# June 30, 2011

# INTERIM FINANCIAL REPORT

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# FINANCIAL HIGHLIGHTS

**CONSOLIDATED FINANCIAL STATEMENTS**

| *in millions of euros* | First-half 2007 | First-half 2008 | First-half 2009 | First-half 2010 | First-half 2011 |
|---|---|---|---|---|---|
| **Revenues** | **4,397** | **4,374** | **4,376** | **4,211** | **4,756** |
| OPERATING EXPENSES | (4,128) | (4,042) | (4,089) | (3,966) | (4,467) |
| **OPERATING MARGIN** | **269** | **332** | **287** | **245** | **289** |
| % of revenues | 6.1% | 7.6% | 6.6% | 5.8% | 6.1% |
| **OPERATING PROFIT** | **229** | **288** | **167** | **200** | **240** |
| % of revenues | 5.2% | 6.6% | 3.8% | 4.7% | 5.1% |
| **PROFIT FOR THE PERIOD** | **168** | **231** | **78** | **101** | **127** |
| % of revenues | 3.8% | 5.3% | 1.8% | 2.4% | 2.7% |
| **EARNINGS PER SHARE** | | | | | |
| *Number of shares at June 30* | *144,819,065* | *145,686,996* | *146,510,068* | *155,031,166* | *155,770,362* |
| Earnings per share at June 30 (in euros) | 1.16 | 1.59 | 0.53 | 0.65 | 0.82 |
| **NET CASH AND CASH EQUIVALENTS AT JUNE 30** | **452** | **533** | **576** | **809** | **169** |
| **AVERAGE NUMBER OF EMPLOYEES** | **77,669** | **84,646** | **90,855** | **92,328** | **111,592** |
| **NUMBER OF EMPLOYEES AT JUNE 30** | **79,981** | **86,487** | **89,453** | **95,586** | **114,274** |

# INTERIM FINANCIAL REVIEW

## FIRST-HALF 2011 HIGHLIGHTS

The first half of 2011 enjoyed a marked recovery in Group activities. After a slight downturn in organic growth in 2010, the recovery which began at the end of 2010 continued throughout the first half of 2011. Revenues increased 12.9% (7.4% like-for-like) on the first half of 2010. Foreign exchange impacts were slightly unfavorable (-0.4 pts on half-year growth). Acquisitions (and particularly the acquisition of CPM-Braxis in Brazil during the second half of 2010) accounted for the majority of the difference between published and organic growth. Growth was the strongest in North America, Brazil and Asia. The services to financial sector and the BPO sector were also particularly buoyant during the half-year.

An analysis of **new orders,** which totaled €5,205 million in the first half of 2011 (€3,553 million excluding Outsourcing Services), confirms the dynamic pace of commercial activities. The book-to-bill ratio for the Consulting Services, Technology Services and Local Professional Services businesses is 1.18 for the half-year. In North America, the book-to-bill ratio remains the highest of the Group's main regions at 1.27.

**The operating margin of the Group** for the first-half 2011 (€289 million, or 6.1% of revenues), is in line with expectations of limited growth in the margin rate on the first-half 2010. This is mainly attributable to salary rises granted at the beginning of the year, while selling prices have not yet increased overall. Restructuring costs are consistent with expectations and amount to €32 million for the half-year. Operating profit for the half-year is €240 million (up 20% on 2010).
After a net financial expense of €51 million and an income tax expense of €70 million, profit for the half-year is €119 million (€127 million attributable to owners of the Company) compared to only €101 million one year previously.

Since January 1, the Group has performed and announced, in line with its development strategy, the acquisition of six small companies:

- Two targeted acquisitions in France - Avantias, a specialist in Enterprise Content Management (ECM) and Artesys, a French leader in the design of infrastructure solutions;
- Four acquisitions outside France: CS Consulting in Germany in the financial services sector, BI Consulting in the United States, a systems integration specialist for Oracle solutions, Praxis (Beijing) Technology in China in the energy sector and AIVE in Italy in systems integration.

In addition, an agreement in principle was reached with the shareholders of Prosodie for the acquisition of this company, which will position the Group in the transaction services and client relationship sector. This transaction should be completed in the third quarter.

Following a dividend payment of €1 per share (€154 million in total) and taking into account the increase in working capital requirements during the period, **net cash and cash equivalents** total €169 million.

**The Group headcount** totaled 114,274 at June 30, 2011, up significantly on June 30, 2010 (95,586) and December 31, 2010 (108,698), thanks to a sustained recruitment policy.
The annualized attrition rate for the half-year of 17.7% is comparable with that for the first half of 2010 (16.8%), despite a far more dynamic market. 47% of Group recruitment was performed onshore, significantly more than in the first half of 2010 (32%).

## OPERATIONS BY GEOGRAPHIC AREA

| | % of revenues H1 2011 | Growth on H1 2010 | | Operating margin rate | |
|---|---|---|---|---|---|
| | | Published figures | Like-for-like | H1 2010 | H1 2011 |
| **France** | **21.8%** | **5.8%** | **5.8%** | **5.1%** | **7.6%** |
| **United Kingdom and Ireland** | **20.8%** | **6.9%** | **5.2%** | **7.3%** | **6.1%** |
| **North America** | **18.3%** | **8.2%** | **12.1%** | **4.3%** | **8.1%** |
| **Benelux** | **13.5%** | **-0.4%** | **-2.0%** | **9.1%** | **6.2%** |
| **Rest of the World, o/w:** | **25.6%** | **42.0%** | **13.3%** | **7.7%** | **5.9%** |
| *Germany and Central Europe* | *6.5%* | *19.0%* | *7.4%* | *7.9%* | *6.0%* |
| *Nordic countries* | *6.7%* | *18.0%* | *10.3%* | *6.0%* | *5.8%* |
| *Southern Europe and Latin America* | *9.7%* | *92.5%* | *14.2%* | *2.2%* | *0.7%* |
| *Asia-Pacific* | *2.7%* | *46.9%* | *37.2%* | *N/A* | *N/A* |
| **TOTAL** | **100%** | **12.9%** | **7.4%** | **5.8%** | **6.1%** |

**France** (21.8% of Group revenues) enjoyed a substantial acceleration in growth on 2010, with a 5.8% rise in revenues. This growth was underpinned by the dynamism of technology services and Sogeti in particular. The operating margin rate increased significantly from 5.1% in the first half of 2010 to 7.6%.

The **United Kingdom and Ireland** region (20.8% of Group revenues) reported a 6.9% increase in revenues. This performance was achieved despite the unfavorable context of budget austerity in the public sector, which accounts for three-quarters of business in this region. The operating margin rate fell 1.2 points on the first half of 2010 to 6.1%.

**North America** (18.3% of Group revenues) reported a 8.2% increase in revenues (12.1% like-for-like). The first half of 2011 confirmed the business recovery first felt mid-2010, with the financial sector remaining extremely dynamic, alongside Consulting Services and Sogeti. These businesses grew over 20% like-for-like. The Outsourcing Services business has still not enjoyed a return to growth, and it is project and consulting activities which underpin business growth in this region. The operating margin rate improved significantly to 8.1%, almost double that reported in the first half of 2010 (4.3%).

**The Benelux** (13.5% of Group revenues) region is not yet clear of the financial crisis. Revenues declined 0.4% in the first half of 2011. Consulting Services and Sogeti remain particularly affected by a market which is still depressed. The operating margin rate fell to 6.2% (compared to 9.1% in 2010) and is now in line with the Group average.

