MANAGEMENT REPORT

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

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

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

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

1.1 Operations by region

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

- **France** (including Morocco) reclaimed its number one spot among the Group's regions in 2008, accounting for 23.8% of consolidated revenues. While this achievement was driven by France's revenue growth, which at 5.4% was slightly higher than the Group's overall revenue rise, the main explanatory factor was the weak pound sterling which reduced the United Kingdom and Ireland's proportionate revenue contribution. Technology Services and Local Professional Services led business momentum during the year. At the same time, Outsourcing Services reported numerous successes in the third-party application management segment but was adversely affected by the revised terms of a major contract. Meanwhile, Consulting Services was penalized by the fact that a higher proportion of its revenues were generated through support services provided to the Group's other businesses as the revenues from these services are ultimately recognized by the business that invoices the client. France was the region that reported the largest rise in profitability, both in percentage terms (operating margin representing 7.3% of revenues versus 4.4% in 2007) and in terms of absolute value (up €65 million). All of Capgemini France's businesses contributed to this improvement, particularly Outsourcing Services which reported a significant decrease in losses on a key contract. Sogeti posted a one-point rise in profitability, while all Consulting and Technology Services businesses returned to double-digit operating margins.

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

- **North America,** (the Group's third largest revenue contributor, accounting for 19.2% of the consolidated total in 2008) posted a 3.4% increase in revenues on a like-for-like basis compared with 2007. However, taking into account the fall in the US and Canadian dollars the region's revenues were down 3.1% year-on-year. Outsourcing Services advanced more than 7%

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

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

- **Germany and Central Europe** (Switzerland, Austria and Eastern European countries) make up the largest of the Group's smaller revenue regions, accounting for 6.8% of the consolidated total in 2008. Revenues for this region rose 5.3% like-for-like and 6.0% on a reported basis, mainly spurred by Outsourcing Services which returned to growth after several difficult years. Technology Services and Local Professional Services (Sogeti) also reported revenue increases, while Consulting Services registered a fall-off of just under 5%. The region's profitability climbed 0.7 points year-on-year to 14.0%, almost reaching the same level as Benelux.

- Growth in the **Nordic countries** (which accounted for 6.6% of consolidated revenues in 2008) was slower than in 2007 but was still brisk, coming in at 9.8% like-for-like and 7.2% on a reported basis. Sogeti was once again the main driver, with revenues climbing by more than 20%. In Technology Services, Norway recorded similar growth followed by Sweden and Finland that both reported like-for-like increases in revenues. Denmark was the only one of the four countries to suffer a decline in business due to the completion of contracts which had boosted growth in 2007. Profitability for the region continued to widen, reaching 9.5% powered by strong business momentum in Sweden.

- **Southern Europe and Latin America** (Italy, Portugal and Spain, as well as Argentina, Brazil and Chile) represented 5.2% of total consolidated revenues in 2008 and also delivered strong growth (up 10.3% like-for-like and 15.1% on a reported basis). Overall profitability edged down to 5.2%, however, with the significant advances recorded in Italy unable to counter the impact of investments needed to support the Spanish launch of a production model based partly on offshoring in Latin America.

- Like-for-like revenue growth in the **Asia-Pacific** region came to a modest 2.5% and on a reported basis the region registered a 4.0% decline. However, revenue figures for this region only comprise sales to external clients, whereas most of the region's activity involves internal sub-contracting projects for clients in other countries where the Group operates. The number of Group employees based in Asia-Pacific as a proportion of total employees is a better indicator of the region's weighting than its 1.4% contribution to total consolidated revenues. At December 31, 2008, these employees represented 24% of total headcount, with India alone accounting for 20,554 of the total 91,621 people employed by the Group. As regards profitability, the Asia-Pacific region only recognizes a portion of profits generated from services carried out on behalf of clients located in the North America, United Kingdom or other Group regions which are billed by local units rather than by the Asia-Pacific entities concerned. Consequently, operating margin as a percentage of revenues is not a meaningful indicator, although the fact that it rose from €32 million to €58 million in absolute value terms underlines the importance of the offshoring model in improving the Group's profitability performance.

