December 31, 2013

ANNUAL REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Capgemini

CONSULTING.TECHNOLOGY.OUTSOURCING

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STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

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, 2013, on:

- the audit of the accompanying consolidated financial statements of Cap Gemini S.A.,
- the justification of our assessments,
- the specific verification required by law.

The consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes verifying, on a test basis or by other selection methods, evidence supporting the amounts and disclosures in the consolidated 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 consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the consolidated Group at December 31, 2013, and of the results of its operations for the year then ended in accordance with IFRS as adopted by the European Union.

Without qualifying our opinion, we draw your attention to Note 1 to the consolidated financial statements which sets out:

- the impact of the first-time application of IAS 19, revised, *Employee Benefits*,
- the change in the presentation of the consolidated income statement following the amendment to the definition of operating margin.

II. Justification of our assessments

In accordance with the requirements of Article L.823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- Note 1-E to the consolidated financial statements sets out the methods used to account for revenues and costs related to long-term contracts. As part of our assessments, we ensured that the above-mentioned accounting rules and principles adopted by your Group were properly applied and verified that the information provided in the note above was appropriate. We also obtained assurance that the estimates used were reasonable.
- Goodwill of €3,601 million is recorded in the consolidated balance sheet. The approach adopted by the Group as well as the accounting principles and methods applied to determine the value in use of these assets are described in Notes 1-H and 12 to the consolidated financial statements. As part of our assessments, we verified whether the approach applied was correct and that the assumptions used and resulting valuations were consistent overall.
- Deferred tax assets amounting to €1,023 million are recorded in the consolidated balance sheet. Notes 1-K and 13 to the consolidated financial statements describe the methods used to calculate the value of these assets. As part of our assessments, we verified the overall consistency of the information and assumptions used to perform these calculations.

These assessments were made in the context of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verification

As required by law, we have also verified in accordance with professional standards applicable in France the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

The Statutory Auditors

Neuilly-sur-Seine, February 27, 2014

PricewaterhouseCoopers Audit

Françoise Garnier
Partner

Paris La Défense, February 27, 2014

KPMG Audit
Division of KPMG S.A.

Jacques Pierre
Partner

CONSOLIDATED INCOME STATEMENT

in millions of euros	*Notes*	2011 * Amount	2011 * %	2012 * Amount	2012 * %	2013 Amount	2013 %
Revenues	*3*	**9,693**	**100**	**10,264**	**100**	**10,092**	**100**
Cost of services rendered		(7,395)	(76.3)	(7,842)	(76.4)	(7,636)	(75.7)
Selling expenses		(746)	(7.7)	(794)	(7.7)	(807)	(8.0)
General and administrative expenses		(809)	(8.3)	(799)	(7.8)	(792)	(7.9)
Operating expenses	***4***	**(8,950)**	**(92.3)**	**(9,435)**	**(91.9)**	**(9,235)**	**(91.5)**
Operating margin **		**743**	**7.7**	**829**	**8.1**	**857**	**8.5**
Amortization of intangible assets recognized in business combinations		(25)	(0.3)	(37)	(0.4)	(30)	(0.3)
Operating margin after amortization of intangible assets recognized in business combinations **		**718**	**7.4**	**792**	**7.7**	**827**	**8.2**
Other operating income and expense	*5*	(118)	(1.3)	(186)	(1.8)	(107)	(1.1)
Operating profit		**600**	**6.2**	**606**	**5.9**	**720**	**7.1**
Net finance costs	*6*	(65)	(0.7)	(55)	(0.5)	(47)	(0.5)
Other financial income and expense	*6*	(58)	(0.6)	(72)	(0.7)	(55)	(0.6)
Net financial expense		**(123)**	**(1.3)**	**(127)**	**(1.2)**	**(102)**	**(1.0)**
Income tax expense	***7***	**(98)**	**(1.0)**	**(135)**	**(1.3)**	**(182)**	**(1.8)**
Share of profit of associates		**-**	**-**	**(1)**	**(0.0)**	**(1)**	**(0.0)**
PROFIT FOR THE YEAR		**379**	**3.9**	**343**	**3.3**	**435**	**4.3**
Attributable to:							
Owners of the Company		**394**	**4.1**	**353**	**3.4**	**442**	**4.4**
Non-controlling interests		(15)	(0.2)	(10)	(0.1)	(7)	(0.1)
EARNINGS PER SHARE							
Average number of shares outstanding during the year			*153,595,650*		*155,795,618*		*158,147,868*
Basic earnings per share (in euros)	*8*		2.57		2.26		2.80
Number of shares outstanding at the year-end			*155,770,362*		*161,770,362*		*160,317,818*
Earnings per share at the year-end (in euros)			2.53		2.18		2.76
Diluted average number of shares outstanding			*171,714,450*		*174,811,705*		*179,596,733*
Diluted earnings per share (in euros)	*8*		2.43		2.15		2.59

* Figures have been adjusted for the restatements presented in Note 1 - Accounting policies, following application of IAS 19, revised,

** Effective from January 1, 2013, the operating margin is presented before amortization of intangible assets recognized in business combinations. Comparative periods have been adjusted to reflect this change in presentation.

STATEMENT OF INCOME AND EXPENSE RECOGNIZED IN EQUITY

in millions of euros	2011 *	2012 *	2013
Actuarial gains and losses on defined benefit pension plans, net of tax	(209)	(36)	(98)
Items that will not be reclassified to profit or loss	**(209)**	**(36)**	**(98)**
Remeasurement of hedging derivatives, net of tax	(41)	12	2
Translation adjustments	9	(44)	(162)
Items to be reclassified to profit or loss	**(32)**	**(32)**	**(160)**
Total income and expense recognized in equity	**(241)**	**(68)**	**(258)**
Profit for the year (reminder)	**379**	**343**	**435**
If this income and expense recognized in equity had been recognized in profit or loss, profit for the year would have been as follows:	**138**	**275**	**177**
Attributable to:			
Owners of the Company	**154**	**290**	**191**
Non-controlling interests	(16)	(15)	(14)