The **Rest of the World** (25.6% of Group revenues) reported overall growth of 42% (13.3% like-for-like), impacted by a number of contrasting movements: the Nordic countries, Germany and Central Europe grew at rates comparable to that of the Group, while Southern Europe and Latin America were even more dynamic, enjoying like-for-like growth driven by the development of CPM-Braxis in Brazil (+21,3%) and of Italy (+10,8%). The Asia-Pacific region reported the strongest growth, both on published figures (+46.9%) and like-for-like (+37.2%). These other regions reported an average 1.8 point fall in profitability on the first half of 2010, although the operating margin reached €72 million (5.9% of revenues).

## OPERATIONS BY BUSINESS SEGMENT

| | % of revenues H1 2011 | Growth* on H1 2010 | Operating margin rate | |
|---|---|---|---|---|
| | | | H1 2010 | H1 2011 |
| Consulting Services | 5.6% | -1.6% | 11.1% | 11.8% |
| Technology Services | 41.3% | 9.6% | 5.5% | 5.8% |
| Outsourcing Services | 37.0% | 6.6% | 6.7% | 5.7% |
| Local Professional Services | 16.1% | 7.3% | 7.2% | 9.9% |

*like-for-like.

**Technology Services** (41.3% of Group revenues) remains the Group's powerhouse and reported an above-Group average increase in revenues (+9.6% like-for-like). This was the sole business to report growth in all countries where the Group operates. Among the Group's main regions, North America reported the highest growth (21.3%). With the proportion of business performed offshore still rising, the average selling price continues to fall. At 78.7%, the utilization rate for the half-year remains close to the level attained in 2010 (79.4%). The operating margin rate increased 0.3 points to 5.8% in line with the Group average.

**Outsourcing Services** (37% of Group revenues) reported a 6.6% increase in activity in the first half of 2011, like-for-like. In the main geographical areas of this business segment, performance levels were highly contrasted between strong growth in Brazil, growth in the United Kingdom and a decline in North America and Benelux. The operating margin fell 1 points on the first half of 2010 to 5.7%.

**Local Professional Services** (Sogeti) reported growth of 7.3% like-for-like, close to the Group average. The downturn in Sogeti business in Benelux and almost stable activity levels in Central Europe, were more than offset by strong growth in North America and Scandinavia. Overall, selling prices increased slightly. The operating margin rate increased 2.7 points on the first half of 2010 to 9.9%.

**Consulting Services** is the only Group business to report an overall contraction in activity in the first half of 2011 (-1.6% like-for-like). The situation is highly contrasted depending on the country, as on a like-for-like basis, North America and Central Europe enjoyed growth of over 20% while Benelux and the United Kingdom declined significantly. The volume of consulting services in these two countries, which are relatively more important, generated negative growth for the entire business. The operating margin rate rose despite this contraction, increasing 0.7 points on the first half of 2010 to 11.8%, despite the downturn in activity.

## ANALYSIS OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED JUNE 30, 2011

### Consolidated Income Statement

**Revenues** for first-half 2011 totaled €4,756 million, compared to €4,211 million in first-half 2010, up 12.9% (7.4% like-for-like).

**The Operating margin** for the first six months of 2011 was €289 million, compared to €245 million for the same period in 2010, representing a margin rate of 6.1% compared to 5.8%.
The increase in the operating margin rate, while in line with expectations, was limited at Group level by price levels and utilization rates which remain unfavorable, particularly in the Netherlands and the United Kingdom.

**Other operating income and expense** represented a net expense of €49 million in the first-half 2011, almost stable on the first-half 2010 (€45 million), due to restructuring costs which were also stable at €32 million.

**Operating profit** is therefore €240 million for the six months to June 30, 2011 (5.1% of revenues), compared to €200 million for the first-half 2010 (4.7% of revenues), representing an increase of 20%.

The **Net financial expense** totaled €51 million in the first-half 2011, up on the net financial expense in the first-half 2010 (€38 million). This increase was mainly due to loan interest, bank commission and foreign exchange losses of CPM Braxis, consolidated for the first time in the fourth quarter of 2010.

The **Income tax expense** for the first-half 2011 is €70 million, compared to €61 million for the first-half 2010, including current income tax of €45 million (€39 million in the first-half 2010) and deferred tax of €25 million (€22 million in the first-half 2010). The effective tax rate for the first-half 2011 is therefore 37.2% (38.0% in the first-half 2010).

**Profit for the period attributable to owners of the Company** is €127 million for the first-half 2011, some 26% higher than the profit of €101 million for the first-half 2010. Earnings per share is €0.82 based on 155,770,362 shares outstanding at June 30, 2011, compared to €0.65 based on 155,031,166 shares outstanding at June 30, 2010.

### Consolidated statement of financial position

**Consolidated equity attributable to owners of the Company** totaled €4,179 million at June 30, 2011, down €135 million on December 31, 2010. This decrease was mainly due to:

- profit for the period (€127 million);
- the matching entry to the expense relating to stock options and share grants (€9 million);
- the recognition in equity of actuarial gains on provisions for pensions and other post-employment benefits, net of deferred tax (€24 million), and fair value losses on cash flow hedges in India, net of deferred tax (€4 million);
- a decrease in translation reserves (€137 million);
- the payment of dividends to shareholders (€154 million, or €1 per share).

**Non-current assets** totaled €4,830 million at June 30, 2011. This decrease of €45 million on December 31, 2010 mainly reflects:

- a €16 million decrease in goodwill, due to the negative impact of translation adjustments recognized on goodwill denominated in US dollars and pounds sterling (€115 million), partially offset by new goodwill arising on acquisitions during the period of €103 million (CS Consulting Group, BI Consulting Group, Avantias and Artesys).
- a €42 million decrease in deferred tax assets, primarily due to the net utilization of tax losses in the amount of €22 million and translation differences of €20 million,

**Non-current liabilities** excluding long-term borrowings amounted to €1,215 million at June 30, 2011. This decrease of €59 million on December 31, 2010 is mainly attributable to a €62 million decrease in provisions for pensions and other post-employment benefits resulting from net actuarial gains of €24 million recognized essentially in the United Kingdom, and negative translation adjustments of €29 million due to the high proportion of the Group's pension obligations in the United Kingdom and Canada.

**Operating receivables**, comprising accounts and notes receivable, totaled €2,754 million at June 30, 2011 compared to €2,505 million at June 30, 2010 and €2,371 million at December 31, 2010. Accounts receivable net of advances from clients and amounts billed in advance totaled €2,124 million at June 30, 2011, compared to €1,857 million one year earlier and €1,678 million at December 31, 2010.

**Accounts and notes payable**, consisting mainly of accounts payable and related accounts, amounts due to members of personnel and accrued taxes other than on income, totaled €2,066 million at June 30, 2011, compared to €2,052 million at June 30, 2010 and €2,305 million at December 31, 2010.

**Net cash and cash equivalents** totaled €169 million at June 30, 2011, compared to €809 million at June 30, 2010 and €1,063 million at December 31, 2010. This decrease over the period of €894 million mainly reflects:

- the payment of dividends to shareholders for a total amount of €154 million, up €32 million on 2010;
- net cash used in operating activities during the half-year of €487 million: cash flows from operations (€303 million) were more than consumed, primarily by the impact of variable remuneration in the amount of €165 million and by additional working capital requirements of €607 million (i.e. €250 million more than last year) linked to the seasonal nature of the business cycle and the strong growth in revenues;
- net cash used in investing activities of €172 million, including €104 million primarily concerning the acquisition of CS Consulting, Artesys, Avantias and BICG;
- finally, the unfavorable impact of exchange rate movements in the amount of €32 million (compared to a favorable impact of €88 million in the first half of 2010).