1.2 Operations by business segment

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

- **Technology Services** remained the Group's powerhouse, representing 39.0% of total consolidated revenues. Like-for-like revenues for the business climbed 4.1% over the year, just under the Group average. However, this growth figure does not take into account the increasing volume of activity with other Group businesses, particularly Outsourcing Services. As a result, actual revenue growth is understated by more than two percentage points. The volume of hours worked jumped 9.6%, in step with the ramp-up of offshore production solutions for which prices are lower for equivalent skills sets. As the utilization rate was close to the 2007 figure and other management indicators improved only slightly, the over one-point increase in operating margin as a percentage of revenues – which stood at 10.2% – was primarily achieved thanks to the tight rein kept on administrative costs.

- **Outsourcing Services** represented 35.3% of total Group revenues in 2008, up 4.6% on 2007 on a like-for-like basis. This performance was achieved despite the negative impact of the decline in revenues from the contract with the UK tax authorities, which accounted for more than one third of business in 2007. All of the Group's regions enjoyed strong momentum in this business, but particularly Benelux and Germany. This momentum looks set to continue for some time, buoyed by a sharp increase in new orders and commercial opportunities that should result in numerous contract wins in 2009. Profitability for Outsourcing Services once again came in below the Group average which is normal as this business's higher visibility means that risk premiums factored into its remuneration are lower. However, operating margin as a percentage of revenues amounted to 5.4% for the year, peaking at 6.2% in the last six months.

- **Local Professional Services (Sogeti)** accounted for 17.7% of total consolidated revenues and turned in the best growth performance (9.1% like-for-like), despite running out of steam towards the end of the year. Several factors drove growth, in particular the success of "application testing" solutions and the revenues generated from two key partnerships with Microsoft and IBM which required significant investments in sales infrastructure. In addition, thanks to renewed improvements in contribution rates (direct margin) and tightly controlled administrative costs, Sogeti's profitability level further increased year-on-year and once again represented the Group's top performance, coming in at 12.9% of revenues.

- **Consulting Services** (accounting for 8.0% of total Group revenues) reported more subdued 2.4% growth on a like-for-like basis, in spite of a good start to the year. Understandably, Consulting Services was the first of the Group's businesses to be affected by the financial crisis which has now hit all economies across the globe. This impact trimmed 2.9% off the business's revenues in the second half of the year. It did not have a significant impact on profitability however, as Consulting Services posted an excellent operating margin representing 12.8% of revenues.

1.3 Headcount

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

- 25,885 additions resulting from
  - 22,527 new hires (including 7,251 in India, 4,587 for Sogeti, and 1,506 in Poland)
  - 3,358 transfers in connection with (i) Group acquisitions (including 2,166 from the Dutch company BAS B.V. and 408 from Unilever's service centers in South America) and (ii) Outsourcing Services contracts signed with certain clients.

As the BAS B.V. acquisition was only completed in December 2008, the 2,166 employees transferred to the Group at that date did not contribute to consolidated revenues for the year.

- 17,772 departures, breaking down as
  - 15,136 resignations
  - 232 transfers outside the Group following divestments of businesses or the expiry of Outsourcing Services contracts
  - 2,404 contract terminations and unsuccessful trial periods.