* Figures have been adjusted for the restatements presented in Note 1 - Accounting policies, following application of IAS 19, revised.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in millions of euros	*Notes*	December 31, 2011 *	December 31, 2012 *	December 31, 2013
Goodwill	*10*	3,768	3,702	3,601
Intangible assets	*10*	154	192	166
Property, plant and equipment	*11*	547	542	494
Deferred taxes	*13*	1,029	1,065	1,023
Other non-current assets	*14*	119	98	153
TOTAL NON-CURRENT ASSETS		**5,617**	**5,599**	**5,437**
Accounts and notes receivable	*15*	2,685	2,538	2,587
Current tax assets		55	70	69
Other current receivables	*16*	370	351	368
Cash management assets	*17*	73	75	77
Cash and cash equivalents	*17*	2,223	2,023	1,638
TOTAL CURRENT ASSETS		**5,406**	**5,057**	**4,739**
TOTAL ASSETS		**11,023**	**10,656**	**10,176**

in millions of euros	*Notes*	December 31, 2011 *	December 31, 2012 *	December 31, 2013
Share capital		1,246	1,294	1,283
Additional paid-in capital		2,875	2,976	2,930
Retained earnings and other reserves		(276)	(141)	(197)
Profit for the year		394	353	442
Equity (attributable to owners of the Company)		**4,239**	**4,482**	**4,458**
Non-controlling interests		27	36	33
TOTAL EQUITY		**4,266**	**4,518**	**4,491**
Long-term borrowings	*17*	1,135	1,131	906
Deferred taxes	*13*	183	163	158
Provisions for pensions and other post-employment benefits	*20*	1,125	1,202	962
Non-current provisions	*21*	15	16	16
Other non-current liabilities	*22*	322	219	269
TOTAL NON-CURRENT LIABILITIES		**2,780**	**2,731**	**2,311**
Short-term borrowings and bank overdrafts	*17*	702	99	133
Accounts and notes payable	*23*	2,340	2,335	2,293
Advances from customers and billed in advance	*15*	661	624	684
Current provisions	*21*	48	48	42
Current tax liabilities		89	95	58
Other current payables	*24*	137	206	164
TOTAL CURRENT LIABILITIES		**3,977**	**3,407**	**3,374**
TOTAL EQUITY AND LIABILITIES		**11,023**	**10,656**	**10,176**

* Figures have been adjusted for the restatements presented in Note 1 - Accounting policies, following application of IAS 19, revised.

CONSOLIDATED STATEMENT OF CASH FLOWS

in millions of euros	*Notes*	2011 *	2012 *	2013
Profit for the year attributable to owners of the Company		**394**	**353**	**442**
Non-controlling interests		(15)	(10)	(7)
Depreciation, amortization and impairment of fixed assets	*10 -11*	188	228	208
Change in provisions		(20)	(17)	**(284)
Gains and losses on disposals of assets		13	(14)	6
Expenses relating to share grants		17	15	20
Net finance costs	*6*	65	55	47
Income tax expense	*7*	98	135	182
Unrealized gains and losses on changes in fair value and other		3	32	21
Cash flows from operations before net finance costs and income tax (A)		**743**	**777**	**635**
Income tax paid (B)		**(104)**	**(120)**	**(124)**
Change in accounts and notes receivable and advances from customers and amounts billed in advance		(140)	96	(58)
Change in capitalized costs on projects		5	9	1
Change in accounts and notes payable		(81)	(26)	39
Change in other receivables/payables		(74)	(27)	(103)
Change in operating working capital (C)		**(290)**	**52**	**(121)**
NET CASH FROM OPERATING ACTIVITIES (D=A+B+C)		**349**	**709**	**390**
Acquisitions of property, plant and equipment and intangible assets	*10 -11*	(158)	(183)	(143)
Proceeds from disposals of property, plant and equipment and intangible assets		3	11	3
		(155)	**(172)**	**(140)**
Cash outflows on business combinations net of cash and cash equivalents acquired		(554)	(24)	(11)
Other cash inflows / outflows (net)		10	(10)	(1)
		(544)	**(34)**	**(12)**
NET CASH USED IN INVESTING ACTIVITIES (E)		**(699)**	**(206)**	**(152)**
Proceeds from issues of share capital		-	153	-
Proceeds from issues of share capital subscribed by non-controlling interests		34	49	19
Dividends paid		(154)	(154)	(157)
Net proceeds/payments relating to transactions on Cap Gemini shares		(7)	(24)	(28)
Proceeds from borrowings		817	22	406
Repayments of borrowings		(381)	(685)	(747)
Interest paid	*6*	(53)	(66)	(56)
Interest received	*6*	23	25	26
NET CASH USED IN (FROM) FINANCING ACTIVITIES (F)		**279**	**(680)**	**(537)**
NET DECREASE IN CASH AND CASH EQUIVALENTS (G=D+E+F)		**(71)**	**(177)**	**(299)**
Effect of exchange rate movements on cash and cash equivalents **(H)**		(12)	(31)	(88)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (I)	*17*	**2,307**	**2,224**	**2,016**
CASH AND CASH EQUIVALENTS AT END OF YEAR (G+H+I)	*17*	**2,224**	**2,016**	**1,629**

* Figures have been adjusted for the restatements presented in Note 1 - Accounting policies, following application of IAS 19, revised,

** Including the €235 million exceptional contribution for the accelerated financing of the funding shortfall on a pension plan in the United Kingdom.

