

CAP GEMINI S.A.

FINANCIAL STATEMENTS

BALANCE SHEETS

AT DECEMBER, 31, 2007 AND 2008

<i>in thousands of euros</i>	2007	2008		
		Net amount	Gross amount	Depreciation, amortization and provisions
ASSETS				
Intangible assets				
Trademarks, patents and similar rights	2,152	35,568	(33,499)	2,069
Property, plant and equipment				
Land	-	-	-	-
Buildings	-	-	-	-
Other	224	224	-	224
Financial fixed assets				
Equity interests	7,660,682	13,736,690	(5,867,685)	7,869,005
Receivable from controlled entities (1)	42,951	249,744	-	249,744
Securities held for portfolio management purposes	2	2	-	2
Other financial fixed assets (1)	5,027	9,133	-	9,133
NON-CURRENT ASSETS	7,711,038	14,031,361	(5,901,184)	8,130,177
Advances and downpayments	-	35	-	35
Accounts and notes receivable (1)	924	503	-	503
Other receivables (1)	1,472	7,296	-	7,296
Receivable from related and associated companies (1)	280,131	234,764	-	234,764
Miscellaneous debtors (1)	-	279	-	279
Marketable securities	1,204,462	921,747	(17,496)	904,251
Cash and cash equivalents	226,621	195,791	-	195,791
CURRENT ASSETS	1,713,610	1,360,415	(17,496)	1,342,919
Prepaid expenses (1)	118	100	-	100
Deferred charges	15,488	9,167	-	9,167
Bond redemption premium	35,502	57,873	(31,247)	26,626
Unrealized foreign exchange losses	325	1,866	-	1,866
OTHER ASSETS	51,433	69,006	(31,247)	37,759
TOTAL ASSETS	9,476,081	15,460,782	(5,949,927)	9,510,855
(1) of which due within one year	294,033	252,075	-	252,075

in thousands of euros

	2007	2008
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital (fully paid up)	1,163,404	1,166,760
Additional paid-in capital	5,525,119	5,531,818
Legal reserve	115,265	116,340
Regulated reserves	-	-
Other reserves	211,853	211,853
Retained earnings	185,597	537,846
Profit for the year	496,620	259,605
Regulated provisions	1,327	2,745
SHAREHOLDERS' EQUITY	7,699,185	7,826,967
PROVISIONS FOR CONTINGENCIES AND CHARGES	1,898	7,898
Convertible bonds	954,873	954,873
Bank loans and borrowings (2)	273,332	201,409
Payable to controlled entities (2)	305,300	301,468
FINANCIAL DEBT (2)	1,533,505	1,457,750
Accounts and notes payable (2)	2,180	3,360
Tax and social security liabilities (2)	4,401	4,374
Payable to related and associated companies (2)	230,226	208,687
Other payables (2)	377	460
Prepaid income (2)	4,293	1,271
Unrealized foreign exchange gains	16	88
OTHER LIABILITIES	241,493	218,240
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	9,476,081	9,510,855
(2) of which due within one year	820,109	721,029

CAP GEMINI S.A. FINANCIAL STATEMENTS

STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2008

<i>in thousands of euros</i>	2007	2008
Royalties	202,992	201,087
Reversals of depreciation, amortization and provisions; expense transfers		187
Other income	719	743
Total operating income	203,711	202,017
Other purchases and external charges	28,044	29,150
Taxes, duties and other levies	2,966	2,961
Depreciation and amortization	1,886	1,351
Additions to provisions	5,052	5,052
Other expenses	609	592
Total operating expenses	38,557	39,106
OPERATING PROFIT	165,154	162,911
Investment income (1)	76,947	66,672
Income from other marketable securities and amounts receivable on non-current assets (1)	3,105	3,398
Other interest income (1)	34,127	56,338
Reversals of provisions	280,622	31,767
Foreign exchange gains	8,605	9,815
Net proceeds on disposals of marketable securities	32,876	12,200
Total financial income	436,282	180,190
Depreciation, amortization and provisions relating to financial items	43,856	34,270
Interest and similar expenses (2)	56,286	54,210
Foreign exchange losses	5,702	7,741
Total financial expenses	105,844	96,221
FINANCE INCOME, NET	330,438	83,969
RECURRING PROFIT BEFORE TAX	495,592	246,880
Non-recurring income:		
From operations	-	-
From capital transactions	33,518	39,322
Reversals of provisions and expense transfers	-	-
Total non-recurring income	33,518	39,322
Non recurring expenses:		
From operations	3,340	5,077
From capital transactions	60,108	49,522
Exceptional depreciation, amortization and provisions	1,269	1,417
Total non-recurring expenses	64,717	56,016
NON-RECURRING EXPENSE, NET	(31,199)	(16,694)
INCOME TAX	32,227	29,419
PROFIT FOR THE YEAR	496,620	259,605
(1) of which income concerning related companies	85,978	78,522
(2) of which interest concerning related companies	25,758	23,711

CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2008

<i>in thousands of euros</i>	At December 31, 2007	Appropriation of profit for 2007	Other movements	At December 31, 2008
Share capital	1,163,404	-	3,356	1,166,760
Additional paid-in capital	5,525,119	-	6,699	5,531,818
Legal reserve	115,265	1,075	-	116,340
Regulated reserves	-	-	-	-
Other reserves	211,853	-	-	211,853
Retained earnings	185,597	352,249	-	537,846
Dividends paid	-	143,296	(143,296)	-
Profit for the year	496,620	(496,620)	259,605	259,605
Regulated provisions	1,327	-	1,418	2,745
TOTAL	7,699,185	-	127,782	7,826,967

Excluding profit for the year, changes in shareholders' equity result from:

- the April 24, 2008 payout of a €1 dividend on each of the 145,425,510 shares making up share capital at December 31, 2007 for a total of €145,426 thousand. Since the Company held 2,130,000 of its own shares at April 24, 2008, €2,130 thousand was appropriated to retained earnings;
- the appropriation of unpaid dividends on treasury shares held by the Company (€2,130 thousand) to retained earnings;
- the exercise of 419,428 stock options, corresponding to a capital increase of €3,356 thousand and additional paid-in capital €6,673 thousand;
- the payment of expenses relating to the December 2006 capital increase out of the €26 thousand issue premium;
- recognition of an accelerated amortization charge for €1,418 thousand regarding transaction fees incurred on acquiring equity interests.