1.4 Order book

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

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

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

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

1.5 Other significant events

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

Business Process Outsourcing (BPO) unit has been able to gain a foothold in Latin America and integrate over 400 highly skilled people;
- on **July 25, 2008** the Group signed a memorandum of understanding with Getronics PinkRoccade (GPR) to acquire its subsidiary Getronics Pinkroccade Business Application Services BV (BAS B.V.) which brings together GPR's applications services activities (applications development, maintenance and management) in the Netherlands. BAS B.V. offers services connected to the whole applications lifecycle, from applications management consulting (support and maintenance) to project development, integration and implementation. BAS B.V. counts some of the leading names in the Dutch public sector among its main clients, such as local authorities, large State administration and social security bodies and major players in the insurance and banking world. BAS B.V. posted revenues of close to €300 million in 2008 and employed 2,200 professionals working on more than 600 projects. The acquisition was completed on December 1, 2008 at a total cost of €249 million;
- between **October 1 and 4**, 2008, the Group held its 22nd management convention at its university in Gouvieux, near Chantilly in France. This event gave Capgemini's 450 key managers the opportunity to work together on innovation and holding firm during times of economic crisis.

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

2.1 Consolidated statement of income

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

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

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

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

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

Other operating income and expense represented an overall net expense of €158 million in 2008 versus €147 million the previous year. This increase was primarily attributable to the combined impact of an €18 million writedown of goodwill relating to a Sogeti subsidiary in Germany and a €13 million year-on-year rise in restructuring costs, partially offset by a €20 million fall in integration costs relating to Kanbay, which was acquired at the beginning of 2007. Restructuring costs – which totaled €103 million and related mainly to ongoing organizational streamlining measures in connection with the i.cube project – can be analyzed as follows:
- €68 million in costs related to workforce reduction measures, mainly in France, the Netherlands and Germany;
- €21 million in expenses arising from measures taken to streamline the Group's real estate assets, essentially in France;
- €14 million in industrialization and migration costs incurred in connection with the implementation of rightshoring solutions, mainly in the United Kingdom and United States.

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

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

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

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

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

2.2 Consolidated balance sheet

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

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

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

- a €149 million net increase in goodwill arising primarily on corporate acquisitions carried out during the year for €261 million (including €221 million for BAS B.V. in the Netherlands), as well as goodwill impairment losses recorded in Germany and the United States for €24 million, and a negative translation impact of €87 million resulting from the strong rise in the euro against the pound sterling;
- a net decrease of €31 million in intangible assets due chiefly to (i) acquisitions and changes in Group structure over the period for €65 million; and (ii) the €88 million amortization expense for the year (including €36 million in accelerated tax amortization due to the early termination of an outsourcing agreement);
- a €20 million net decrease in property, plant and equipment, with the overall €145 million positive impact from acquisitions being more than offset by (i) the depreciation expense for the year (€125 million); (ii) the effect of disposals (€20 million); and (iii) translation losses (€26 million).

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

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

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

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

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

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

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

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

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

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

III. OUTLOOK FOR 2009

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

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

4.1 Statement of income

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

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

Net finance income amounted to €84 million, reflecting:

- €180 million in income relating mainly to dividends received from subsidiaries (€67 million), interest income on cash and cash equivalents (€48 million), and reversals of provisions for investments in subsidiaries in Italy and Ireland (€32 million);
- €96 million in expenses corresponding primarily to €18 million in provisions for impairment in value of treasury shares, a €6 million provision for a French subsidiary, €30 million in interest expense on "OCEANE 2003" and "OCEANE 2005" bonds, and €17 million in interest expense on loans granted to the Company by certain subsidiaries.

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

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

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

4.2 Balance sheet

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

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

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

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

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

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

4.3 Results appropriation

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

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

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

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

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

4.4 Share capital and ownership structure

In 2008, the Company's share capital increased from €1,163,404,080 to €1,166,759,504 following the creation of 419,428 shares upon exercise of stock options granted in prior years to Group employees.

Pursuant to article L. 233-13 of the French Commercial Code (Code de commerce), the Board of Directors informs shareholders that, based on notifications received during the year, only FMR (Fidelity Investment) LLC held more than 5% of the Company's share capital and voting rights at year-end.

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

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

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

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

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

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

4.5 Stock options

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

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

During 2008, 389,218 shares were subscribed on exercise of options granted under the Fifth Plan and 30,210 shares were subscribed on exercise of options granted under the Sixth Plan, representing a total of 419,428 shares. No further shares could be subscribed under the first four plans, for which the subscription periods expired on November 1, 1995, April 1, 1999, April 1, 2002, and December 1, 2006 respectively.