Cash flows for the period are discussed in Note 18 – Cash flows.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in millions of euros	Number of shares	Share capital	Additional paid-in capital	Treasury shares	Consolidated retained earnings and other reserves	Income and expense recognized in equity		Equity (attributable to owners of the Company)	Non-controlling interests **	Total equity
						Translation adjustments	Other			
At January 1, 2011 - Reported	**155,770,362**	**1,246**	**2,875**	**(81)**	**719**	**(77)**	**(368)**	**4,314**	(7)	**4,307**
Restatements relating to retrospective application of IAS 19 revised, net of tax	-	-	-	-	(33)	-	11	(22)	-	(22)
At January 1, 2011 *	**155,770,362**	**1,246**	**2,875**	**(81)**	**686**	**(77)**	**(357)**	**4,292**	(7)	**4,285**
Dividends paid out for 2010	-	-	-	-	(154)	-	-	(154)	-	(154)
Incentive instruments and employee share ownership	-	-	-	7	10	-	-	17	-	17
Adjustments to the put option granted to minority shareholders and changes in percentage interest	-	-	-	-	(64)	-	-	(64)	50	(14)
Elimination of treasury shares	-	-	-	(3)	(3)	-	-	(6)	-	(6)
Transactions with shareholders	**-**	**-**	**-**	**4**	**(211)**	**-**	**-**	**(207)**	**50**	**(157)**
Income and expense recognized in equity *	**-**	**-**	**-**	**-**	**-**	**10**	**(250)**	**(240)**	**(1)**	**(241)**
Profit for the year *	**-**	**-**	**-**	**-**	**394**	**-**	**-**	**394**	**(15)**	**379**
At December 31, 2011 *	**155,770,362**	**1,246**	**2,875**	**(77)**	**869**	**(67)**	**(607)**	**4,239**	**27**	**4,266**
Dividends paid out for 2011	-	-	-	-	(154)	-	-	(154)	-	(154)
Incentive instruments and employee share ownership	6,000,000	48	101	12	7	-	-	168	-	168
Adjustments to the put option granted to minority shareholders and changes in percentage interest	-	-	-	-	(37)	-	-	(37)	24	(13)
Elimination of treasury shares	-	-	-	(27)	3	-	-	(24)	-	(24)
Transactions with shareholders	**6,000,000**	**48**	**101**	**(15)**	(181)	**-**	**-**	**(47)**	**24**	**(23)**
Income and expense recognized in equity *	**-**	**-**	**-**	**-**	**-**	**(39)**	**(24)**	**(63)**	**(5)**	**(68)**
Profit for the year *	**-**	**-**	**-**	**-**	**353**	**-**	**-**	**353**	**(10)**	**343**
At December 31, 2012 *	**161,770,362**	**1,294**	**2,976**	**(92)**	**1,041**	**(106)**	**(631)**	**4,482**	**36**	**4,518**
Dividends paid out for 2012	-	-	-	-	(157)	-	-	(157)	-	(157)
Incentive instruments and employee share ownership	285,000	2	-	-	17	-	-	19	-	19
Adjustments to the put option granted to minority shareholders and changes in percentage interest	-	-	-	-	(17)	-	-	(17)	11	(6)
Repurchase and conversion of "OCEANE 2009" bonds	1,188,167	10	31	50	(118)	-	-	(27)	-	(27)
Derivates instruments on Cap Gemini shares, net of tax	-	-	-	-	34	-	-	34	-	34
Elimination of treasury shares	-	-	-	(67)	-	-	-	(67)	-	(67)
Share capital reduction by cancellation of treasury shares	(2,925,711)	(23)	(77)	100	-	-	-	-	-	-
Transactions with shareholders	**(1,452,544)**	**(11)**	**(46)**	**83**	**(241)**	**-**	**-**	**(215)**	**11**	**(204)**
Income and expense recognized in equity	**-**	**-**	**-**	**-**	**-**	**(155)**	**(96)**	**(251)**	**(7)**	**(258)**
Profit for the year	**-**	**-**	**-**	**-**	**442**	**-**	**-**	**442**	**(7)**	**435**
At December 31, 2013	**160,317,818**	**1,283**	**2,930**	**(9)**	**1,242**	**(261)**	**(727)**	**4,458**	**33**	**4,491**

* Figures have been adjusted for the restatements presented in Note 1 - Accounting policies, following application of IAS 19, revised,

** Non-controlling interests in CPM Braxis acquired on October 6, 2010.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 1 – ACCOUNTING POLICIES

The consolidated financial statements for the year ended December 31, 2013 and the notes thereto were approved by the Board of Directors on February 19, 2014. The consolidated financial statements become definitive after their approval by the Combined Shareholders' Meeting, scheduled for May 7, 2014.

ACCOUNTING BASIS

A) IFRS STANDARDS-BASE

Pursuant to European Commission Regulation no. 1606/2002 of July 19, 2002, the 2013 consolidated financial statements have been prepared in accordance with international accounting standards (IFRS, International Financial Reporting Standards) issued by the International Accounting Standards Board (IASB), endorsed by the European Union at December 31, 2013 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 IFRSs.

B) NEW STANDARDS AND INTERPRETATIONS APPLICABLE IN 2013

a) New standards, amendments and interpretations of mandatory application (published by the IASB, endorsed by the EU, entered into effect on January 1, 2013)

The accounting policies applied by the Group are unchanged on those applied for the preparation of the 2012 consolidated financial statements, with the exception of the following changes in accounting method.

CHANGES IN ACCOUNTING STANDARDS

Capgemini applied the following new standards and amendments with effect from January 1, 2013:

IAS 1 revised, *Presentation of financial statements*: as a result of the amendments to IAS 1, the Group has modified the presentation of items of other comprehensive income in its Statement of Income and Expense recognized in Equity, to present separately items that will be reclassified to profit or loss from those that will not be reclassified. Comparative information has also been restated accordingly.

IAS 19 revised, *Employee benefits*: as a result of the amendments to IAS 19, the expected return on plan assets is determined by applying the discount rate used to measure the defined benefit obligation. In addition, past service costs are now recognized in profit or loss at the time of plan amendments and/or the entry of new beneficiaries. IAS 19 revised is applied retrospectively, with all prior periods restated.

The following tables present the impact of the changes in accounting method, with retrospective application from January 1, 2011:

Consolidated Income Statement

in millions of euros	2011 Reported	2011 Impact IAS 19 revised	2011 Restated	2012 Reported	2012 Impact IAS 19 revised	2012 Restated
Revenues	**9,693**	**-**	**9,693**	**10,264**	**-**	**10,264**
Operating expenses	(8,980)	5	(8,975)	(9,477)	5	(9,472)
Operating profit	**595**	**5**	**600**	**601**	**5**	**606**
Net financial expense	**(105)**	**(18)**	**(123)**	**(100)**	**(27)**	**(127)**
Income tax expense	**(101)**	**3**	**(98)**	**(140)**	**5**	**(135)**
Share of profit of associates	**-**	**-**	**-**	**(1)**	**-**	**(1)**
Profit for the year	**389**	**(10)**	**379**	**360**	**(17)**	**343**
Attributable to:						
Owners of the Company	**404**	**(10)**	**394**	**370**	**(17)**	**353**
Non-controlling interests	(15)	-	(15)	(10)	-	(10)
EARNINGS PER SHARE (in euros)						
Basic earnings per share	2.63		2.57	2.37		2.26
Diluted earnings per share	2.49		2.43	2.25		2.15

Restatements to the Consolidated Income Statement primarily consist of the cancellation of the amortization of past service costs and the determination of the expected return on plan assets using the discount rate applied to measure the defined benefit obligation.