NOTES TO THE FINANCIAL STATEMENTS

I – ACCOUNTING POLICIES

The annual financial statements for the year ended December 31, 2008 are prepared and presented in accordance with French accounting rules and principles (as set out in the 1999 French chart of accounts), including the new accounting rules on assets introduced by the French Accounting Regulatory Committee (Comité de Réglementation Comptable) as of January 2005 (no impact on Cap Gemini S.A.'s statutory accounts). The annual financial statements are also prepared in accordance with the conservatism and accrual basis principles, and assuming that the Company is able to continue as a going concern.

Items in the financial statements are generally measured using the historical cost method.

The Company's main accounting policies are described below:

Intangible assets

Computer software and user rights acquired on an unrestricted ownership basis, as well as software developed for internal use which has a positive, lasting and quantifiable effect on future results, are capitalized and amortized over a maximum period of three years. At year-end, the value of computer software and user rights is compared to their value in use for the company.

Financial fixed assets

The gross value of equity interests and other long-term investments carried in the balance sheet comprises their acquisition cost, including any transaction fees. The realizable value of the equity interests represents their value in use for the Company. Value in use is calculated based on either the present value of discounted future cash flows adjusted for net debt, or in certain cases on the Company's share in net assets. A provision for impairment is set aside when the realizable value as defined above falls below the acquisition cost.

Treasury stock

Treasury stock held by Cap Gemini S.A. as part of the liquidity agreement is recorded on the balance sheet within long-term investments at the lower of cost and realizable value. Realizable value is the average market price for Cap Gemini S.A. shares in December.

Marketable securities

Marketable securities are shown on the balance sheet at the lower of cost and realizable value. The realizable value of listed securities is based on the average share price in December. The realizable value of unlisted securities is based on their net asset value. At year-end, accrued interest receivable or interest received in advance on certificates of deposit and commercial paper is recognized in accrued income or prepaid income, respectively.

Foreign currency transactions

Receivables, payables and cash and cash equivalents denominated in foreign currencies are converted into euros at the year-end exchange rate or at the hedging rate. Any differences resulting from the conversion of foreign currency receivables and payables at the hedging rate are included in the balance sheet under "Unrealized foreign exchange gains/losses".

Receivables and payables

Receivables are measured at their nominal amount, and a provision for impairment set aside when their realizable value falls below their net carrying amount. Unbilled payables are recognized excluding VAT.

Bond redemption premium

The bond redemption premium is amortized on a straight-line basis over the term of the debt.

Tax consolidation

The Company and French subsidiaries at least 95%-owned by the Group have opted to file consolidated tax returns pursuant to Article 223 A of the French General Tax Code. Tax savings realized by the Group on account of losses incurred by consolidated entities are treated as a gain in the period in which they arise, and are retained in the parent company's accounts.

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 symmetrically with the gains and losses arising on the hedged items. The fair value of financial instruments is estimated based on market prices or pricing data provided by banks.

II - NOTES TO THE BALANCE SHEET AND STATEMENT OF INCOME

1. Non-current assets

<i>in thousands of euros</i>	Gross value (at beginning of year)	Increases	Decreases	Gross value (December 31)
Intangible assets				
Trademarks, patents and similar rights	35,568	-	-	35,568
Sub-total	35,568	-	-	35,568
Property, plant and equipment				
Land	-	-	-	-
Buildings	-	-	-	-
Other	224	-	-	224
Sub-total	224	-	-	224
Financial fixed assets				
Equity interests	13,558,237	223,076	(44,623)	13,736,690
Receivable from controlled entities	42,951	271,275	(64,482)	249,744
Securities held for portfolio management purposes	2	-	-	2
Other long-term investments	5,027	78,083	(73,977)	9,133
Sub-total	13,606,217	572,434	(183,082)	13,995,569
TOTAL NON-CURRENT ASSETS	13,642,009	572,434	(183,082)	14,031,361

EQUITY INTERESTS

Increases in this item were chiefly due to:

- capital increases carried out at two subsidiaries for a total amount of €176 million, mainly in France (€170 million), but also in Italy (€6 million);
- the May 2, 2008 acquisition from the Unilever group of two Netherlands-based firms acting as the holding companies for Asesorias Latin America Shared Services, Ltda. (renamed Capgemini Business Services Chile) and ARD – Prestação de Serviços Administrativos Lda. (renamed Capgemini Business Services Brazil) for €22 million;
- disposals of interests in Capgemini Deutschland GmbH to Capgemini Deutschland Holding GmbH for €25 million.

Decreases in this item result from the derecognition of the following assets:

- disposals of interests in Cap Gemini Telecom Media & Networks Nederland B.V. (€5 million), which were sold to Capgemini Nederland B.V.;
- disposals of interests in Capgemini Deutschland GmbH to Capgemini Deutschland Holding GmbH for €10 million;
- derecognition/cancellation of interests in Capgemini Old Ireland Ltd (€16 million) and in Capgemini Telecom Media & Networks Italia (€14 million) following their liquidation.