4.6 Employee shareholdings

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

4.7 Authorization to buy back the Company's shares

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

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

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

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

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

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

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

4.8 Compensation of corporate officers

Compensation and benefits in kind awarded executive corporate officers

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

Variable compensation

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

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

  As for all Group managers, the V1 portion can be between 0% to 200% of theoretical variable compensation (e.g. the amount paid if the objectives are exactly met): the V1 portion is zero when the above calculation corresponds to a weighted result of less than 70% of the objectives. It is limited to twice the theoretical variable compensation when the performance is equal to or more than 130% of the Group's objectives. Between these two amounts, the V1 portion varies on a linear basis;
- the V2 portion is calculated based on the percentage of attainment of a number of qualitative personal objectives (in 2008: seven for Serge Kampf and six for Paul Hermelin). These are then assigned a points weighting resulting in a total of 100. For each objective, individual performance is graded from 0% to 200%, and the total weighted number of points determines the actual V2 amount payable with respect to theoretical variable compensation (e.g. the amount paid if objectives are exactly met).

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

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

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

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

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

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

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

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

It should also be noted that:

- as in previous years, Serge Kampf and Paul Hermelin's performance appraisals for 2008 were discussed at the Selection & Compensation Committee, which submitted its recommendations to the Board of Directors where they were debated, approved and adopted;
- as has always been the case, Serge Kampf and Paul Hermelin did not receive any benefits in kind (medical assistance, housing, private use of company car, cell phone, products or services free of charge, etc.) during 2008, nor did they benefit from any specific provision related to minimum indemnities for termination for any reason whatsoever (removal from office, retirement, etc.). The only exception was the contributions paid by the Company for Paul Hermelin's unemployment insurance for entrepreneurs and business owners (these contributions totaling €3,600 are presented on page 67 and are classified as benefits in kind);
- for the 20th consecutive year, Serge Kampf decided not to ask the Company to reimburse the expenses he incurred in 2008 in the performance of his duties (business travel, entertainment, etc.), with the exception of the high-speed TGV train travel between Paris and Grenoble, the historical headquarters of Cap Gemini, where he has kept his main office and where a part of the Group's corporate functions are still located;
- Serge Kampf has never requested and has never been awarded any stock options or performance shares;
- Paul Hermelin did not receive any stock options under the June 1, 2008 award (in which 219,000 options were awarded at a price of €40.50 and which concluded the Sixth Stock Option Plan);
- Paul Hermelin did not exercise any of the options received in prior years during 2008;
- since Paul Hermelin joined the Group 16 years ago (in March 1993), he has had an employment contract. This contract was suspended on May 24, 1996 (date on which he was offered and accepted his first term of office as member of the Directoire). As this contract will once again become binding on the day that Paul Hermelin ceases to be a corporate officer, it is not the Company's prerogative to unilaterally break it. However, mindful of the need to comply as closely as possible with the recently issued AFED-MEDEF recommendations on this matter, the Board of Directors has decided to review the situation with Paul Hermelin before the expiration of his current term of office (May 2010);
- the General Shareholders' Meeting of April 17, 2008 authorized the Board of Directors to issue performance shares. However, this authorization was not used in 2008.

Executive corporate officers: position regarding employment contract and deferred compensation	**Employment contract**	**Supplementary pension scheme**	**Indemnities and benefits payable following appointment, termination or change in function**	**Indemnities in respect of non-compete clause**
Serge Kampf **Chairman** Term of office renewed on May 11, 2006 and ending at the 2010 Shareholders' Meeting called to approve the 2009 accounts	No	Yes	No	No
Paul Hermelin **Chief Executive Officer** Term of office renewed on May 11, 2006 and ending at the 2010 Shareholders' Meeting called to approve the 2009 accounts	Yes (March, 1993)	Yes	No	No

Other compensation

In 2006, Cap Gemini set up a supplementary collective defined-benefit pension scheme for certain senior executives regarded as having made a significant and lasting contribution to the Group's development. A review was carried out of this scheme to ensure that it complied with AFEP-MEDEF's subsequent recommendations.