## RELATED PARTIES

No material transactions took place in the first-half 2011.

## MAIN RISKS AND UNCERTAINTIES FOR THE SECOND-HALF 2011

The nature and degree of risks to which the Group is exposed have not changed from those presented on pages 25 to 28 of the 2010 Reference Document.
Nevertheless, developments in the economic environment and particularly the resulting impact on prices and the Group's ability to recruit are the main factors likely to influence business in the second six months.

## OUTLOOK FOR THE SECOND-HALF 2011

Despite the macro-economic uncertainties which still remain n the majority of countries and an "exchange rate impact' which will probably be at least as unfavorable as in the first half of the year, the Group maintains its objective of 9 to 10% growth in consolidated revenues (including at least 5% organic growth) and an improvement in the operating margin rate of between 1/2 and 1 points on 2010.

# CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED JUNE 30, 2011

## CONSOLIDATED INCOME STATEMENT

| | | 2010 | | First-half 2010 | | First-half 2011 | |
|---|---|---|---|---|---|---|---|
| *in millions of euros* | *Notes* | Amount | % | Amount | % | Amount | % |
| **Revenues** | 3 | **8,697** | **100.0** | **4,211** | **100.0** | **4,756** | **100.0** |
| Cost of services rendered | 4 | (6,631) | 76.2 | (3,240) | 76.9 | (3,679) | 77.3 |
| Selling expenses | 4 | (680) | 7.8 | (338) | 8.1 | (378) | 8.0 |
| General and administrative expenses | 4 | (799) | 9.2 | (388) | 9.2 | (410) | 8.6 |
| **Operating margin** | | **587** | **6.8** | **245** | **5.8** | **289** | **6.1** |
| Other operating income | 5 | 6 | 0.1 | 2 | 0.0 | - | - |
| Other operating expenses | 5 | (104) | (1.3) | (47) | (1.1) | (49) | (1.0) |
| **Operating profit** | | **489** | **5.6** | **200** | **4.7** | **240** | **5.1** |
| Income from cash equivalents and cash management assets | | 20 | 0.3 | 8 | 0.2 | 13 | 0.3 |
| Gross finance costs | | (74) | (0.9) | (32) | (0.8) | (39) | (0.8) |
| Net finance costs | | (54) | (0.6) | (24) | (0.6) | (26) | (0.5) |
| Other financial income | | 22 | 0.2 | 23 | 0.6 | 22 | 0.5 |
| Other financial expense | | (55) | (0.6) | (37) | (0.9) | (47) | (1.1) |
| **Net financial expense** | 6 | **(87)** | **(1.0)** | **(38)** | **(0.9)** | **(51)** | **(1.1)** |
| Income tax expense | 7 | (124) | (1.4) | (61) | (1.4) | (70) | (1.5) |
| **Profit for the period** | | **278** | **3.2** | **101** | **2.4** | **119** | **2.5** |
| Attributable to: | | | | | | | |
| Owners of the Company | | 280 | 3.2 | 101 | 2.4 | **127** | **2.7** |
| Non-controlling interests | | (2) | - | - | - | **(8)** | **(0.2)** |
| **EARNINGS PER SHARE (in euros)** | | | | | | | |
| Average number of shares | | 152,979,307 | | 152,584,160 | | 153,627,971 | |
| Earnings per share based on average number of shares | 8 | 1.83 | | 0.66 | | 0.83 | |
| Number of shares at June 30 | | 155,770,362 | | 155,031,166 | | 155,770,362 | |
| **Earnings per share at June 30 (EPS)** | | **1.80** | | **0.65** | | **0.82** | |
| Average number of shares (diluted) | | 182,239,201 | | 165,147,621 | | 186,722,000 | |
| Diluted earnings per share based on average number of shares | 8 | 1.74 | | 0.65 | | 0.78 | |

# STATEMENT OF INCOME AND EXPENSE RECOGNIZED IN EQUITY

| *in millions of euros* | 2010 | First-half 2010 | First-half 2011 |
|---|---|---|---|
| Exchange differences on translating foreign operations | 158 | 261 | (137) |
| Remeasurement of hedging derivatives, net of deferred tax | 9 | 10 | (4) |
| Actuarial gains and losses on defined benefit pension plans, net of deferred tax | (101) | (172) | 24 |
| Other income and expenses | 1 | - | (2) |
| **Total income and expense recognized in equity** | **67** | **99** | **(119)** |
| **Profit for the year (reminder)** | **278** | **101** | **119** |
| **If this income and expense recognized in equity had been recognized in profit or loss, profit for the period would have been as follows** | **345** | **200** | **0** |
| Attributable to: Owners of the Company | 347 | 200 | 10 |
| Non-controlling interests | (2) | - | (10) |

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| *in millions of euros* | *Notes* | June 30, 2010 | December 31, 2010 | June 30, 2011 |
|---|---|---|---|---|
| Goodwill | *9* | 3,043 | 3,201 | 3,185 |
| Intangible assets | | 125 | 169 | 158 |
| Property plant and equipment | | 454 | 499 | 505 |
| Deferred taxes | | 947 | 891 | 849 |
| Other non-current assets | | 100 | 115 | 133 |
| **TOTAL NON-CURRENT ASSETS** | | **4,669** | **4,875** | **4,830** |
| Accounts and notes receivable | *10* | 2,505 | 2,371 | 2,754 |
| Current tax assets | | 66 | 40 | 45 |
| Other current receivables | | 250 | 306 | 346 |
| Cash management assets | *11* | - | 71 | 72 |
| Cash and cash equivalents | *11* | 1,971 | 2,305 | 1,419 |
| **TOTAL CURRENT ASSETS** | | **4,792** | **5,093** | **4,636** |
| **TOTAL ASSETS** | | **9,461** | **9,968** | **9,466** |

| *in millions of euros* | *Notes* | June 30, 2010 | December 31, 2010 | June 30, 2011 |
|---|---|---|---|---|
| Share capital | | 1,240 | 1,246 | 1,246 |
| Additional paid-in capital | | 2,859 | 2,875 | 2,875 |
| Retained earnings and other reserves | | 122 | (87) | (69) |
| Profit for the period | | 101 | 280 | 127 |
| **Equity (attributable to owners of the Company)** | | **4,322** | **4,314** | **4,179** |
| Non-controlling interests | | - | (7) | (17) |
| **TOTAL EQUITY** | | **4,322** | **4,307** | **4,162** |
| Long-term borrowings | *11* | 1,080 | 1,102 | 629 |
| Deferred taxes | | 165 | 178 | 181 |
| Provisions for pensions and other post-employment benefits | *12* | 941 | 804 | 742 |
| Non-current provisions | | 19 | 13 | 18 |
| Other non-current liabilities | | 96 | 279 | 274 |
| **TOTAL NON-CURRENT LIABILITIES** | | **2,301** | **2,376** | **1,844** |
| Short-term borrowings and bank overdrafts | *11* | 98 | 210 | 683 |
| Accounts and notes payable | | 2,052 | 2,305 | 2,066 |
| Advances from customers and billed in advance | *10* | 534 | 576 | 519 |
| Current provisions | | 46 | 53 | 56 |
| Current tax liabilities | | 71 | 61 | 58 |
| Other current payables | | 37 | 80 | 78 |
| **TOTAL CURRENT LIABILITIES** | | **2,838** | **3,285** | **3,460** |
| **TOTAL EQUITY AND LIABILITIES** | | **9,461** | **9,968** | **9,466** |