Statement of Income and Expense recognized in Equity

in millions of euros	2011 Reported	2011 Impact IAS 19 revised	2011 Restated	2012 Reported	2012 Impact IAS 19 revised	2012 Restated
Items that will not be reclassified to profit or loss	**(224)**	**15**	**(209)**	**(59)**	**23**	**(36)**
Items to be reclassified to profit or loss	**(32)**	**-**	**(32)**	**(32)**	**-**	**(32)**
Total income and expense recognized in equity	**(256)**	**15**	**(241)**	**(91)**	**23**	**(68)**
Profit for the year (reminder)	**389**	**(10)**	**379**	**360**	**(17)**	**343**

Consolidated Statement of Financial Position

in millions of euros	January 1, 2011 Reported	January 1, 2011 Impact IAS 19 revised	January 1, 2011 Restated	December 31, 2011 Reported	December 31, 2011 Impact IAS 19 revised	December 31, 2011 Restated	December 31, 2012 Reported	December 31, 2012 Impact IAS 19 revised	December 31, 2012 Restated
TOTAL NON-CURRENT ASSETS	4,875	12	4,887	5,608	9	5,617	5,593	6	5,599
TOTAL CURRENT ASSETS	5,093	-	5,093	5,406	-	5,406	5,057	-	5,057
TOTAL ASSETS	**9,968**	**12**	**9,980**	**11,014**	**9**	**11,023**	**10,650**	**6**	**10,656**
TOTAL EQUITY	4,307	(22)	4,285	4,283	(17)	4,266	4,529	(11)	4,518
TOTAL NON-CURRENT LIABILITIES	2,376	34	2,410	2,754	26	2,780	2,714	17	2,731
TOTAL CURRENT LIABILITIES	3,285	-	3,285	3,977	-	3,977	3,407	-	3,407
TOTAL EQUITY AND LIABILITIES	**9,968**	**12**	**9,980**	**11,014**	**9**	**11,023**	**10,650**	**6**	**10,656**

Restatements to the Consolidated Statement of Financial Position consist of the recognition in equity of net past service costs previously recognized in the balance sheet and amortized over the term of the plan.

IFRS 13, *Fair value measurement*: the application of IFRS 13 with effect from January 1, 2013 had no impact on the consolidated financial statements. The fair value of financial instruments at December 31, 2013 includes, in particular, the valuation of credit risk.

b) New standards, amendments and interpretations not adopted early (published by the IASB, endorsed by the EU, not yet in effect at January 1, 2013)

The adoption of IFRS 10, *Consolidated Financial Statements*, IFRS 11, *Joint Arrangements* and IFRS 12, *Disclosure of Interests in Other Entities*, applicable from January 1, 2014, will have no impact on the Group consolidated financial statements.

c) New standards, amendments and interpretations not yet endorsed (published by the IASB, not yet endorsed by the EU, not yet in effect at January 1, 2013)

The Group did not elect to adopt early the standards, amendments, and interpretations published by the IASB but not yet endorsed by the European Union at December 31, 2013 or in effect at January 1, 2013.

Changes in presentation decided by the Group

From January 1, 2013, operating margin excludes amortization of intangible assets recognized in business combinations, which is no longer included in the definition of this Group business performance indicator. This change also brings this indicator into line with general industry practice.
Accordingly, operating margin after amortization of intangible assets recognized in business combinations is equal to the operating margin reported in fiscal year 2012 and previous periods.

The presentation of the operating segments reflects the following changes in presentation from January 1, 2013:

- Latin America, previously included in the "Southern Europe and Latin America" area, is now included in the "Asia-Pacific and Latin America" area, in order to group together countries with comparable economic characteristics,
- the operating margin realized by the main offshore production centers (India and Poland) has been reallocated to the geographic areas managing the contracts to enable a better assessment of the performance of these areas (see Note 25, Operating segments).

Comparative information for fiscal years 2011 and 2012 has also been restated to reflect this new presentation.

Use of estimates

The preparation of financial statements involves the use of estimates and assumptions which may have an impact on the reported values of assets and liabilities at the period end or on certain items of either the net profit or the income and expenses recognized directly in equity for the year. Estimates are based on economic data and assumptions which are likely to vary over time and are subject to a degree of uncertainty. They mainly concern revenue recognition on fixed-price contracts accounted for on a percentage-of-completion basis, recognition of deferred tax assets, measurement of the recoverable amount of assets, pensions and other post-employment benefit obligations, the fair value of derivatives, and current and non-current provisions.

OVERVIEW OF THE MAIN ACCOUNTING POLICIES ADOPTED BY CAPGEMINI GROUP

A) CONSOLIDATION METHODS

The accounts of companies directly or indirectly controlled by the parent company are fully consolidated. The parent company is deemed to exercise control over an entity when it has the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Investments in associates over whose management the parent company directly or indirectly exercises significant influence, without however exercising full or joint control, are accounted for by the equity method. This method consists of recording the Group's share in profit for the year of the associate in the Income Statement. The Group's share in net assets of the associate is recorded under "Other non-current assets" in the Consolidated Statement of Financial Position.

Details of the scope of consolidation are provided in Note 30 – List of the main consolidated companies by country.
All consolidated companies prepared their accounts at December 31, 2013 in accordance with the accounting policies adopted by the Group.
Inter-company transactions are eliminated on consolidation, as well as inter-company profits.
The Group does not control any special purpose entities that have not been consolidated.

B) FOREIGN CURRENCY TRANSLATION

The consolidated financial statements presented in this report have been prepared in euros.
The Consolidated Statements of Financial Position of subsidiaries denominated in foreign currencies are translated into euros at year-end rates of exchange with the exception of equity accounts, which are carried at their historical values. Income statements denominated in foreign currencies are translated into euros at the average rates of exchange for the year. However, for certain material transactions, it may be relevant to use a specific rate of exchange. Differences arising from translation at these different rates are recognized directly in equity under "Translation reserves" and have no impact on the Income Statement.

Exchange differences arising on monetary items which form an integral part of the net investment in foreign subsidiaries are recognized in equity under "Translation reserves" for their net-of- tax amount.

Exchange differences on receivables and payables denominated in a foreign currency are recorded in operating income or expense or financial income or expense, depending on the type of transaction concerned.