The beneficiaries of this scheme are persons deemed to have contributed to the Group's development over a long period of at least ten years. To be eligible for this scheme, beneficiaries must have ended their career within the Company. The scheme stipulates certain limits: the amount of the supplementary pension may not exceed 40% of the beneficiary's reference earnings and the beneficiary's cumulative pension benefits from all mandatory and top-up schemes may not exceed 50% of his/her reference earnings. Reference earnings are calculated by taking average compensation over a number of years capped at 60 times the annual ceiling for social security. In order to receive the maximum pension amount, beneficiaries must have between 25 and 30 years' service depending on the circumstances.

An external firm was asked to review the scheme and confirmed that it complied with the recommendations published by AFEP-MEDEF on October 6, 2008 concerning the compensation of executive corporate officers of publicly listed companies. It should be noted that based on corporate officers' number of years' service upon retirement, the projected replacement rate will be between 34% and 40% of their final salary and that the estimated cost of one year of service for all corporate officers of the Company is €0.8 million for 2008.

Attendance fees and other compensation received by corporate officers

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

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

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

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

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

Attendance fees paid to directors and non-voting directors for 2008 amount to €694,000 (or €647,000 after deduction of withholding tax on the amounts paid to non-resident beneficiaries).
The guidelines for allocating attendance fees are contained in Section A, paragraph 4 of the Report of the Chairman of the Board of Directors.

Stock subscription options, stock purchase options and performance shares

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

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

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

Historical information concerning stock options awarded to corporate officers*

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

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

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

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

4.9 Directorships and other functions held by corporate officers

The list of directorships and other functions held by each of the corporate officers in other companies is provided on pages 178 to 182 of the Registration Document.

4.10 Renewal of the terms of office of two directors

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

4.11 Appointment of two new directors

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

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

4.12 Amendment of the bylaws

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

- reduce the age limit of the Chairman of the Board of Directors from 75 to 70 if he also holds the position of Chief Executive Officer (P.D.G.),
- increase this age limit from 75 to 79 if the positions of Chairman of the Board of Directors and Chief Executive Officer are dissociated (non-executive Chairman),
- reduce the age limit of the Chief Executive Officer from 75 to 70, whether or not he is a director of the Company,

and amend articles 14 and 15 of the bylaws accordingly.

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

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

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

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

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

VI. FINANCING POLICY AND MARKET RISKS

6.1. Financing policy

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

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

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

6.2. Market risks

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

VII. FINANCIAL AUTHORIZATIONS

7.1 Authorization to cancel shares acquired under the buyback program

As stated above, the Board of Directors is seeking shareholders' authorization to cancel some or all of the shares purchased pursuant to articles L. 225-209 et seq. of the French Commercial Code (the authorization to buy back shares is described in section 4.7 of this report), for up to 10% of its capital by 24-month period.

7.2 Delegations of authority to increase the share capital

Pursuant to the delegations of authority given to the Board of Directors by the Extraordinary Shareholders' Meeting of April 17, 2008, the Board was granted a 26-month authorization to:

- increase the share capital by capitalizing reserves;
- issue new shares and/or securities convertible, redeemable, exchangeable or otherwise exercisable for new shares of the Company or granting a right to allocation of debt instruments, with or without pre-emptive subscription rights;
- increase the amount of the issues if the requests for shares exceed the number of shares on offer, up to 15% of the initial issue at the same price as for the initial issue ("Greenshoe" options);
- issue shares and/or securities convertible, redeemable, exchangeable or otherwise exercisable for new shares of the Company, or granting a right to allocation of debt instruments, as payment for shares tendered to a public exchange offer made by the Company or contributions in kind to the Company of shares or securities convertible, redeemable, exchangeable or otherwise exercisable for new shares of the Company.

