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Return to growth confirmed in H2 2010

Mumbai, India, February 17 2011: The Board of Directors of Cap Gemini S.A., chaired by Serge Kampf, convened on February 16, 2011 to review and authorize for issue **the audited financial statements** for the year ended December 31, 2010. The key figures are the following:

(in millions of euros)	FY 2009	H1 2010	H2 2010	**FY 2010**	**2010 / 2009**
Revenues	**8,371**	4,211	4,486	**8,697**	**+3.9%**
Operating margin [1]	**595**	245	342	**587**	**-1.3%**
as a % of revenues	***7.1%***	*5.8%*	*7.6%*	***6.8%***	**-0.3 points**
Operating profit [2]	**333**	200	289	**489**	**+46.8%**
Group profit for the period	**178**	101	179	**280**	**+57.3%**
Net cash and cash equivalents	**1,269**	809	1,063	**1,063**	**-16.2%**

The Group reports total **revenues** for the year of €8,697 million. Compared with 2009, revenues are

- up 3.9% on published revenues (current Group structure and exchange rates);
- down slightly (-1.1%) on a like-for-like basis (constant Group structure and exchange rates).

Growth accelerated in the **fourth quarter**, with revenues up year-on-year:

- 16.2% on published figures
- 10.5% excluding the impact of the acquisition of the Brazilian company, CPM Braxis, consolidated from October 1, and
- 5.8% like-for-like.

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[1] Operating margin is one of the Group's key performance indicator. It is defined as the difference between revenues and operating costs, these being equal to the cost of services rendered (expenses incurred during project delivery) plus selling and general and administrative expenses.

[2] Operating profit of the Group incorporates the charges associated with shares or options allocated to a large number of employees, as well as other non-recurring income and expenses such as goodwill impairment, capital gains or losses on disposals, restructuring costs, the cost of acquiring and integrating acquired companies, as well as the impacts of the curtailment and/or settlement of defined benefit pension plans.

An analysis of **bookings** (which totaled €9,863 million, up 9% on 2009) confirms this acceleration:

- the three businesses most sensitive to the economic environment (Consulting Services, Technology Services and Local Professional Services) reported average growth of 11% in bookings on the fourth quarter of 2009, with the Group's fourth business - Outsourcing Services - reporting the highest growth over the year (+16% on 2009).
- the book-to-bill ratio of the first three businesses was 1.14 for the year as a whole and 1.21 for the fourth quarter alone.

The Group is also pleased to note that the five global service lines[3] launched at the end of 2009 and the beginning of 2010, accounted for 37% of total bookings during the year.

The **operating margin** (€587 million, 6.8% of revenues) fell marginally by 0.3 points on last year and is slightly higher than the announced objective.

Operating profit is up (+47%) on 2009, thanks to a marked reduction in non-recurring expenses and primarily restructuring costs, which were reduced to €71 million in 2010 exactly one-third of their level last year.

The **net financial expense** is €87 million, a slight improvement on the net financial expense of €93 million recorded last year.

The **income tax expense** is twice that borne last year (€124 million compared to €61 million).

Finally, **Group profit for the year** is €280 million, up 57% on last year. Earnings per share (based on the number of shares outstanding at December 31, 2010) is €1.80, compared to €1.16 last year (+55%).

Net cash and cash equivalents remain comfortable (€1,063 million) despite several acquisitions during the year (SSS, IBX, Skvader and Thesys) and a majority investment taken in the share capital of CPM Braxis, the leading Brazilian IT services company. "Organic" free cash flow (that is cash flow from operating activities adjusted for net interest cost and acquisitions net of disposals of fixed assets) totaled €359 million in 2010; it was €396 million last year.

The Board of Directors decided to recommend the payment of a dividend of **€1 per share**[4], compared to €0.80 per share last year and €1 per share the previous year, at the next Ordinary Shareholders' Meeting of Cap Gemini S.A. (which will be held in Paris on Thursday May 26). This represents a pay-out of 56%, compared to a pay-out of 68% last year and only 32% two years ago (this percentage was the Group standard rate for several years, and it will seek to draw closer to this rate next year).

Outlook for 2011

The Group forecasts reported revenue growth of between 9 and 10% and an improvement in the operating margin rate on 2010 of between 0.5 points and 1 point.
Given the investment that will be necessary to support this growth and faster or slower rates of improvement in the business environment depending on the country and the business, this revenue growth and improvement in the Group's operating margin rate is likely to be achieved gradually over the whole year.

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[3] These five global service lines, focusing on the most promising market segments are, data management (Business Information Management), applications development and maintenance (Application Lifecycle Services), applications testing (Testing Services), smart meters and networks (Smart Energy Services) and virtualization and cloud computing (Infostructure Transformation Services).

[4] Subject to the approval of shareholders at the Combined Shareholders' Meeting to be held on Thursday May 26, 2011, and in compliance with NYSE Euronext regulations, the ex-dividend date will be Monday June 6, the record date Wednesday June 8 and the dividend payment date Thursday June 9.