The exchange rates used to translate the financial statements of the Group's main subsidiaries into euros are as follows:

	Average exchange rates			Year-end exchange rates		
	2011	2012	2013	2011	2012	2013
Australian dollar	0.74193	0.80599	0.72942	0.78598	0.78666	0.64838
Brazilian real	0.43031	0.39963	0.35084	0.41392	0.36988	0.30697
Canadian dollar	0.72716	0.77867	0.73142	0.75672	0.76121	0.68162
Chinese renminbi yuan	0.11130	0.12336	0.12249	0.12257	0.12164	0.11977
Indian rupee	0.01544	0.01458	0.01292	0.01455	0.01378	0.01171
Norwegian krona	0.12832	0.13380	0.12834	0.12897	0.13609	0.11957
Polish zloty	0.24340	0.23909	0.23829	0.22432	0.24546	0.24071
Pound sterling	1.15272	1.23338	1.17767	1.19717	1.22534	1.19947
Swedish krona	0.11079	0.11491	0.11564	0.11221	0.11652	0.11288
Swiss franc	0.81181	0.82968	0.81242	0.82264	0.82836	0.81460
US dollar	0.71920	0.77827	0.75317	0.77286	0.75792	0.72511

C) CONSOLIDATED INCOME STATEMENT

Income and expenses are presented in the Consolidated Income Statement by function to reflect the specific nature of the Group's business more accurately. Operating expenses are broken down into the cost of services rendered (corresponding to costs incurred for the execution of client projects), selling expenses, and general and administrative expenses.

These three captions represent ordinary operating expenses which are deducted from revenues to obtain operating margin, one of the main Group business performance indicators.

Note that from January 1, 2013, operating margin excludes amortization of intangible assets recognized in business combinations, which is no longer included in the definition of this Group business performance indicator.

Operating profit is obtained by deducting amortization of intangible assets recognized in business combinations and other operating expenses from operating margin. Other operating income and expenses include the charge resulting from the deferred recognition of the fair value of shares and stock options granted to employees, and non-recurring revenues and expenses, notably impairment of goodwill, capital gains or losses on disposals of consolidated companies or businesses, restructuring costs incurred under a detailed formal plan approved by the Group's management, the cost of acquiring and integrating companies acquired by the Group, and the effects of curtailments and settlements relating to defined benefit pension plans.

Profit for the year attributable to owners of the Company is then obtained by taking into account the following items:

- net finance costs, including interest on borrowings calculated using the effective interest rate, less income from cash, cash equivalents and cash management assets,
- other financial income and expense, which primarily correspond to the impact of remeasuring financial instruments at fair value when these relate to items of a financial nature, disposal gains and losses and the impairment of investments in non-consolidated companies, net interest costs on defined benefit pension plans, exchange gains and losses on financial items, and other financial income and expense on miscellaneous financial assets and liabilities calculated using the effective interest rate,
- current and deferred income tax expense,
- share of profit of associates,
- share of non-controlling interests.

D) Earnings per share

Earnings per share are measured as follows:

- basic earnings per share are calculated by dividing profit or loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period, excluding treasury shares. The weighted average number of ordinary shares outstanding is adjusted by the number of ordinary shares bought back or issued during the period and is calculated by reference to the date of redemption or issue of shares during the year,
- diluted earnings per share are calculated by dividing profit or loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year as used to calculate basic earnings per share, both items being adjusted, where appropriate, for the effects of all potential dilutive financial instruments corresponding to (i) stock subscription options, (ii) bonds convertible/exchangeable into new or existing Cap Gemini shares, (iii) redeemable share subscription or purchase warrants, (iv) performance shares (v) free share grants and (vi) bonds redeemable in cash and/or in new and/or existing shares.

E) Recognition of revenues and the cost of services rendered

The method for recognizing revenues and costs depends on the nature of the services rendered:

a) Time and materials contracts

Revenues and cost of services are recognized as services are rendered.

b) Long-term fixed-price contracts

Revenues, including systems development and integration contracts, are recognized using the "percentage-of-completion" method. Costs are recognized as they are incurred.

c) Outsourcing contracts

Revenues from outsourcing agreements are recognized over the term of the contract as the services are rendered. When the services are made up of different components which are not separately identifiable, the related revenues are recognized on a straight-line basis over the term of the contract.
The related costs are recognized as they are incurred. However, a portion of costs incurred in the initial phase of outsourcing contracts (transition and/or transformation costs) may be deferred when they are specific to a given contract, relate to future activity on the contract and/ or will generate future economic benefits, and are recoverable. These costs are allocated to work-in-progress and any reimbursement by the client is recorded as a deduction from the costs incurred.

When the projected cost of the contract exceeds contract revenues, a loss to completion is recognized in the amount of the difference.

Revenues receivable from these contracts are recognized in the Consolidated Statement of Financial Position under "Accounts and notes receivable" when invoiced to customers and "Accrued income" when they are not yet invoiced. Advances from customers and billed in advance are included in current liabilities.

F) Goodwill and intangible assets

a) Goodwill and business combinations

Business combinations are accounted for using the acquisition method. Under this method, the identifiable assets acquired and liabilities assumed are recognized at fair value at the acquisition date and may be adjusted during the 12 months following this date.
Goodwill is equal to the excess of the acquisition price (plus, where applicable, non-controlling interests) over the net amount recognized in respect of identifiable assets acquired and liabilities assumed. Where an acquisition confers control with remaining non-controlling interests (acquisition of less than 100%), the Group elects either to recognize goodwill on the full amount of revalued net assets, including the share attributable to non-controlling interests (full goodwill method) or on the share in revalued net assets effectively acquired only (partial goodwill method). This choice is made on an individual transaction basis.
When a business combination with non-controlling interests provides for the grant of a put option to these non-controlling interests, an operating liability is recognized in the Consolidated Statement of Financial Position in the amount of the estimated exercise price of the put option granted to non-controlling interests, through a reduction in reserves. Changes in this put option resulting from any changes in estimates or the unwinding of the discount will also be recognized through reserves. Any additional acquisitions of non-controlling interests are considered a transaction with shareholders and, as such, identifiable assets are not remeasured and no additional goodwill is recognized.

When the cost of a business combination is less than the fair value of the assets acquired and liabilities assumed, the difference is recognized immediately in the Income Statement.

Acquisition-related costs are expensed in the Income Statement in “Other operating income and expense” in the year incurred.