RECEIVABLE FROM CONTROLLED ENTITIES

The main changes in this caption reflect:

- the repayment in December 2008 of €40 million of the €240 million loan granted to Capgemini Nederland B.V. in November 2008 to help fund its acquisition of Getronics Pinkroccade Business Application Services B.V. (BAS B.V.) on December 1 of that year;
- miscellaneous loans granted to subsidiaries in 2007 and 2008, some of which were repaid in 2008.

OTHER LONG-TERM INVESTMENTS

On September 15, 2005, Cap Gemini S.A. mandated CA Cheuvreux to implement a liquidity agreement for €10 million with a view to boosting the liquidity of the Cap Gemini share and ensuring greater price stability (by avoiding in particular fluctuations in the share price not justified by market trends). This agreement relates to the share buyback program approved by the Shareholders' Meeting on May 12, 2005. The agreement was implemented with effect from September 30, 2005 for an automatically renewable term of one year, with Cap Gemini S.A. entitled to terminate the agreement at any time and request a transfer of the related funds. A total of 2,269,680 shares were acquired and 2,019,720 shares were sold under this agreement between January 1, 2008 and December 31, 2008. As Cap Gemini S.A. owned 127,040 treasury shares at December 31, 2007, the Company held a total of 377,000 treasury shares at end-December 2008, valued at €9,133 thousand.

2. Depreciation, amortization and provisions for non-current assets

<i>in thousands of euros</i>	Depreciation, amortization and provisions (at beginning of year)	Additions	Reversals	Depreciation, amortization and provisions (December 31)
Intangible assets				
Amortization of trademarks, patents and similar rights	33,416	83	-	33,499
Property, plant and equipment				
Depreciation of buildings	-	-	-	-
Financial fixed assets				
Provisions for equity interests	5,897,555	-	(29,869)	5 867 685
TOTAL DEPRECIATION, AMORTIZATION AND PROVISIONS	5,930,971	83	(29,869)	5,901,184

Provisions for equity interests

In 2008, reversals of provisions for equity interests concerned the following subsidiaries that were liquidated during the year: Capgemini Old Ireland Ltd and Capgemini Telecom Media & Networks Italia.

3. Marketable securities

Marketable securities can be analyzed as follows at December 31, 2008:

<i>in thousands of euros</i>	Net asset value	Nominal value	Carrying amount
Listed securities			
Money market funds (SICAV)	166,370	166,370	166,370
Investment funds (FCP)	286,352	286,352	286,352
Treasury stock	51,529	69,025	51,529
Unlisted securities			
Certificates of deposit	100,000	100,000	100,000
Commercial paper	200,000	200,000	200,000
Term deposits	100,000	100,000	100,000
TOTAL	904,251	921,747	904,251

4. Maturity of receivables at year-end

<i>in thousands of euros</i>	Gross amount	One year or less	More than one year
Non-current assets			
Receivable from controlled entities	249,744	-	249,744
Other financial fixed assets	9,133	9,133	-
Current assets			
Accounts and notes receivable	503	503	-
VAT receivable	7,296	7,296	-
Receivable from related companies	234,764	234,764	-
Miscellaneous receivables	279	279	-
Prepaid expenses	100	100	-
TOTAL	501,819	252,075	249,744

5. Deferred charges

<i>in thousands of euros</i>	Amount at beginning of year	Increases	Amortization	Amount at December 31
Issuance fees on syndicated credit facility and "OCEANE" bonds (1)	8,258	-	(2,706)	5,552
Cost of call option on shares	7,230	-	(3,615)	3,615
TOTAL	15,488	-	(6,321)	9,167

(1) Issuance fees on syndicated credit facilities and OCEANE bonds are amortized on a straight-line basis over the life of the debt.

The cost of the call option on shares aimed at neutralizing the dilutive impact of the "OCEANE 2003" bond issue is amortized over the remaining term of the bonds.

6. Share capital and additional paid-in capital

<i>in thousands of euros</i>	Number of shares	Share capital	Additional paid-in capital
At December 31, 2007 (par value of €8)	145,425,510	1,163,404	5,525,119
+ Cash capital increases via the exercise of stock options	419,428	3,356	6,673
+ / - Allocation of capital increase expenses (adjustment to provisions)	-	-	26
At December 31, 2008 (par value of €8)	145,844,938	1,166,760	5,531,818

7. Stock option plans

At the May 23, 2000 and May 12, 2005 annual shareholders' meetings, the Board of Directors was given a five-year authorization in respect of the May 23, 2000 plan ("2000 Plan"), and a 38-month

authorization in respect of the May 12, 2005 plan ("2005 Plan"), to grant stock options to certain Group employees on one or several occasions.

