of Directors

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 thousand (1,000) shares in the Company throughout their term of office.

### 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, Serge Kampf, the Board of Directors decided to reunite the functions of Chairman and Chief Executive Officer and appointed the Chief Executive Officer, 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 Operations 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 | "Big Data" |
| Pierre-Yves Cros | Development |
| Lanny Cohen | Technologies |
| Philippe Grangeon | Marketing and Communications |
| Cyril Garcia | Consulting |
| André Cichowlas | 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) |

- and Group directors reporting directly to the Chairman and Chief Executive Officer:

| | |
|---|---|
| Christophe Bonnard | Large Accounts – France |
| Navin Goel * | Large Accounts – USA |
| Philippe Christelle | Internal Audit |
| Christine Hodgson | Large Accounts – United Kingdom |
| Michael Schulte | Large Accounts – Germany |

* *Navin Goel has been appointed on January 29, 2015 and as such is not included in the information presented in note 30 to the consolidated financial statements for the year ended December 31, 2014.*

# 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 2019 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. Frédéric Quélin

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 2019 financial statements.

### SUBSTITUTE STATUTORY AUDITORS

#### Mr. Jean-Christophe GEORGHIOU

63, rue de Villiers, 92208 Neuilly-sur-Seine, Cedex,

Substitute for PricewaterhouseCoopers Audit,

appointed at the Ordinary Shareholders' Meeting of May 7, 2014.

Term of office expires at the close of the Ordinary Shareholders' Meeting held to approve the 2019 financial statements.

#### KPMG Audit I.S. SAS

3, cours du Triangle, Immeuble Le Palatin, 92939 Paris La Défense Cedex

Substitute for KPMG S.A.,

appointed at the Ordinary Shareholders' Meeting of May 7, 2014.

Term of office expires at the close of the Ordinary Shareholders' Meeting held to approve the 2019 financial statements.

## FEES PAID BY THE GROUP TO THE STATUTORY AUDITORS AND MEMBERS OF THEIR NETWORKS

| | KPMG | | | | PwC | | | |
|---|---|---|---|---|---|---|---|---|
| | Amount | | % | | Amount | | % | |
| *in thousands of euros (excluding VAT)* | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| **Audit** | | | | | | | | |
| Statutory audit, certification of the consolidated and separate financial statements | 2,870 | 2,985 | 58% | 69% | 2,470 | 2,548 | 75% | 57% |
| ▪ Issuer | 455 | 407 | 9% | 9% | 518 | 425 | 16% | 10% |
| ▪ Fully-consolidated subsidiaries | 2,415 | 2,578 | 49% | 60% | 1,952 | 2,123 | 59% | 47% |
| Other services directly related to the statutory audit engagement (1) | 425 | 428 | 9% | 10% | 39 | 561 | 1% | 12% |
| ▪ Issuer | 42 | 295 | 1% | 7% | 1 | 416 | 0% | 9% |
| ▪ Fully-consolidated subsidiaries | 383 | 133 | 8% | 3% | 38 | 145 | 1% | 3% |
| **Sub-total** | **3,295** | **3,413** | **67%** | **79%** | **2,509** | **3,109** | **76%** | **69%** |
| **Other services** | | | | | | | | |
| Legal, tax and employee-related advisory services | 145 | 123 | 3% | 3% | 102 | 17 | 3% | 0% |
| Other (2) | 1,486 | 760 | 30% | 18% | 677 | 1,392 | 21% | 31% |
| **Sub-total** | **1,631** | **883** | **33%** | **21%** | **779** | **1,409** | **24%** | **31%** |
| **TOTAL** | **4,926** | **4,296** | **100%** | **100%** | **3,288** | **4,518** | **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 2014 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, 2014 presented in this document. This report is presented on page 194 and contains an observation not qualifying the audit opinion on the change in presentation of the consolidated income statement tied to a change in the classification of charges to amortization of intangibles assets recognized in business combination in other operating income and expenses.

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 1, 2015

Paul Hermelin

Chairman and Chief Executive Officer

# 8 CROSS-REFERENCE TABLE

# 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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