# CONSOLIDATED STATEMENT OF CASH FLOWS

| *in millions of euros* | *Notes* | 2010 | First-half 2010 | First-half 2011 |
|---|---|---|---|---|
| **Profit for the period attributable to owners of the Company** | | **280** | **101** | **127** |
| Non-controlling interests | | (2) | - | (8) |
| Depreciation, amortization and impairment of fixed assets | | 176 | 82 | 92 |
| Net charges to provisions | | (2) | 5 | (15) |
| Gains and losses on disposals of assets | | 5 | 1 | 7 |
| Expenses relating to share subscriptions, share grants and stock options | *5* | 16 | 7 | 9 |
| Net finance costs | *6* | 54 | 24 | 26 |
| Income tax expense | *7* | 124 | 61 | 70 |
| Unrealized gains and losses on changes in fair value and other | | (23) | (19) | (5) |
| **Cash flows from operations before net finance costs and income tax (A)** | | **628** | **262** | **303** |
| **Income tax paid (B)** | | **(52)** | **(35)** | **(42)** |
| Change in accounts and notes receivable and advances from customers and amounts billed in advance | | (85) | (383) | (482) |
| Change in capitalized costs on projects | | (16) | (9) | 2 |
| Change in accounts and notes payable | | 3 | 26 | (50) |
| Change in other receivables/payables | | 25 | (118) | (218) |
| **Change in operating working capital (C)** | | **(73)** | **(484)** | **(748)** |
| **NET CASH FROM (USED IN) OPERATING ACTIVITIES (D=A+B+C)** | | **503** | **(257)** | **(487)** |
| Acquisitions of property, plant and equipment and intangible assets | | (144) | (62) | (71) |
| Proceeds from disposals of property, plant and equipment and intangible assets | | 11 | 10 | 3 |
| | | **(133)** | **(52)** | **(68)** |
| Cash outflows on business combinations net of cash and cash equivalents acquired | *2* | (218) | (90) | (104) |
| Net proceeds on disposals of companies and operations | | 1 | 1 | - |
| Net proceeds/payments relating to deposits and long-term investments | | (13) | (7) | 3 |
| Cash outflows on cash management assets | | (71) | - | (1) |
| Dividends received from associates | | 1 | - | - |
| | | **(300)** | **(96)** | **(102)** |
| **NET CASH FROM (USED) IN INVESTING ACTIVITIES (E)** | | **(433)** | **(148)** | **(170)** |
| Proceeds from issues of share capital | | 46 | 24 | - |
| Dividends paid | | (122) | (122) | (154) |
| Net proceeds/payments relating to treasury share transactions | | (1) | (1) | 3 |
| Proceeds from borrowings | | 10 | 9 | 99 |
| Repayments of borrowings | | (367) | (226) | (130) |
| Interest paid | | (32) | (18) | (34) |
| Interest received | | 21 | 8 | 13 |
| **NET CASH FROM (USED) IN FINANCING ACTIVITIES (F)** | | **(445)** | **(326)** | **(203)** |
| **NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (G=D+E+F)** | | **(375)** | **(731)** | **(860)** |
| Effect of exchange rate movements on cash and cash equivalents (H) | | 85 | 97 | (41) |
| **CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (I)** | *11* | **2,597** | **2,597** | **2,307** |
| **CASH AND CASH EQUIVALENTS AT END OF YEAR (G+H+I)** | *11* | **2,307** | **1,963** | **1,406** |

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| *in millions of euros* | *Notes* | Number of shares | Share capital | Additional paid-in capital | Treasury shares | Consolidated retained earnings and other reserves | Total income and expense recognized in equity | | Equity (attributable to owners of the Company) | Non-controlling interests (1) | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Translation adjustments | Other | | | |
| **At January 1, 2010** | | ***154,177,396*** | **1,233** | **2,842** | **(79)** | **729** | **(235)** | **(277)** | **4,213** | **-** | **4,213** |
| Dividends paid out for 2009 | | - | - | - | - | (122) | - | - | (122) | - | **(122)** |
| Incentive instruments and employee share ownership | | *853,770* | 7 | 17 | - | 7 | - | - | 31 | - | **31** |
| Treasury shares | | - | - | - | (2) | 2 | - | - | - | - | **-** |
| **Transactions with shareholders** | | ***853,770*** | **7** | **17** | **(2)** | **(113)** | **-** | **-** | **(91)** | **-** | **(91)** |
| **Income and expense recognized in equity** | | **-** | **-** | **-** | **-** | **-** | **261** | **(162)** | **99** | **-** | **99** |
| **Profit for the period** | | **-** | **-** | **-** | **-** | **101** | **-** | **-** | **101** | **-** | **101** |
| **At June 30, 2010** | | ***155,031,166*** | **1,240** | **2,859** | **(81)** | **717** | **26** | **(439)** | **4,322** | **-** | **4,322** |
| Incentive instruments and employee share ownership | | *739,196* | 6 | 16 | - | 8 | - | - | **30** | **-** | **30** |
| Put option granted to CPM Braxis minority shareholders | | - | - | - | - | (185) | - | - | **(185)** | **-** | **(185)** |
| CPM Braxis minority interest (43.94%) | | - | - | - | - | - | - | - | **-** | **(5)** | **(5)** |
| **Transactions with shareholders** | | ***739,196*** | **6** | **16** | **-** | **(177)** | **-** | **-** | **(155)** | **(5)** | **(160)** |
| **Income and expense recognized in equity** | | **-** | **-** | **-** | **-** | **-** | **(103)** | **71** | **(32)** | **-** | **(32)** |
| **Profit for the period** | | **-** | **-** | **-** | **-** | **179** | **-** | **-** | **179** | **(2)** | **177** |
| **At December 31, 2010** | | ***155,770,362*** | **1,246** | **2,875** | **(81)** | **719** | **(77)** | **(368)** | **4,314** | **(7)** | **4,307** |
| Dividends paid out for 2010 | | - | - | - | - | (154) | - | - | **(154)** | **-** | **(154)** |
| Incentive instruments and employee share ownership | | - | - | - | - | 9 | - | - | **9** | **-** | **9** |
| Treasury shares | | - | - | - | 1 | 1 | - | - | **2** | **-** | **2** |
| Fair value of hedging instruments on CPM Braxis put on NCI | | **-** | **-** | **-** | **-** | 1 | **-** | **-** | **1** | **-** | **1** |
| Put option granted to CPM Braxis minority shareholders | | **-** | **-** | **-** | **-** | (3) | **-** | **-** | **(3)** | **-** | **(3)** |
| **Transactions with shareholders** | | **-** | **-** | **-** | **1** | **(146)** | **-** | **-** | **(145)** | **-** | **(145)** |
| **Income and expense recognized in equity** | | **-** | **-** | **-** | **-** | **-** | **(137)** | **20** | **(117)** | **(2)** | **(119)** |
| **Profit for the period** | | **-** | **-** | **-** | **-** | **127** | **-** | **-** | **127** | **(8)** | **119** |
| **At June 30, 2011** | | ***155,770,362*** | **1,246** | **2,875** | **(80)** | **700** | **(214)** | **(348)** | **4,179** | **(17)** | **4,162** |

(1) Non-controlling interests were negligible until June 30, 2010. Since this date, movements concern non-controlling interests in CPM Braxis, acquired on October 6, 2010 (see Note 2 – Changes in Group structure).

# NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED JUNE 30, 2011

## Note 1 – Accounting policies

The condensed interim consolidated financial statements and related notes for the half-year ended June 30, 2011 were drawn up under the responsibility of the Board of Directors and approved by the Board of Directors' meeting of July 27, 2011.

### ACCOUNTING BASIS

#### IFRS STANDARDS BASE

The condensed interim consolidated financial statements for the half-year ended June 30, 2011 have been prepared in accordance with international accounting standards (IFRS, International Financial Reporting Standards) issued by the International Accounting Standards Board (IASB), and endorsed by the European Union at June 30, 2011 and published in the Official Journal of the European Union.
The Group also takes account of the positions adopted by Syntec Informatique - an organization representing major consulting and computer services companies in France - regarding the application of certain IFRS.

The 2011 condensed interim consolidated financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting*. These consolidated financial statements include comparative data consisting of the consolidated income statements for the half-year ended June 30, 2010 and the year ended December 31, 2010, the statements of income and expense recognized in equity for the half-year ended June 30, 2010 and the year ended December 31, 2010, the consolidated statements of financial position at June 30, 2010 and December 31, 2010 and the consolidated statements of cash flows for the half-year ended June 30, 2010 and the year ended December 31, 2010. The condensed interim consolidated financial statements for the half-year ended June 30, 2011 should be read in conjunction with the 2010 consolidated financial statements.

#### NEW STANDARDS AND INTERPRETATIONS APPLICABLE IN 2011

The accounting policies applied by Capgemini Group are unchanged on those applied for the preparation of the 2010 consolidated financial statements.
The standards, amendments and interpretations of mandatory effect from January 1, 2011 did not impact the Group financial statements.

## Note 2 – Changes in Group structure

### ACQUISITIONS DURING THE FIRST-HALF 2011

In the first-half 2011, the Group performed a number of small acquisitions in Germany (CS Consulting), France (Avantias and Artesys) and the United States (BI Consulting Group) for a total cost of €109 million and representing a total headcount of approximately 580 employees. These entities are fully consolidated and generated provisional goodwill of €103 million. Acquisition costs in respect of these transactions total €2 million. Cash outflows during the period in respect of these acquisitions totaled €102 million.

### OVERVIEW OF MAJOR ACQUISITIONS IN PREVIOUS FISCAL YEARS

#### CPM Braxis

On October 6, 2010, the Group acquired 56.06% of the share capital of the number one IT service provider in Brazil, CPM Braxis S.A., for €224 million. CPM Braxis is fully consolidated since this date.
This acquisition was recognized using the partial goodwill method. As such, only the goodwill relating to the 56.06% investment acquired, provisionally valued at €226 million, was recognized in goodwill in the Consolidated Statement of Financial Position. The future acquisition of the residual 43.94% of share capital against which a put option has been granted to minority shareholders, will not generate any additional goodwill. This put option was recognized in liabilities through a reduction in reserves (attributable to owners of the Company) in the amount of €183 million at October 6, 2010. In the first half of 2011, the put option was partially hedged to limit the Group's exposure to fluctuations in the Brazilian real exchange rate up to its exercise date.

## Note 3 – Revenues

| *in millions of euros* | 2010 Amount | 2010 % | First-half 2010 Amount | First-half 2010 % | First-half 2011 Amount | First-half 2011 % |
|---|---|---|---|---|---|---|
| North America | 1,665 | 19 | 804 | 19 | 869 | 18 |
| France | 1,931 | 22 | 981 | 23 | 1,039 | 22 |
| United Kingdom and Ireland | 1,912 | 22 | 923 | 22 | 987 | 21 |
| Benelux | 1,314 | 16 | 645 | 15 | 642 | 13 |
| Southern Europe and Latin America | 599 | 7 | 240 | 6 | 461 | 10 |
| Nordic countries | 543 | 6 | 270 | 7 | 319 | 7 |
| Germany and Central Europe | 534 | 6 | 262 | 6 | 312 | 6 |
| Asia-Pacific | 199 | 2 | 86 | 2 | 127 | 3 |
| **Revenues** | **8,697** | **100** | **4,211** | **100** | **4,756** | **100** |

Compared with the first-half 2010, revenues growth for the first six months of 2011 is 7.4% like-for-like (constant Group structure and exchange rates) and 12.9% on a reported basis.

## Note 4 – Operating expenses by nature

| *in millions of euros* | 2010 Amount | 2010 % of revenues | First-half 2010 Amount | First-half 2010 % of revenues | First-half 2011 Amount | First-half 2011 % of revenues |
|---|---|---|---|---|---|---|
| Personnel costs | 5,193 | 59.7 | 2,565 | 60.9 | 2,958 | 62.2 |
| Travel expenses | 370 | 4.2 | 178 | 4.2 | 192 | 4.0 |
| | **5,563** | **63.9** | **2,743** | **65.1** | **3,150** | **66.2** |
| Purchases and sub-contracting expenses | 2,042 | 23.5 | 975 | 23.2 | 1,052 | 22.1 |
| Rent and local taxes | 282 | 3.2 | 143 | 3.4 | 158 | 3.3 |
| Depreciation, amortization and provisions and proceeds from asset disposals | 223 | 2.6 | 105 | 2.5 | 107 | 2.3 |
| **Operating expenses** | **8,110** | **93.9** | **3,966** | **94.2** | **4,467** | **93.9** |

## Note 5 – Other operating income and expense

| *in millions of euros* | 2010 | First-half 2010 | First-half 2011 |
|---|---|---|---|
| **Other operating income** | **6** | **2** | **-** |
| Restructuring costs | (71) | (34) | (32) |
| *o/w Workforce reduction* | *(44)* | *(23)* | *(29)* |
| *o/w Real estate assets streamlining* | *(19)* | *(8)* | *(1)* |
| *o/w Rightshoring* | *(8)* | *(3)* | *(2)* |
| Integration costs relating to acquired companies | (11) | (4) | (3) |
| Acquisition-related costs | (4) | (1) | (4) |
| Expenses relating to share subscriptions, share grants and stock options | (16) | (7) | (9) |
| Other | (2) | (1) | (1) |
| **Other operating expenses** | **(104)** | **(47)** | **(49)** |

## Note 6 – Net financial expense

| *in millions of euros* | 2010 | First-half 2010 | First-half 2011 |
|---|---|---|---|
| Income from cash equivalents and cash management assets | 20 | 8 | 13 |
| Interest on borrowings | (42) | (16) | (22) |
| **Finance costs at the nominal interest rate** | **(22)** | **(8)** | **(9)** |
| Impact of amortized cost on borrowings | (32) | (16) | (17) |
| **Finance costs at the effective interest rate** | **(54)** | **(24)** | **(26)** |
| | | | |
| Net interest cost on defined benefit pension plans [1] | (28) | (14) | (13) |
| Exchange gains (losses) on financial transactions | 2 | (14) | 1 |
| Currency derivative instruments on financial transactions | (2) | 16 | (6) |
| Other | (5) | (2) | (7) |
| **Other financial income and expense** | **(33)** | **(14)** | **(25)** |
| *o/w financial expense* | *(55)* | *(37)* | *(47)* |
| *o/w financial income* | *22* | *23* | *22* |
| | | | |
| **Net financial expense** | **(87)** | **(38)** | **(51)** |

(1) See Note 12 – Provisions for pensions and other post-employment benefits

Net finance costs mainly comprise:

- the coupons on OCEANE bonds convertible/exchangeable into new or existing Cap Gemini shares issued on June 16, 2005, (OCEANE 2005) and April 20, 2009 (OCEANE 2009) of €12 million, plus an amortized cost accounting impact of €17 million,
- interest on finance leases of €4 million (primarily in the United Kingdom, France and Brazil),
- interest on CPM Braxis bank loans of €4 million,
- income from cash and cash equivalents of €13 million (primarily recorded in Cap Gemini S.A.), whose increase is due to improvement in returns on short-term investments.