The overall limits on the amounts of the issues that could be decided pursuant to the delegations of authority given to the Board were set at:

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

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

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

VIII. COMMENTS REGARDING EMPLOYEE SHARE OWNERSHIP

8.1 Allocation of performance shares

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

- a period of two years, in which case the beneficiary will be required to hold the shares for an additional period of at least two years from the date on which they vest, or,
- a period of four years, in which case there will be no minimum holding requirement,

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

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

Out of this total:

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

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

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

- the number of existing or new shares to be issued pursuant to this authorization may not exceed 1% of the share capital as of the date of the Board of Directors' decision;
- up to 5% of this total number of performance shares may also be allocated to corporate officers of the Company, it being specified that in this case, the shares may not be sold by their beneficiary until the end of their term of office within the Group;
- these performance shares will only vest at the end of: a) a period of two years, in which case the beneficiary will be required to hold the shares for an additional period of at least two years from the date on which they vest, or, b) a period of four years, in which case there will be no minimum holding requirement. The Board of Directors may decide between the above two options and apply them alternately or concurrently, depending on regulatory provisions in force in the country of residence of the beneficiaries;
- the exact number of shares vesting at the end of the two- or four-year period following the date of notification of the allocation, will be equal to the number of shares indicated on the allocation notice, multiplied by the percentage of achievement of the chosen performance measurement criteria, it being specified that: unless

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

- this performance will be measured by comparing the market capitalization of Cap Gemini with the average market capitalization (expressed in euros and based on constant exchange rates) of the companies composing the basket;
- no shares will vest if, during the reference performance period, the performance of the Cap Gemini share is less than 90% of said average performance;
- the number of shares to vest shall ultimately be equal to:
  - 60% of the number of shares initially allocated if the performance of the Cap Gemini share is at least equal to 90% of said average performance;
  - 100% of the number of shares initially allocated if the performance of the Cap Gemini share is higher than or equal to 110% of said average performance;
- and where the performance of Cap Gemini is in between 90% and 110% of said average performance, the percentage of shares to vest will be increased by 2% for each tenth of a percentage point within said range.

  This system should protect the interests of shareholders (minimum performance threshold to be attained, progressive allocation) and provide incentive for beneficiaries (performance measured based on average stock market performance and not on the basis of changes in the intrinsic stock price, which is highly dependent on external factors).
- by derogation, shares not subject to performance conditions may be allocated to certain employees, excluding members of the Group Management Board, subject to a maximum of 15% of the total number of shares allocated and to 1,000 shares per beneficiary.

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

8.2 International employee stock ownership plan

On April 17, 2008, the Extraordinary Shareholders' Meeting granted an authorization to the Company's Board of Directors to carry out a cash capital increase via a share issue reserved for members of a Capgemini Group company savings plan. The authorization concerned a maximum of 6,000,000 million shares and was addressed in two resolutions. The first resolution granted a 26-month authorization, while the second was given for a period of 18 months with the aim of allowing employees of non-French Group companies having their registered office in a country where it would be difficult to implement the plan due to legal or tax constraints, to participate in an employee savings plan under similar financial conditions to those available to other Group employees. To date, the Group has not made use of the authorizations granted under these two resolutions.

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

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

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

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

Under the first delegation of authority, the Board of Directors would be authorized to issue not only shares, but also other securities convertible, redeemable, exchangeable or otherwise exercisable for new shares and, where appropriate, to allocate shares without consideration or other securities convertible, redeemable, exchangeable or otherwise exercisable for new shares in total or partial substitution for the discount. The purpose of such arrangements would be to make it possible to adapt the terms and conditions of the plan in certain countries where it would be difficult or costly to implement due to legal or tax constraints. The objective is to enable employees in all countries to participate in the plan under similar financial conditions, insofar as possible.

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

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

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

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

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