Goodwill is not amortized but tested for impairment at least annually, or more frequently when events or changes in circumstances indicate that it may be impaired.

b) Intangible assets

Computer software and user rights acquired on an unrestricted ownership basis, as well as software and solutions developed internally and which have a positive, lasting and quantifiable effect on future results, are capitalized and amortized over three to five years.

The capitalized costs of software and solutions developed internally are costs that relate directly to their production, i.e. the salary costs of the staff that developed the relevant software.

Finally, on certain business combinations, where the nature of the customer portfolio held by the entity and the nature of the business performed should enable the entity to continue commercial relations with its customers as a result of efforts to build customer loyalty, customer relationships are valued in intangible assets and amortized over the known term of contracts held in portfolio at the acquisition date.

G) Property, plant and equipment

The carrying amount of property, plant and equipment is recorded in assets in the Consolidated Statement of Financial Position and corresponds to the historical cost of these items, less accumulated depreciation and any impairment. No items of property, plant and equipment have been revalued. Buildings owned by the Group are measured based on the components approach.

Subsequent expenditure increasing the future economic benefits associated with assets (costs of replacing and/or bringing assets into compliance) is capitalized and depreciated over the remaining useful lives of the relevant assets. Ongoing maintenance costs are expensed as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the relevant assets. It is calculated based on acquisition cost less any residual value.

Property, plant and equipment are depreciated over the following estimated useful lives:

Buildings	20 to 40 years
Fixtures and fittings	10 years
Computer equipment	3 to 5 years
Office furniture and equipment	5 to 10 years
Vehicles	5 years
Other equipment	5 years

Residual values and estimated useful lives are reviewed at each period end.

The sale of property, plant and equipment gives rise to disposal gains and losses corresponding to the difference between the selling price and the net carrying amount of the relevant asset.

H) Asset impairment tests

Intangible assets and property, plant and equipment with a definite useful life are tested for impairment when there is an indication at the period end that their recoverable amount may be less than their carrying amount. Goodwill and assets with an indefinite useful life are tested for impairment at least once a year.
The impairment test consists of assessing the recoverable amount of each asset or group of assets generating cash flows that are separate from the cash flows generated by other assets or groups of assets (cash-generating units or CGU). The cash-generating units identified by the Group are the geographic areas.

The recoverable amount is defined as the higher of the fair value less costs to sell of the cash-generating unit and its value in use:

- fair value is the amount obtainable in an arm's length transaction and is determined with reference to the price in a binding agreement or the market price in recent and comparable transactions,
- value in use is based on the discounted future cash flows to be derived from these cash-generating units.

The value in use of each cash-generating unit is measured using the discounted future cash flow method, based on the various assumptions used in the budget procedure and the three-year plan extrapolated over a period of five years, including growth and profitability rates considered reasonable. Discount rates (based on the weighted average cost of capital) and long-term growth rates for the period beyond five years are based in the majority of cases on the average of a representative sample of projections by financial analysts who use these indicators to value the Group. When the recoverable amount of a cash-generating unit is less than its carrying amount, the impairment loss is deducted from goodwill to the extent possible and charged to operating profit under "Other operating expenses."

I) Leases

Leases that do not transfer to the Group substantially all the risks and rewards incidental to ownership are classified as operating leases, and give rise to lease payments expensed as incurred over the lease term.
However, when the Group assumes substantially all of the risks and rewards incidental to ownership, the lease is classified as a finance lease and is recognized as an asset at the lower of the fair value of the leased asset and the present value of future minimum lease payments, with the related obligation recorded in liabilities within borrowings. The asset is depreciated over the period during which it is expected to be used by the Group and the obligation is amortized over the lease term. Deferred tax is recognized as appropriate.

J) Treasury shares

Cap Gemini shares held by the Company or by any consolidated companies are shown as a deduction from equity, at cost. Any proceeds from sales of treasury shares are taken directly to equity, net of the tax effect, so that the gain or loss on the sale has no impact on the Income Statement for the period.

K) Current and deferred taxes

The income tax expense is the sum of the current tax expense and the deferred tax expense. It is recognized in net profit, except where it relates to a business combination or items recognized in equity or in income and expense recognized in equity.

a) Current tax

The current tax expense is the estimated amount of tax payable (or receivable) in respect of the taxable profit (or loss) for a period and any adjustment to the current tax amount of prior periods. It is calculated using tax rates that have been enacted or substantively enacted at the year end.

b) Deferred tax

Deferred taxes are:

- recorded to take account of temporary differences between the carrying amounts of certain assets and liabilities and their tax basis,
- recognized in income or expenses in the Income Statement, in income and expense recognized in equity, or directly in equity in the period, depending on the underlying to which they relate,
- measured taking account of known changes in tax rates (and tax regulations) enacted or substantively enacted at the year-end. Adjustments for changes in tax rates to deferred taxes previously recognized in the Income Statement, in income and expense recognized in equity or directly in equity are recognized in the Income Statement, in income and expense recognized in equity or directly in equity, respectively, in the period in which these changes become effective.

Deferred tax assets are recognized when it is probable that taxable profits will be available against which the recognized tax asset can be utilized. The amount recognized is based on 10-year plans, taking account of the probability of realization of future taxable profits. The carrying amount of deferred tax assets is reviewed at each period end. This amount is reduced to the extent that it is no longer probable that future taxable profit will be available against which to offset all or part of the deferred tax asset to

be utilized. Conversely, the carrying amount of deferred tax assets will be increased when it becomes probable that future taxable profit will be available against which to offset tax losses not yet recognized.

Deferred tax assets and liabilities are offset if, and only if, the subsidiaries have a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred taxes relate to income taxes levied by the same taxation authority.

L) FINANCIAL INSTRUMENTS

Financial instruments consist of:

- financial assets, including certain other non-current assets, accounts receivable, certain other current receivables, cash management assets and cash and cash equivalents,
- financial liabilities, including long- and short-term borrowings and bank overdrafts, certain accounts payable, and certain other current payables and non-current liabilities,
- derivative instruments.

a) Recognition of financial instruments

Financial instruments are recognized at inception and on subsequent dates in accordance with the methods described below. These methods draw on the following interest rate definitions:

- the coupon interest rate or coupon, which is the nominal interest rate on borrowings,
- the effective interest rate, which is the rate that exactly discounts the estimated cash flows through the expected term of the instrument, or, where appropriate, a shorter period to the net carrying amount of the financial asset or liability at initial recognition. The effective interest rate takes into account all fees paid or received, transaction costs, and, where applicable, premiums to be paid and received,
- the market interest rate, which reflects the effective interest rate recalculated at the measurement date based on current market parameters.