Appendix to the press release published February 17, 2011

Operations by major region:

- **France** – which retains its number-one spot among the Group's regions in terms of revenues – saw this latter fall 1.0% like-for-like over the year as a whole, but increase 1.7% in the fourth quarter, thanks mainly to the good performance of Consulting Services and the recovery in Technology Services. The operating margin rate was 6.6%;

- The **United Kingdom and Ireland** also suffered a slight downturn (-1.4%) in annual revenues (like-for-like), but thanks to the dynamism of Outsourcing Services and the financial services sector, enjoyed the highest fourth quarter growth of the major regions (+7.8%). The operating margin (7.9%) fell back slightly on 2009;

- **North America** reported growth in annual revenues of 4.7% on published figures, thanks to the strong appreciation of the US dollar. On a like-for-like basis, the most cyclical businesses increased 10% over the year as a whole, and nearly 25% in the fourth quarter, primarily driven by Technology Services and the financial services sector. The operating margin for the region was 5.2%, up slightly on that recorded in 2009;

- **Benelux** suffered a period of acute crisis over the last two years, resulting in this region recording the highest annual contraction in the Group (-6.7% like-for-like). Slight growth was however recorded in the fourth quarter (+0.8%) and despite the annual fall in revenues, the region enjoyed an operating margin of 9.7%, up one point on 2009. It is therefore once again the Group's most profitable region;

- In the **other regions** revenues increased 5.4% on average (like-for-like) and 13.3% in the fourth quarter, with good performances reported in particular in Italy and Latin America. The average operating margin of these other regions was 8.7%, down slightly on 2009.

Operations by business:

- **Technology Services**, the Group's main business generating 41.5% of revenues, enjoyed a return to sustained growth from the third quarter and reported an increase in annual revenues of 1.6% like-for-like. The operating margin rate was 6.7%, practically unchanged on 2009;

- **Outsourcing Services** reported an annual fall in revenues of 3.2% like-for-like - entirely due to the drop already announced in business volume with a major US client – but enjoyed a return to growth in the fourth quarter (+3.2%) and realized an operating margin rate for fiscal year 2010 virtually stable at 7.1%;

- **Sogeti** enjoyed a return to growth from the third quarter and reported 2010 revenues almost unchanged on last year with a satisfactory operating margin rate (9.2%), thanks to good resource management and an improvement in prices at the year-end;

- **Consulting Services** reported a drop in revenues of 7.5% for the year as a whole, mainly due to the marked decrease in British public sector purchases. Here again, however, thanks to rigorous resource management and the maintenance of prices (which even increased slightly towards the year-end), this business continued to report the best operating margin rate of the Group (10.9%, down only 0.5 points on 2009).

Headcount:

The total headcount increased 20% to 108,698 at December 31, 2010, compared to 90,516 at end-2009. The Group recruited over 30,000 employees in 2010, thanks to a particularly dynamic recruitment policy which was stepped up in the second-half. The acquisition of several companies – including CPM Braxis in Brazil – contributed nearly 7,600 new employees. Offshore employees represented 35% of the total headcount at December 31, 2010, that is 38,400 employees including nearly 31,000 in India.

The corporate officers' compensation:

The Board of Directors, after hearing the recommendations put forward by the Selection and Compensation Committee, made the following decisions regarding the compensation of the two corporate officers:

- Mr. Serge Kampf: The Committee first reminded the Board that Mr. Kampf (as well as Mr. Hermelin) had symbolically foregone, for the fiscal year 2009, receiving 20% of the variable part of his compensation, which had resulted in reducing his 2009 compensation to euro 1,239,000 (i.e. 88.5% of the total target compensation for 2009 and 81% of his actual 2008 compensation). It then reminded it that Mr. Kampf, sensitive to the multiple pressures exerted upon companies having a « dissociated » chairman of the Board to make his/her compensation no longer include a variable part, had also proposed that his 2010 compensation be solely composed of a fixed amount which, with his agreement, the Board had set at euro 960,000. Finally, Mr. Kampf asked the Committee that this compensation not be increased for 2011. The Board took notice of this proposal, thanked Mr. Kampf for it and thus decided to keep his 2011 compensation unchanged versus what it was in 2010.

- Mr. Paul Hermelin: The Committee reminded the Board that Mr. Hermelin's variable compensation is composed for half of it (V1) of the comparison made between the Group's consolidated financial results and the same results as set in the budget, and for the other half (V2) of the percentage of achievement of a number of personal objectives which had been given to him at the beginning of the year. The Board validated the assessment made by the Committee of the degree of achievement of each of these 5 objectives, the total of the notes so attributed being 101/100.
  Mr. Hermelin's compensation for the fiscal year 2010 thus breaks down as follows:
  - a fixed salary of euro 1,320,000
  - a V1 equal to 88.7% of euro 440,000, i.e. euro 390,280
  - a V2 equal to 101% of euro 440,000, i.e. euro 444,400

  that is a total of euro 2,154,680, up 10.8% from that of 2009.
  The Committee proposed to the Board, which accepted it, to leave unchanged Mr. Hermelin's 2011 target compensation (a fixed salary of euro 1,320,000 plus two variable parts of euro 440,000 each).

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