In other financial income and expense, currency derivative instruments on financial transactions mainly concern fair value losses on currency swaps hedging an inter-company loan granted by Capgemini UK Plc. to Cap Gemini S.A. and an inter-company loan granted by Cap Gemini S.A. to Capgemini North America Inc.

Other financial expenses primarily consist of commission and taxes on CPM Braxis financial transactions of €6 million.

## Note 7 – Income tax expense

| *in millions of euros* | 2010 | First-half 2010 | First-half 2011 |
|---|---|---|---|
| Current income taxes | (71) | (39) | (45) |
| Deferred taxes | (53) | (22) | (25) |
| **Income tax expense** | **(124)** | **(61)** | **(70)** |
| **Effective rate of income tax (%)** | **30.9** | **38.0** | **37.2** |

The effective rate of income tax is the ratio of the income tax expense to pre-tax net profits.

## Note 8 – Earnings per share

### BASIC EARNINGS PER SHARE

Basic earnings per share are calculated using the same method as at June 30, 2010 and December 31, 2010.

### DILUTED EARNINGS PER SHARE

Diluted earnings per share are calculated by assuming conversion into ordinary shares of all dilutive instruments outstanding at the period end. The average share price during the first-half 2011 was €39.51.

At June 30, 2011, instruments considered dilutive for the purpose of calculating diluted earnings per share include:

- shares falling within the scope of the 2009 and 2010 performance share plans and not subject to any performance conditions;
- performance shares subject to market performance conditions contained in the 2010 plan. As the performance of the Cap Gemini share since the grant date, at June 30, 2011 is between 96% and 97% of the performance of the reference basket, 723,580 performance shares would have been granted at June 30 if the performance measurement period ended at that date;
- the 11,810,809 "OCEANE 2005" convertible bonds issued on June 16, 2005, as the €7 million interest expense recorded (net of taxes) on the bonds is lower per bond than basic earnings per share. These bonds are convertible at any time until the seventh business day preceding January 1, 2012, when they will be redeemable at a price of €41.90 per bond, representing 113.2% of their par value.
- the 16,911,765 "OCEANE 2009" convertible bonds issued on April 20, 2009, as the €12 million interest expense recorded (net of taxes) on the bonds is lower per bond than basic earnings per share. These bonds are convertible at any time until the seventh business day preceding January 1, 2014, when they will be redeemable at par.
- the 2,999,000 Redeemable Share Subscription or Purchase Warrants, as the aggregate of the €34 strike price and €3.22 issue price is now lower than the average market price of the Cap Gemini share in the first-half 2011.

Conversely, the following instruments are not considered dilutive:

- employee stock options, as the average price of ordinary shares during the period is less than the strike price of the options.

## Note 9 – Goodwill

The decrease in goodwill during the period is chiefly attributable to negative translation adjustments on goodwill denominated in US dollars, pounds sterling, Brazilian real and Swedish kronor of €115 million, offset by the recognition of new goodwill balances totaling €103 million, following the acquisition of CS Consulting, Avantias, Artesys and BI Consulting Group (see Note 2 – Changes in Group structure).

## Note 10 – Accounts and notes receivable

| *in millions of euros* | June 30, 2010 | December 31, 2010 | June 30, 2011 |
|---|---|---|---|
| Accounts receivable | 1,416 | 1,447 | 1,559 |
| Provisions for doubtful accounts | (17) | (14) | (11) |
| Accrued income | 992 | 821 | 1,095 |
| ***Accounts and notes receivable excluding capitalized costs on projects*** | **2,391** | **2,254** | **2,643** |
| Capitalized costs on projects | 114 | 117 | 111 |
| **Accounts and notes receivable** | **2,505** | **2,371** | **2,754** |

Total accounts receivable and accrued income, net of advances from customers and billed in advance, can be analyzed as follows in number of days revenues for the period:

| *in millions of euros* | June 30, 2010 | December 31, 2010 | June 30, 2011 |
|---|---|---|---|
| Accounts and notes receivable (excluding capitalized costs on projects) | 2,391 | 2,254 | 2,643 |
| Advances from customers and billed in advance | (534) | (576) | (519) |
| **Total accounts receivable net of advances from customers and billed in advance** | **1,857** | **1,678** | **2,124** |
| In number of days revenues for the period | 79 | 66 | 80 |

## Note 11 – Net cash and cash equivalents

| *in millions of euros* | June 30, 2010 | December 31, 2010 | June 30, 2011 |
|---|---|---|---|
| **Cash management assets** | **-** | **71** | **72** |
| Short-term investments | 1,534 | 1,912 | 1,180 |
| Cash at bank | 437 | 393 | 239 |
| Derivative instruments on cash items | 17 | 8 | (6) |
| Bank overdrafts | (25) | (6) | (7) |
| **Cash and cash equivalents** | **1,963** | **2,307** | **1,406** |
| OCEANE convertible/exchangeable bonds | (985) | (1,001) | (533) |
| Obligations under finance leases | (94) | (88) | (92) |
| Draw-downs on bank and similar facilities | - | (8) | (3) |
| Other borrowings | (1) | (5) | (1) |
| ***Long-term borrowings*** | ***(1,080)*** | ***(1,102)*** | ***(629)*** |
| OCEANE convertible/exchangeable bonds | - | (24) | (498) |
| Obligations under finance leases | (42) | (51) | (44) |
| Draw-downs on bank and similar facilities | (19) | (85) | (128) |
| Other borrowings | (12) | (44) | (6) |
| ***Short-term borrowings*** (1) | ***(73)*** | ***(204)*** | ***(676)*** |
| **Borrowings** | **(1,153)** | **(1,306)** | **(1,305)** |
| Derivative instruments on borrowings | (1) | (9) | (4) |
| **Net cash and cash equivalents** | **809** | **1,063** | **169** |

(1) Short-term borrowings include both the current portion of long-term borrowings and borrowings with a term of less than one year.

The decrease in net cash and cash equivalents during the first six months of 2011 chiefly reflects:

- €154 million in dividends paid;
- net cash used in operating activities of €487 million;
- cash outflows of €104 million relating to acquisitions of companies (net of cash and cash equivalents acquired) and of €68 million relating to acquisitions of fixed assets, net of disposals;
- the negative impact (€32 million) of exchange rate movements, resulting from the translation into euros of foreign currency assets and liabilities classified under net cash and cash equivalents.