The main features of the two plans in force at December 31, 2008 are set out in the table below:

OVERVIEW	2000 Plan (Plan no. 5)	2005 Plan (Plan no. 6)	Total
Date of shareholders' meeting	May 23, 2000	May 12, 2005	
Maximum number of shares to be issued on exercise of options	12,000,000	6,000,000	
Date options first granted under the plan	September 1, 2000	October 1, 2005	
Deadline for exercising stock options after their grant date (based on progressive tranches): 10% after 1 year; +20% after 2 years; +30% after 3 years; +40% after 4 years, up to 100%	6 years then 5 years as from October 1, 2001	5 years	
Exercise price as a % of the average share price over the 20 trading days preceding the grant date	80% then 100% as from October 1, 2001	100% (no discount)	
Exercise price (per share and in euros) of the various stock option grants			
- low	21.00	30.00	
- high	31.00	55.00	
Maximum number of shares to be issued on exercise of outstanding options at December 31, 2007	4,518,003	5,773,170	10,291,173
Number of new stock options granted during the year	Plan expired	219,000 ⁽¹⁾	219,000
Number of options lapsed or canceled in 2008	910,458	483,650	1,394,108
Number of options exercised at December 31, 2008	389,218 ⁽²⁾	30,210 ⁽³⁾	419,428
Maximum number of shares to be issued on exercise of outstanding options at December 31, 2008	3,218,327 ⁽⁴⁾	5,478,310 ⁽⁵⁾	8,696,637
Residual weighted average life (in years)	0.87	2.90	

(1) Granted on June 1, 2008 at a price of €40.50.

(2) Representing the exercise at December 31, 2008 of 7,200 stock options granted at a price of €40; 20,268 stock options granted at €31; 260,300 stock options granted at €21; and 101,450 stock options granted at €27.

(3) Relating to stock options granted at €30.

(4) Representing 180,768 shares granted at a price of €31; 2,078,359 shares at €21; and 959,200 shares at €27.

(5) Representing 1,430,510 shares granted at a price of €30; 1,825,300 shares at €43; 215,500 shares at €55; 1,799,000 shares at €44; and 208,000 shares at €40.50.

The Group has no contractual or constructive obligations to purchase or settle the options in cash.

In the event of a notice of authorization of a tender offer or public exchange offer for some or all of the Company's shares

published by Euronext, option holders would be entitled, if they so wish, to exercise all of their remaining unexercised options immediately.

8. Provisions for contingencies and charges

<i>in thousands of euros</i>	at beginning of year	Additions	Reversals (utilized provisions)	Reversals (surplus provisions)	Change in accounting policy	Other	At December 31
Provisions for contingencies and charges							
Relating to foreign exchange losses	325	1,866	325	-	-	-	1,866
Relating to other risks	1,573	6,032	1,573	-	-	-	6,032
TOTAL	1,898	7,898	1,898	-	-	-	7,898

Additions during the period correspond to (i) a provision for currency risks set aside in respect of unrealized foreign exchange losses on foreign currency receivables and payables; and (ii) a provision for negative equity at Capgemini Service S.A.S.

Reversals during the period concern a provision for currency risks recognized in 2007 for €325 thousand, and a contingency provision for €1,573 thousand regarding the subsidiary Capgemini Telecom & Networks Italia S.p.A.

9. Convertible bonds

<i>in thousands of euros</i>	December 31, 2007	December 31, 2008
“OCEANE 2003” bonds	460,000	460,000
“OCEANE 2005” bonds		
Principal	437,000	437,000
Redemption premium	57,873	57,873
TOTAL	954,873	954,873

A. “OCEANE 2003” CONVERTIBLE/EXCHANGEABLE BONDS ISSUED ON JUNE 24, 2003

On June 24, 2003, the Company issued bonds convertible/exchangeable into new or existing Cap Gemini shares, maturing on January 1, 2010 (“OCEANE 2003”). The issuance and settlement date of the bonds was July 2, 2003.

The total amount of the issue was €460 million, represented by 9,019,607 bonds with a nominal value of €51 each. The bonds bear interest at 2.5% per year.

The terms and conditions of this issue are set out in the prospectus approved by the AMF on June 24, 2003 under the reference number 03-607.

An interest rate swap was entered into in connection with these OCEANE bonds in 2004, and subsequently amended in 2006. The terms and conditions of this contract, under which the Company has swapped the 2.5% fixed rate payable on the bonds for a variable rate indexed to the 3-month post-fixed Euribor, are described below (see Note 17.c – Financial instruments).

Summary of the main terms and conditions of the “OCEANE 2003” bond issue

Conversion and/or exchange of the bonds for shares

At any time between August 11, 2003 and the seventh business day preceding January 1, 2010.

Redemption at maturity

The bonds will be redeemed in full at par in cash on January 1, 2010.

Early redemption at the Company’s option

- at any time, without limitation on price or quantity, by buying back all or some of the bonds either on or off market or by means of a public buyback or exchange offer;
- from July 2, 2007 and until the seventh business day preceding January 1, 2010, at an early redemption price equal to par plus accrued interest, if (i) the then current conversion/exchange ratio multiplied by (ii) the arithmetic average of the opening quoted prices of the Company’s ordinary shares on the Eurolist market of Euronext Paris S.A. calculated over a period of 20 consecutive trading days, exceeds 125% of such early redemption price. Upon early redemption, the bonds may be redeemed either in cash or converted into Cap Gemini S.A. shares, at the option of the bondholders.

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 of control of the Company.

Early repayment

At the initiative of a majority of bondholders, particularly in the event of a failure to pay sums due or to comply with other obligations set out in the documentation (beyond any “grace” periods, if applicable), cross default (in excess of a minimum threshold), liquidation, dissolution or sale of all of the Company’s assets, or delisting of the Company’s shares from the Eurolist market of Euronext Paris S.A.

An upgrade or downgrade in the Company’s credit rating would not constitute an early redemption event and would have no impact on the applicable interest rate.

Pari passu status

Cap Gemini S.A. has undertaken that the bonds will rank pari passu with all other bonds issued by the Company.

B. “OCEANE 2005” CONVERTIBLE/EXCHANGEABLE BONDS ISSUED ON JUNE 16, 2005

On June 16, 2005, the Company issued bonds convertible/exchangeable into new or existing Cap Gemini shares, maturing on January 1, 2012 (“OCEANE 2005”). The issuance and settlement date of the bonds was June 24, 2005.