Financial instruments (assets and liabilities) are initially recognized in the Consolidated Statement of Financial Position at their initial fair value.

The subsequent measurement of financial assets and liabilities is based on either their fair value or amortized cost depending on their classification in the Consolidated Statement of Financial Position. Financial assets measured at amortized cost are subject to impairment tests as soon as there are indicators of a loss in value. Any loss in value is recognized in the Income Statement.

The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Amortized cost corresponds to the initial carrying amount (net of transaction costs), plus interest calculated using the effective interest rate, less cash outflows (coupon interest payments and repayments of principal, and redemption premiums where applicable). Accrued interest (income and expense) is not recorded on the basis of the financial instrument's nominal interest rate, but on the basis of its effective interest rate.

Financial instruments (assets and liabilities) are derecognized when the related risks and rewards of ownership have been transferred, and when the Group no longer exercises control over the instruments.

b) Derivative instruments

Derivative instruments mainly comprise forward foreign exchange purchase and sale contracts, interest rate swaps and call options on own shares.

Derivative instruments on own shares

When derivative instruments on own shares satisfy IAS 32 classification criteria for recognition in equity, they are initially recognized in equity in the amount of the consideration received or paid. Subsequent changes in fair value are not recognized in the financial statements, other than the related tax effect.

Where these instruments do not satisfy the aforementioned criteria, the derivative instruments on own shares are recognized in assets or liabilities at fair value. Changes in fair value are recognized in profit or loss. The fair value remeasurement of these instruments at the year end is recognized based on external valuations.

Other derivative instruments

Other derivative instruments are initially recognized at fair value. Except as described below in the case of instruments designated as cash flow hedges, changes in the fair value of derivative instruments, estimated based on market rates or data provided by bank counterparties, are recognized in the Income Statement at the period end.

When operating or financial cash flow hedges are eligible for hedge accounting, changes in the fair value of the hedging instruments are recognized initially in "Income and expense recognized in equity" and subsequently taken to operating profit or net financial expense when the hedged item itself impacts the Income Statement.

c) Financial instrument classification and fair value hierarchy

Financial instruments valued at fair value after initial recognition, that is financial instruments at fair value through the Income Statement, available-for-sale assets and derivative instruments, can be classified according to the following three fair value levels:

- Level 1: quoted prices (unadjusted) in active markets for identical financial assets or liabilities,
- Level 2: inputs other than quoted prices in active markets, that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices),
- Level 3: inputs that are not based on observable market data.

Financial assets	***Notes***	**Classification**	**Subsequent measurement**	**Fair value hierarchy**	
Shares in non-consolidated companies	*14*	Available-for-sale assets (fair value through equity)	Fair value	3	Internal valuation *
Deposits and long-term receivables	*14*	Loans and receivables	Amortized cost	n/a	
Long-term investments	*14*	Fair value through the Income Statement	Fair value	1	Market value (net asset value)
Asset derivative instruments	*14 - 19*	Fair value through the Income Statement	Fair value	2	Market Value / Present value of future cash flows (ECB fixing)
Accounts receivable (net of provisions)	*15*	Loans and receivables	Amortized cost	n/a	
Other short-term receivables	*16*	Loans and receivables	Amortized cost	n/a	
Cash management assets	*17*	Fair value through the Income Statement	Fair value	1	Market value (net asset value)
Cash and cash equivalents	*17*	Fair value through the Income Statement	Fair value	1	Market value (net asset value)

Financial liabilities	***Notes***	**Classification**	**Subsequent measurement**	**Fair value hierarchy**	
Bonds	*17*	Liabilities carried at amortized cost	Amortized cost	n/a	
Finance lease obligations	*17*	Liabilities carried at amortized cost	Amortized cost	n/a	
Other borrowings	*17*	Liabilities carried at amortized cost	Amortized cost	n/a	
Liability derivative instruments	*19 - 22*	Fair value through the Income Statement	Fair value	2	Present value of future cash flows (ECB fixing) / Market value
Accounts payable	*23*	Liabilities carried at amortized cost	Amortized cost	n/a	
Other liabilities	*22 - 24*	Liabilities carried at amortized cost	Amortized cost	n/a	
Bank overdrafts	*17*	Fair value through the Income Statement	Fair value	1	Market value (net asset value)

* Shares in non-consolidated companies are not material at Group level.

M) CASH AND CASH EQUIVALENTS

Cash and cash equivalents presented in the Consolidated Statement of Cash Flows consist of short-term investments and cash at bank less bank overdrafts, and also include the fair value of hedging instruments relating to these items.

Net cash and cash equivalents comprise cash and cash equivalents as defined above, and cash management assets (assets presented separately in the Consolidated Statement of Financial Position due to their characteristics), less short- and long-term borrowings. Account is also taken of the impact of hedging instruments when these relate to borrowings and treasury shares.

N) PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

a) Defined contribution plans

Defined contribution plans are funded by contributions paid by employees and Group companies to the organizations responsible for managing the plans. The Group's obligations are limited to the payment of such contributions which are expensed as incurred. The Group's obligation under these plans is recorded in "Accounts and notes payable". Defined contribution plans are operated in most European countries (France, the United Kingdom, the Netherlands, Germany and Central Europe, Nordic countries, Italy and Spain), in the United States and in the Asia-Pacific area.

b) Defined benefit pension plans

Defined benefit pension plans consist of either:

- unfunded plans, where benefits are paid directly by the Group and the related obligation is covered by a provision corresponding to the present value of future benefit payments. Estimates are based on regularly reviewed internal and external assumptions. These unfunded plans correspond mainly to retirement termination payments and healthcare assistance plans,
- funded plans, where the benefit obligation is covered by external funds. Group contributions to these external funds are made in accordance with the specific regulations in force in each country.

Obligations under these plans are determined by independent actuaries using the projected unit credit method. Under this method, each period of service gives rise to an additional unit of benefit entitlement and each of these units is valued separately in order to obtain the amount of the Group's final obligation.

The resulting obligation is discounted by reference to market yields on high quality corporate bonds, of a currency and term consistent with the currency and term of the post-employment benefit obligation.
For funded plans, only the estimated funding short-fall is covered by a provision.