## Note 12 – Provisions for pensions and other post-employment benefits

| *in millions of euros* | June 30, 2010 | December 31, 2010 | June 30, 2011 |
|---|---|---|---|
| **Net obligation at beginning of period** | **659** | **659** | **801** |
| Translation adjustments | 77 | 36 | (29) |
| Current service cost | 18 | 39 | 22 |
| Past service cost | 4 | 8 | 4 |
| Net interest cost | 14 | 28 | 13 |
| Benefits and contributions | (45) | (92) | (45) |
| Change in actuarial gains and losses recorded in income and expense recognized in equity | 207 | 127 | (24) |
| Other movements | (3) | (4) | - |
| **Net obligation at end of period** | **931** | **801** | **742** |
| Funding surplus recognized in assets | (10) | (3) | **-** |
| **Provisions for pensions and other post-employment benefits** | **941** | **804** | **742** |

The change in actuarial gains and losses in the first-half 2011 corresponds to a net actuarial gain of €24 million, due to the increase in discount rates between December 31, 2010 and June 30, 2011 in the amount of €44 million, primarily attributable to the United Kingdom (€38 million). This is offset by negative experience adjustments to the return on plan assets of €20 million, tied to financial market movements in the United Kingdom (€12 million) and Canada (€8 million).

## Note 13 – Operating segments

Segment information is provided for the geographic areas presented below (Segment reporting by geographic area) and complemented by information on revenues and operating margin for each of the Group's four businesses (Segment reporting by business).

### SEGMENT REPORTING BY GEOGRAPHIC AREA

| Geographic area | Country |
|---|---|
| North America | Canada, United States |
| France | France, Morocco |
| United Kingdom and Ireland | Ireland, United Kingdom |
| Benelux | Belgium, Luxembourg, Netherlands |
| Nordic countries | Denmark, Finland, Norway, Sweden |
| Germany and Central Europe | Austria, Czech Republic, Germany, Hungary, Poland, Romania, Slovakia, Switzerland |
| Southern Europe and Latin America | Argentina, Brazil, Chile, Guatemala, Italy, Mexico, Portugal, Spain |
| Asia-Pacific | Australia, China, India, Philippines, Singapore, United Arab Emirates, Vietnam |

## Income Statement for the half-year ended June 30, 2011

| *in millions of euros* | North America | France | United Kingdom and Ireland | Benelux | Southern Europe and Latin America | Nordic countries | Germany and Central Europe | Asia-Pacific | Not allocated (1) | Elimina-tions | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **REVENUES** | | | | | | | | | | | |
| - external(2) | 869 | 1,039 | 987 | 642 | 461 | 319 | 312 | 127 | - | - | 4,756 |
| - inter-geographic area | 41 | 75 | 59 | 23 | 19 | 12 | 60 | 257 | - | (546) | - |
| **TOTAL REVENUES** | **910** | **1,114** | **1,046** | **665** | **480** | **331** | **372** | **384** | **-** | **(546)** | **4,756** |
| **OPERATING MARGIN (2)** | **70** | **79** | **61** | **40** | **3** | **19** | **19** | **31** | **(33)** | **-** | **289** |
| *% of revenues* | *8.1* | *7.6* | *6.1* | *6.2* | *0.7* | *5.8* | *6.0* | *n/a* | - | - | *6.1* |
| **OPERATING PROFIT** | **69** | **63** | **51** | **29** | **(3)** | **16** | **17** | **31** | **(33)** | **-** | **240** |
| Net finance costs | | | | | | | | | | | (26) |
| Other financial income | | | | | | | | | | | 22 |
| Other financial expense | | | | | | | | | | | (47) |
| Income tax expense | | | | | | | | | | | (70) |
| **Profit for the year** | | | | | | | | | | | **119** |
| Non-controlling interests | | | | | | | | | | | 8 |
| **Profit attributable to owners of the Company** | | | | | | | | | | | **127** |

(1) Items that have not been allocated correspond to headquarter expenses.
(2) Non-Group revenues generated under sub-contracting arrangements are recorded in the ordering region. As operating margin is calculated based on these revenues, the margin for the Asia-Pacific area is not representative of its activities, which mostly consist of internal sub-contracting carried out in India.

## Income Statement for the half-year ended June 30, 2010

| *in millions of euros* | North America | France | United Kingdom and Ireland | Benelux | Southern Europe and Latin America | Nordic countries | Germany and Central Europe | Asia-Pacific | Not allocated (1) | Elimina-tions | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **REVENUES** | | | | | | | | | | | |
| - external(2) | 804 | 981 | 923 | 645 | 240 | 270 | 262 | 86 | - | - | 4,211 |
| - inter-geographic area | 26 | 50 | 40 | 16 | 20 | 9 | 53 | 205 | - | (419) | - |
| **TOTAL REVENUES** | **830** | **1,031** | **963** | **661** | **260** | **279** | **315** | **291** | **-** | **(419)** | **4,211** |
| **OPERATING MARGIN (2)** | **34** | **50** | **67** | **59** | **5** | **16** | **21** | **24** | **(31)** | | **245** |
| *% of revenues* | *4.3* | *5.1* | *7.3* | *9.1* | *2.2* | *6.0* | *7.9* | *n/a* | - | | *5.8* |
| **OPERATING PROFIT** | **32** | **41** | **59** | **51** | **(5)** | **14** | **16** | **23** | **(31)** | **-** | **200** |
| Net finance costs | | | | | | | | | | | (24) |
| Other financial income | | | | | | | | | | | 23 |
| Other financial expense | | | | | | | | | | | (37) |
| Income tax expense | | | | | | | | | | | (61) |
| **Profit for the year** | | | | | | | | | | | **101** |
| Non-controlling interests | | | | | | | | | | | - |
| **Profit attributable to owners of the Company** | | | | | | | | | | | **101** |

(1) Items that have not been allocated correspond to headquarter expenses.
(2) Non-Group revenues generated under sub-contracting arrangements are recorded in the ordering region. As operating margin is calculated based on these revenues, the margin for the Asia-Pacific area is not representative of its activities, which mostly consist of internal sub-contracting carried out in India.

## Income Statement for the year ended December 31, 2010

| *in millions of euros* | North America | France | United Kingdom and Ireland | Benelux | Southern Europe and Latin America | Nordic countries | Germany and Central Europe | Asia-Pacific | Not allocated (1) | Eliminations | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **REVENUES** | | | | | | | | | | | |
| - external(2) | 1,665 | 1,931 | 1,912 | 1,314 | 599 | 543 | 534 | 199 | - | - | 8,697 |
| - inter-geographic area | 58 | 117 | 83 | 43 | 42 | 21 | 117 | 456 | - | (937) | - |
| **TOTAL REVENUES** | **1,723** | **2,048** | **1,995** | **1,357** | **641** | **564** | **651** | **655** | **-** | **(937)** | **8,697** |
| **OPERATING MARGIN (2)** | **86** | **127** | **150** | **127** | **19** | **36** | **48** | **61** | **(67)** | **-** | **587** |
| *% of revenues* | *5.2* | *6.6* | *7.9* | *9.7* | *3.1* | *6.6* | *9.0* | *n/a* | - | - | *6.8* |
| **OPERATING PROFIT** | **76** | **106** | **132** | **106** | **6** | **30** | **40** | **60** | **(67)** | **-** | **489** |
| | | | | | | Net finance costs | | | | | (54) |
| | | | | | | Other financial income | | | | | 22 |
| | | | | | | Other financial expense | | | | | (55) |
| | | | | | | Income tax expense | | | | | (124) |
| | | | | | | **Profit for the year** | | | | | **278** |
| | | | | | | Non-controlling interests | | | | | 2 |
| | | | | | | **Profit attributable to owners of the Company** | | | | | **280** |

(1) Items that have not been allocated correspond to headquarter expenses.
(2) Non-Group revenues generated under sub-contracting arrangements are recorded in the ordering region. As operating margin is calculated based on these revenues, the margin for the Asia-Pacific area is not representative of its activities, which mostly consist of internal sub-contracting carried out in India.