The total amount of the issue was €437 million, represented by 11,810,810 bonds with a nominal value of €37 each. The bonds bear interest at 1% per year.

The terms and conditions of this issue are set out in the prospectus approved by the AMF on June 16, 2005 under the reference number 05-564.

Summary of the main terms and conditions of the “OCEANE 2005” bond issue

Conversion and/or exchange of the bonds for shares

At any time between June 24, 2005 and the seventh business day preceding January 1, 2012.

Redemption at maturity

January 1, 2012 at a price of €41.90 per bond, representing around 113.2% of the bonds’ nominal value.

Early redemption at the Company’s option

- at any time, without limitation on price or quantity, by buying back all or some of the bonds either on or off market or by means of a public buyback or exchange offer;

- between June 24, 2009 and December 31, 2011, all outstanding bonds may be redeemed at an early redemption price calculated in such a way that the resulting yield to maturity is equal to that which would have been obtained at maturity, i.e., a rate of 2.875%, plus accrued interest, if (i) the then current conversion/exchange ratio multiplied by (ii) the arithmetic average of the opening prices quoted for the Company’s ordinary shares on the Eurolist market of Euronext Paris S.A. over a period of 20 consecutive trading days, exceeds 130% of such early redemption price. Upon early redemption, the bonds may be redeemed either in cash or converted into Cap Gemini S.A. shares, at the option of the bondholders;
- at any time, for all outstanding bonds, if less than 10% of the bonds are still outstanding.

Early redemption at the option of bondholders

Bondholders may request the early redemption of all or part of their bonds in the event of a change of control of the Company.

Early repayment

At the initiative of a majority of bondholders, particularly in the event of a failure to pay sums due or to comply with other obligations set out in the documentation (beyond any “grace” periods, if applicable), cross default (in excess of a minimum threshold), liquidation, dissolution or sale of all of the Company’s assets, or delisting of the Company’s shares from the Eurolist market of Euronext Paris S.A.

An upgrade or downgrade in the Company’s credit rating would not constitute an early redemption event and would have no impact on the applicable interest rate.

Pari passu status

Cap Gemini S.A. has undertaken that the bonds will rank pari passu with all other bonds issued by the Company.

C. REDEMPTION PREMIUM

There is a premium of €57,873 thousand on the redemption of the “OCEANE 2005” bonds. The offsetting entry for this premium is reported in assets on the bond redemption premium line, and is amortized on a straight-line basis over the term of the debt.

10. Bank loans and borrowings

The amount of 201,409 thousand reported in this caption corresponds to the credit balance of certain euro and foreign currency bank accounts used in connection with the Group’s worldwide cash pooling arrangements. These credit balances are fully offset by matching debit balances shown within cash and

cash equivalents for €191,687 thousand, and by bank overdrafts (€1,715 thousand) and accrued interest (€8,007 thousand).

SYNDICATED CREDIT FACILITY OBTAINED BY CAP GEMINI S.A.

On November 14, 2005, the Company signed a €500 million multi-currency credit facility with a bank syndicate maturing on November 14, 2010 at the latest. On September 14, 2006, Cap Gemini S.A. exercised the one-year extension option on this facility (approved by the syndicate banks on October 27, 2006), thereby extending its maturity to November 14, 2011.

Use of this credit facility is subject to the following conditions:

- a margin of 0.50% as of the balance sheet date (above Euribor or Libor 1 to 12 months). In addition, a utilization fee of 0.025% to 0.050% may apply for drawdowns in excess of certain amount of the credit facility. The margin may be adjusted according to the Company's credit rating;
- a fee on undrawn amounts initially set at 35% of the margin (i.e. currently 0.175%) that may be reduced to 30% if the Company's rating improves.

An upgrade or downgrade of the Company's credit rating would have no impact on the availability of this credit line.

The Company has agreed to comply at Group level with the following financial ratios (as defined in IFRS) in respect of this credit line:

- the net financial debt to consolidated equity ratio must be less than 1 at all times;

- interest coverage (i.e., the extent to which net finance costs adjusted for certain items 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, 2008, the Group complied with these financial ratios.

The facility agreement includes covenants restricting the Company's ability to carry out certain operations. These covenants also apply to Group subsidiaries, and include restrictions primarily relating to:

- pledging assets as collateral,
- asset sales, mergers or similar transactions.

The Company also committed to standard obligations, including an agreement to maintain *pari passu* status.

The agreement contains the usual provisions relating to early repayment, particularly in the event of failure to pay sums due, misrepresentation or failure to comply with other obligations included in the agreement (subject to any applicable "grace" periods), cross defaults (in excess of a minimum threshold), insolvency and bankruptcy proceedings, change of control, or changes which would have a significant negative impact on the Group's financial position.

At December 31, 2008, no drawdowns had been made on this credit facility.

11. Maturity of payables at year-end

<i>in thousands of euros</i>	Gross amount	One year or less	More than one year
Convertible bonds	954,873	-	954,873
Bank loans and borrowings			-
Bank overdrafts	1,715	1,715	-
Bank overdrafts (Group cash pooling arrangement)	191,687	191,687	-
Accrued interest	8,007	8,007	-
Sub-total	201,409	201,409	-
Group loans and borrowings			
Payable to the Group	301,468	301,468	-
Payable to related companies	208,687	208,687	-
Other payables	460	460	-
TOTAL	1,666,897	712,024	954,873

The Group loan of €301,468 thousand mainly comprises a £230 million loan granted to Cap Gemini S.A. by Capgemini U.K. Plc. The loan pays annual interest of 6.12%, matures

on January 22, 2009, and is hedged by a currency swap (euro/pound sterling).

12. Accrued charges

Accrued charges reported in the balance sheet can be analyzed as follows:

<i>in thousands of euros</i>	Amount
Financial Debt	
Accrued interest	8,007
Other liabilities	
Accounts and notes payable	3,360
Tax and social security liabilities	4,374
Other payables	460
TOTAL	16,201

13. Unrealized foreign exchange gains and losses on foreign currency receivables and payables

<i>in thousands of euros</i>	Reported in assets	Reported in liabilities	Provision for foreign exchange losses
On other receivables/payables	1,866	87	1,866
TOTAL	1,866	87	1,866

14. Finance income, net

<i>in thousands of euros</i>	Amount
Provisions relating to financial items	
Additions	(34,270)
Reversals	31,767
	Sub-total
	(2,503)
Dividends	
	Sub-total
	66,672
Other financial income and expense	
Net proceeds from disposals of marketable securities	48,016
Revenues from current account loans granted and Group cash pooling arrangements	12,420
Interest on current account loans received and Group cash pooling arrangements	(24,107)
Interest on "OCEANE" bonds	(18,519)
Foreign exchange gains, net	2,074
Other	(84)
	Sub-total
	19,800
FINANCE INCOME, NET	83,969

The amount of €66,672 thousand in dividends corresponds to dividends paid during the period by French, Portuguese, Hungarian and Italian subsidiaries.

Net proceeds from disposals of marketable securities (€48,016 thousand) relate to the sale during the period of money market funds (SICAV) for €4,510 thousand; investment funds (FCP) for €7,690 thousand; and certificates of deposit and commercial paper for €35,816 thousand.

Additions to provisions for financial items totaling €34,270 thousand reflect the amortization of the redemption premium on "OCEANE 2005" bonds (€8,875 thousand), additions to provisions for currency risks (€1,866 thousand), a provision for impairment of equity interests relating to Capgemini

Services S.A.S. (€6,032 thousand), and a contingency provision for treasury shares (€17,496 thousand).

Reversals concern a provision for currency risks booked in 2007 for €325 thousand, as well as reversals of contingency provisions and provisions for equity interests further to the liquidation of Cap Gemini Telecom Media & Networks Italia and Capgemini Old Ireland Ltd for €15,676 thousand and €15,765 thousand, respectively.

Net finance income for 2007 of €330,438 thousands, higher than that of 2008, is attributable to reversals of provisions for equity interests and contingency provisions in the Dutch, German, Spanish, Italian and French subsidiaries in an amount of €280,622 thousands.

15. Non-recurring expense, net

<i>in thousands of euros</i>	Amount
Disposals of equity interests	
Sale price	36,848
Carrying amount	(44,623)
Sub-total	(7,775)
Net expenses on disposals of treasury stock under the liquidity agreement	(2,425)
Exceptional provisions	(1,418)
Other	(5,076)
Sub-total	(8,919)
NON-RECURRING EXPENSE, NET	(16,694)

16. Income tax

Cap Gemini S.A. is the parent company of a French tax consolidation group comprising 24 companies. In 2008, the impact of tax consolidation on the earnings of Cap Gemini S.A.

is a gain of €29,451 thousand. Tax losses carried forward by Cap Gemini S.A. amounted to €1,557,388 thousand at December 31, 2008.

III - OTHER INFORMATION

17. 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, 2008 can be analyzed as follows:

<i>in thousands of euros</i>	Amount
Financial items	421,728
Operating items	157,479
Tax items	132
TOTAL	579,339

CAP GEMINI S.A. FINANCIAL STATEMENTS

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 drawdowns on these credit lines at December 31, 2008 amounted to €51,780 thousand.

B) OTHER COMMITMENTS

On June 26, 2003 and June 28, 2004, Cap Gemini S.A. sold a tax receivable of €90 million and an additional tax receivable of €39 million to a credit institution for €74 million and €33 million, respectively. These receivables result from the option to carry back French tax losses generated in 2002. Cap Gemini S.A. agreed to indemnify the transferee for any difference between the amount of the receivables sold and the amount able to be recovered from the French Treasury, for a period up to December 31, 2011.

The Group has provided performance and/or financial guarantees for a number of major contracts. These include the contracts signed in 2004 with HM Revenue & Customs, TXU (now EFH), Schneider Electric Industries SAS and Euroclear, as well as the contract signed in 2005 with the Metropolitan Police.

The Group has also granted certain customers limited financial guarantees totaling €138 million at December 31, 2008, and bank guarantees totaling €58 million at year-end.

Cap Gemini S.A., together with all of its subsidiaries and any entities of 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, has been in place for several years and is reinsured with a consolidated captive reinsurance subsidiary.

On October 11, 2006, the Group purchased 51% of the capital of Unilever Shared Services Limited (renamed Capgemini Business Services India Ltd.), a subsidiary of Hindustan Lever Limited (Unilever group). This India-based company was an administrative, financial and control service center for Unilever. The purchase agreement includes a call/put option for Capgemini/Hindustan Lever Limited on the remaining 49% of capital (€9,880 thousand), exercisable from October 1, 2008 for a period of six months. If exercised, Cap Gemini S.A. would own 100% of Capgemini Business Services India Ltd. The Company also undertook to pay Unilever Shared Service Limited's minority

shareholders additional price consideration in the event that the objectives set prior to the transaction are met. The value of this off balance sheet commitment is estimated at €4,450 thousand at December 31, 2008.