### SEGMENT REPORTING BY BUSINESS

### Revenues by business

| | 2010 | | First-half 2010 | | First-half 2011 | |
|---|---|---|---|---|---|---|
| *in millions of euros* | **Amount** | **%** | **Amount** | **%** | **Amount** | **%** |
| Consulting Services | 511 | 6 | 270 | 6 | 266 | 6 |
| Technology Services | 3,610 | 42 | 1,734 | 41 | 1,965 | 41 |
| Local Professional Services | 1,418 | 16 | 702 | 17 | 767 | 16 |
| Outsourcing Services | 3,158 | 36 | 1,505 | 36 | 1,758 | 37 |
| **Revenues by business** | **8,697** | **100** | **4,211** | **100** | **4,756** | **100** |

### Operating margin by business

| | 2010 | | First-half 2010 | | First-half 2011 | |
|---|---|---|---|---|---|---|
| *in millions of euros* | **Amount** | **%** | **Amount** | **%** | **Amount** | **%** |
| Consulting Services | 56 | 10.9 | 30 | 11.1 | 31 | 11.8 |
| Technology Services | 242 | 6.7 | 95 | 5.5 | 114 | 5.8 |
| Local Professional Services | 131 | 9.2 | 50 | 7.2 | 76 | 9.9 |
| Outsourcing Services | 225 | 7.1 | 101 | 6.7 | 101 | 5.7 |
| Not allocated | (67) | - | (31) | - | (33) | - |
| **Operating margin by business** | **587** | **6.8** | **245** | **5.8** | **289** | **6.1** |

## Note 14 – Number of employees

### AVERAGE NUMBER OF EMPLOYEES BY GEOGRAPHIC AREA

| | 2010 | | First-half 2010 | | First-half 2011 | |
|---|---|---|---|---|---|---|
| | Employees | % | Employees | % | Employees | % |
| North America | 8,265 | 8 | 8,063 | 9 | 8,791 | 8 |
| France | 19,828 | 21 | 19,751 | 21 | 20,181 | 18 |
| United Kingdom and Ireland | 8,167 | 8 | 7,948 | 9 | 8,603 | 8 |
| Benelux | 10,877 | 11 | 10,885 | 12 | 10,596 | 9 |
| Southern Europe and Latin America | 9,863 | 10 | 8,269 | 9 | 15,062 | 14 |
| Nordic countries | 3,850 | 4 | 3,767 | 4 | 4,182 | 4 |
| Germany and Central Europe | 7,853 | 8 | 7,787 | 8 | 8,109 | 7 |
| Asia-Pacific | 28,696 | 30 | 25,691 | 28 | 35,897 | 32 |
| Not allocated | 172 | - | 167 | - | 171 | - |
| **Average number of employees** | **97,571** | **100** | **92,328** | **100** | **111,592** | **100** |

### NUMBER OF EMPLOYEES AT JUNE 30 BY GEOGRAPHIC AREA

| | June 30, 2010 | | December 31, 2010 | | June 30, 2011 | |
|---|---|---|---|---|---|---|
| | Employees | % | Employees | % | Employees | % |
| North America | 8,264 | 9 | 8,667 | 8 | 8,925 | 8 |
| France | 19,710 | 20 | 20,107 | 18 | 20,400 | 18 |
| United Kingdom and Ireland | 8,221 | 9 | 8,515 | 8 | 8,688 | 8 |
| Benelux | 10,718 | 11 | 10,782 | 10 | 10,452 | 9 |
| Southern Europe and Latin America | 8,425 | 9 | 14,853 | 14 | 15,217 | 13 |
| Nordic countries | 3,799 | 4 | 4,012 | 4 | 4,279 | 4 |
| Germany and Central Europe | 7,862 | 8 | 7,928 | 7 | 8,396 | 7 |
| Asia-Pacific | 28,419 | 30 | 33,655 | 31 | 37,747 | 33 |
| Not allocated | 168 | - | 179 | - | 170 | - |
| **Number of employees at June 30** | **95,586** | **100** | **108,698** | **100** | **114,274** | **100** |

## Note 15 – Off-balance sheet commitments

### COMMITMENTS GIVEN

| *in millions of euros* | June 30, 2010 | December 31, 2010 | June 30, 2011 |
|---|---|---|---|
| On client contracts | 641 | 722 | 714 |
| On non-cancelable leases | 829 | 805 | 791 |
| Other | 59 | 50 | 121 |
| **Commitments given** | **1,529** | **1,577** | **1,626** |

### COMMITMENTS RECEIVED

| *in millions of euros* | June 30, 2010 | December 31, 2010 | June 30, 2011 |
|---|---|---|---|
| On client contracts | - | 68 | 68 |
| Other | 2 | 9 | 8 |
| **Commitments received** | **2** | **77** | **76** |

## Note 16 – Subsequent events

Capgemini Group has announced, in line with its development strategy, the acquisition of two small companies:

- Praxis (Beijing) Technology in China in the energy sector; and
- AIVE in Italy in systems integration.

In addition, an agreement in principle was reached with the shareholders of Prosodie for the acquisition of this company, which will position the Group in the transaction services and client relationship sector. This transaction should be completed in the third quarter.

# STATUTORY AUDITORS' REPORT ON THE 2011 INTERIM FINANCIAL INFORMATION

Period from January 1, 2011 to June 30, 2011

The Shareholders
CAP GEMINI S.A.
11 rue de Tilsitt
75017 Paris

*This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed interim consolidated financial statements of Cap Gemini S.A. for the half-year ended June 30, 2011;
- the verification of the information contained in the interim financial review.

These condensed interim consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

**I – Conclusion on the financial statements**

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*, as adopted by the European Union.

**II – Specific verification**

We have also verified the information given in the interim financial review on the condensed interim consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed interim consolidated financial statements.

The Statutory Auditors

| | | | |
|---|---|---|---|
| Neuilly-sur-Seine, July 27, 2011 | | Paris La Défense, July 27,2011 | |
| PricewaterhouseCoopers Audit | | KPMG Audit<br>*Division of KPMG S.A.* | |
| Serge Villepelet<br>*Partner* | Edouard Sattler<br>*Partner* | Jean-Luc Decornoy<br>*Partner* | Jacques Pierre<br>*Partner* |

# DECLARATION BY THE PERSON RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

“I hereby declare that, to the best of my knowledge, the condensed interim consolidated financial statements for the half-year ended June 30, 2011 have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and all the other companies included in the scope of consolidation and that the interim financial review, presented on page 4, gives a fair description of the material events that occurred in the first six months of the financial year and their impact on the financial statements, the main related party transactions, as well as a description of the main risks and uncertainties for the remaining six months of the year.”

Paul Hermelin
Chief Executive Officer