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.

Guarantees in respect of tax items totaled €17,010 thousand at December 31, 2008.

During 2008 and in previous financial years, the Company underwent a number of tax audits, leading in some cases to tax reassessments. A number of these reassessments have been challenged and certain litigation proceedings were in progress at the balance sheet date.

C) FINANCIAL INSTRUMENTS

Derivative instruments

Currency swaps are used to hedge currency risk on Group loans and borrowings. At December 31, 2008, the value of derivatives used to hedge currency risks was a negative €61,216 thousand, reflecting essentially the market value of a euro/pound sterling swap hedging an intra-group loan between the Company and Capgemini UK.

In October 2004, the Company entered into an interest rate swap in connection with the "OCEANE 2003" convertible/exchangeable bonds for a notional amount of €460 million, maturing in January 2010. The fair value of this swap was €1,199 thousand at December 31, 2008.

Interest rate hedges

On October 28, 2004, the Company entered into an interest rate swap in connection with the "OCEANE 2003" convertible/exchangeable bonds for a notional amount of €460 million, maturing in January 2010.

In view of the increase in short-term interest rates in 2005 and 2006, and market forecasts through to the maturity of the "OCEANE 2003" bonds on January 1, 2010, the swap contract was amended on September 15, 2006. Under the revised terms of the contract, the Company swapped the 2.5% fixed rate on the OCEANE bonds for a variable rate indexed to the 3-month post-fixed Euribor, instead of the 12-month post-fixed Euribor rate -0.59% specified in the original contract. The variable rate is now capped at 3.07% (3.41% under the previous terms), while the floor is unchanged at 1.41%. The revised terms of the interest rate swap contract do not affect the zero-cost automatic deactivation clause in the event that the Company exercises its right (under

certain conditions) to redeem the bonds early. The terms and conditions of the contract are set out in section 9 – “Convertible bonds”, and in the prospectus approved by the AMF on June 24, 2003 under the reference number 03-607.

- Currency swaps maturing in 2009 relating to the Group’s internal financing arrangements in an amount of:
 - GBP 234 million (€301 million);
 - AUD 10 million (€5 million).

Currency hedges

At December 31, 2008, currency hedges totaled €306 million and can be analyzed as follows:

18. Related companies

<i>in thousands of euros</i>	Total	of which related companies
Balance sheet items		
Equity interests	13,736,690	13,736,690
Receivable from controlled entities	249,744	249,744
Payable to controlled entities	301,468	301,468
Related companies		
- receivable	234,764	234,764
- payable	208,687	208,687
Income statement items		
Investment income	66,672	66,672
Income on Group loans	3,398	3,398
Other interest income	56,338	8,451
Interest expense	54,210	23,711

19. Consolidating company

Cap Gemini S.A. is the consolidating company for the Capgemini Group.

20. Subsequent events

At the Annual Shareholders’ Meeting, the Board of Directors will recommend a dividend payment of €1 per share.

21. Remuneration of members of the Board of Directors

The total amount of attendance fees paid to directors and non-voting directors during 2008 represents €616,000 (or €573,500 after deduction of withholding tax for non-resident beneficiaries).

IV - LIST OF SUBSIDIARIES AND INVESTMENTS

in millions of euros	Share capital	Other shareholders' equity (inc. net income for the year)	% interest	Number of shares held	Book value of shares		Loans and advances granted	Guarantees given (1)	2008 revenues	Dividends received
					Gross	Net				
SUBSIDIARIES										
Capgemini North America Inc.	1	2 750	100.00%	982,000	6,618	2,350	0	0	0	0
CGS Holdings Ltd.	542	1	100.00%	558,777,061	721	721	0	0	0	0
Gemini Consulting Holding Ltd.	0	8	100.00%	1,083	23	23	0	0	0	0
Capgemini Oldco Ltd.	11	22	100.00%	1,033,938,857	801	264	0	0	0	0
Capgemini A.B. (Sweden)	2	208	100.00%	24,714	352	352	0	7	0	0
Capgemini N.V. (Benelux)	2	291	100.00%	21,582,376	1,467	1,239	200	0	0	0
Capgemini Business Services B.V.	0	2	100.00%	485	19	19	0	0	0	0
Capgemini Shared Services B.V.	0	0	100.00%	743	3	3	1	0	0	0
Capgemini Deutschland Holding GmbH	125	3	95.58%	2	629	629	0	50	0	0
Capgemini Consulting Osterreich AG	0	3	100.00%	36,791	42	30	0	0	37	0
Capgemini Suisse AG	0	5	100.00%	500	39	32	0	41	73	0
Capgemini Polska Sp Z.o.o (Poland)	4	10	100.00%	129,160	25	16	0	39	95	0
Capgemini Magyarorszag Kft	0	2	100.00%	1	2	2	0	0	9	1
Capgemini Czech Republic S.r.o.	1	0	100.00%	0	1	1	7	0	6	0
Capgemini France S.A.S.	63	236	100.00%	4,063,722	843	843	0	21	20	24
Capgemini Télécom & Media S.A.S.	18	18	98.00%	1,090,762	171	171	0	0	215	6
Capgemini Technology Services Maroc	1	-1	99.99%	164,996	1	1	0	0	3	0
Sogeti S.A.	0	-1	100.00%	619	0	0	0	0	0	0
Sogeti S.A.S.	261	367	100.00%	52,106,876	754	754	0	0	32	30
Capgemini Italia S.p.A.	11	-5	100.00%	2,200,000	503	9	0	8	117	0
Capgemini España S.L. (Sociedad Unipersonal)	11	2	100.00%	106,245	194	194	0	0	243	0
Capgemini Portugal, Serviços de Consultoria e Informatica S.A.	8	6	100.00%	1,698,842	44	44	0	0	33	3
Capgemini Business Services Guatemala S.A.	0	0	100.00%	2,644	0	0	1	0	0	0
Capgemini Asia Pacific Pte. Ltd. (Singapore)	15	-1	100.00%	17,421,229	142	43	0	0	1	0
Capgemini Australia Pty Ltd (Australia)	88	-88	100.00%	1,450,000	166	54	5	24	44	0
Capgemini Business Services (India)	0	2	51.00%	2,550	10	10	0	1	17	0
Capgemini Service S.A.S.	2	-8	100.00%	2,000,000	84	0	0	15	193	0
S.C.I. Paris Etoile	0	4	99.99%	9,999	48	31	0	0	3	2
Immobilière les Fontaines S.A.R.L.	2	-3	99.84%	619,000	32	32	0	51	6	0
Capgemini Université S.A.S.	0	0	100.00%	2,500	0	0	0	0	21	0
Capgemini Gouvieux S.A.S.	0	0	100.00%	10,000	0	0	0	0	24	0
Other French companies	na	na	na	na	0	0	-	na	na	0
Other foreign companies	na	na	na	na	0	0	-	-	na	-

INVESTMENTS

As of December 31, 2008, investments held by Cap Gemini S.A. are not material.

na: not applicable

(1) At December 31, 2008, the total amount of guarantees and comfort letters granted by the Company to its subsidiaries in respect of financing arrangements amounts to €370 million, of which €52 million has been drawn down.

The net income of subsidiaries and investments is not provided because disclosure would be prejudicial to the Company's commercial and financial strategy. Cap Gemini S.A. is the parent company of a French tax consolidation group comprising 24 companies. In 2008, the impact of tax consolidation on the earnings of Cap Gemini S.A. is a gain of €29 million. The realizable value of the equity interests represents their value in use for the Company. Value in use is mainly calculated based on discounted future cash flows adjusted for net debt. A provision for impairment is set aside when the realizable value as defined above falls below the acquisition cost.

V - FIVE-YEAR FINANCIAL SUMMARY

<i>in thousand of euros</i>	2004	2005	2006	2007	2008
I - SHARE CAPITAL AT YEAR-END					
Share capital	1,051,065	1,052,656	1,152,654	1,163,404	1,166,760
Number of common shares outstanding	131,383,178	131,581,978	144,081,808	145,425,510	145,844,938
Maximum number of future shares to be created :					
- through exercise of equity warrants	12,289,150	13,101,800	10,518,710	10,291,173	8,696,637
- through conversion fo convertible bonds	9,019,607	20,830,417	20,830,416	20,830,416	20,830,416 (1)
- through warrants related to Transiciel acquisition	508,600	315,790	-	-	-
II - OPERATIONS AND RESULTS OF THE CURRENT YEAR					
Operating revenue	129,798	162,321	183,111	203,711	202,017
Operating revenue and financial revenue	875,502	547,112	375,552	639,994	382,207
Income before taxes, amortization and provisions	(491,441)	394,551	202,467	235,834	240,322
Income tax	(42,758)	(21,501)	(23,104)	(32,227)	(29,419)
Net income / (losses)	(948,715)	173,440	194,560	496,620	259,605
Distributed income	-	65,790	100,857	145,426	145,845 (2)
III - EARNINGS PER SHARE (IN EUROS)					
Earnings after taxes, but before amortization and provisions	(3.42)	3.16	1.57	1.84	1.85
Net earnings	(7.22)	1.32	1.35	3.41	1.78
Dividend per share	-	0.50	0.70	1.00	1.00 (2)
IV - EMPLOYEE DATA					
Average number of employee during the year	Cap Gemini S.A. does not have any employees				
Total payroll					
Total benefits					

(1) Cap Gemini S.A. decided to neutralize in full the potential dilutive impact of the OCEANE bonds issued on June 24, 2003 and due January 1, 2010, through the acquisition from Société Générale in June 2005 of a call option on a number of shares equal to the underlying number of shares of this OCEANE, and with an exercise price and maturity matching those of the OCEANE.

(2) Subject to approval by the Extraordinary Shareholders' Meeting of April 30, 2009.

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2008

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether qualified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.

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

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2008, 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 consolidated financial statements are free of material misstatement. An audit includes verifying, on a test basis or by other selection methods, evidence supporting the amounts and disclosures in the 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 our audit provides a reasonable 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 as of December 31, 2008, 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 matters: Equity interests as reported in the balance sheet amounted to €7,869 million at December 31, 2008. The accounting principles used to determine the value in use of these investments are described in Note I to the financial statements. As part of our assessments, we verified whether the approach applied was correct and that the assumptions used and resulting valuations were consistent overall. These assessments were made in the context of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III- Specific verifications and information

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;
- the fair presentation of the information given in the Management Report regarding the remuneration and benefits paid to the relevant corporate officers and any other commitments made in their favor in connection with, or subsequent to, their appointment, termination or change in function.

In accordance with the law, we have verified that the management report contains the appropriate disclosures concerning acquisitions of investments and controlling interests and the identity of shareholders.

The Statutory Auditors

Neuilly-sur-Seine, February 11, 2009

PricewaterhouseCoopers Audit

Edouard Sattler Serge Villepelet

Paris La Défense, February 11, 2009

KPMG Audit

Division of KPMG S.A.

Jean-Luc Decornoy Jacques Pierre
Partner Partner