Current and past service costs - corresponding to an increase in the obligation - are recorded within "Operating expenses" of the period.

Gains or losses on the curtailment or settlement of defined benefit pension plans are recognized in "Other operating income" or "Other operating expenses."

The impact of discounting pension benefit obligations as well as the expected return on plan assets is recorded net in "Other financial income" or "Other financial expense."

Actuarial gains and losses correspond to the effect of changes in actuarial assumptions and experience adjustments (i.e. differences between projected actuarial assumptions and actual data at the period end) on the amount of the defined benefit obligation or the value of plan assets. They are recognized in full in "Income and expense recognized directly in equity" in the year in which they arise (with the related tax effect).

O) INCENTIVE INSTRUMENTS AND EMPLOYEE SHARE OWNERSHIP

a) Instruments granted to employees

Stock options

Stock options have been granted to certain Group employees entitling them to purchase Cap Gemini shares over a period of five years, at a strike price set when the options are granted.
Stock options were measured at fair value, corresponding to the value of the benefit granted to the employee at the grant date. The fair value of stock options is calculated using the "Black & Scholes" model, which incorporates assumptions concerning the option strike price and term, the share price at the grant date, implicit share price volatility and the risk-free interest rate. The expense recognized took into account staff attrition rates for eligible employee categories which are reviewed each year.

This amount was recognized in "Other operating income and expense" in the Income Statement on a straight-line basis over the vesting period, with a corresponding adjustment to equity.

Performance and presence conditions

Performance shares are granted to a certain number of Group employees, subject to performance (internal and external) and presence conditions. Share grants become definitive after a vesting period of two or four years, depending on the geographic location of the subsidiaries employing the beneficiaries.

The shares are measured at fair value, corresponding to the value of the benefit granted to the employee at the grant date.
The fair value of shares subject to external performance condition is calculated using the "Monte Carlo" model, which incorporates assumptions concerning the share price at the grant date, implicit share price volatility, the risk-free interest rate, the expected dividend yield and market performance conditions applied. The fair value of shares subject to internal performance and/or presence conditions is calculated using a model in compliance with IFRS 2, which incorporates assumptions concerning the share price at the grant date, share transfer restrictions, the risk-free interest rate and the expected dividend yield.
The expense recognized also takes into account staff attrition rates for eligible employee categories, which are reviewed each year, and internal performance conditions (non-market conditions).

This amount is recognized in "Other operating income and expense" in the Income Statement on a straight-line basis over the vesting period, with a corresponding adjustment to equity.

b) Instruments proposed to employees

Redeemable share subscription or purchase warrants (BSAAR)
Redeemable share subscription or purchase warrants were proposed to employees and corporate officers of the Group. They confer entitlement to subscribe for Cap Gemini shares at a strike price determined at their date of acquisition by the employees and corporate officers of the Group. The exercise period commences the date of listing of the BSAAR warrants on the Euronext Paris market and terminates on the seventh anniversary of the issue date.
The issue price of these BSAAR warrants is equal to their market value and no benefit granted to beneficiaries is recognized in the consolidated financial statements of the Company.

Employee savings plan
Leveraged employee share ownership plans offering the possibility to subscribe for shares at a discounted preferential rate have been set up by the Group. When determining the IFRS 2 expense measuring the benefit granted to employees, the Group adjusts the amount of the discount granted by the Group to employees on the subscription price based on the following two items:

- the cost of the non-transferability of shares granted to employees during a period of five years. This cost is measured taking account of the five-year lock-in period. It corresponds to the cost of a two-stage strategy under which the market participant enters into a forward sale effective at the end of the five-year lock-in period and simultaneously borrows the amount necessary to buy a share available for immediate transfer. This borrowing is financed with the proceeds from the forward sale of the share and the dividends received during the lock-in period. This cost is calculated based on the following assumptions:
  - the subscription price is set by the Chairman and Chief Executive Officer pursuant to the powers delegated by the Board of Directors. This subscription price is equal to the average Cap Gemini share price, adjusted for volume, during the twenty trading days preceding the decision of the Chairman and Chief Executive Officer, to which a discount is applied,
  - the grant date is the date at which employees are fully informed of the specific characteristics and terms and conditions of the offer and particularly the subscription price,
  - the loan rate granted to employees and used to determine the cost of the non-transferability of shares, is the rate at which a bank would grant a consumer loan repayable on maturity without allocation, to a private individual with an average risk profile, for a term corresponding to the term of the plan;
- the opportunity gain reflecting the possibility granted to employees to benefit from market terms and conditions identical to those of the Group.

In certain countries where the introduction of leveraging through an Employee Savings Mutual Fund (*Fonds Commun de Placement Entreprise*) or directly in the name of the employee is not possible, the employee share ownership plan (ESOP) includes a Stock Appreciation Rights (SAR) mechanism. The benefit offered by the Group corresponds to the amount of the discount on the share subscription price.

P) PROVISIONS

A provision is recognized in the Consolidated Statement of Financial Position at the year-end if, and only if, (i) the Group has a present obligation (legal or constructive) as a result of a past event; (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (iii) a reliable estimate can be made of the amount of the obligation. Provisions are discounted when the impact of the time value of money is material.

Q) CONSOLIDATED STATEMENT OF CASH FLOWS

The Consolidated Statement of Cash Flows analyzes the year-on-year change in cash flows from operating, investing and financing activities.

Foreign currency cash flows are translated into euros at the average exchange rate for the year. Exchange gains or losses resulting from the translation of cash flows relating to foreign currency assets and liabilities at the year-end exchange rate are shown in "Effect of exchange rate movements on cash and cash equivalents" in the Statement of Cash Flows.

R) OPERATING SEGMENTS

Group Management analyzes and measures activity performance:

- in the different businesses (Consulting Services, Technology Services, Local Professional Services and Outsourcing Services),
- in the geographic areas where the Group is present.

The business analysis enables the transversal management and monitoring of resources and service production in 2013 in the seven strategic business units, unchanged on 2012, and therefore the roll-out of uniform expertise and know-how in all countries and areas.

The geographic analysis enables management to monitor the performance:

- of commercial development: it focuses on trends in major contracts and clients in Group markets across all its businesses. This monitoring seeks to coordinate the service offering of the different businesses in the territories, given their considerable interaction and to measure the services rendered. These analyses are performed by Group Management within the Coordination Committee of the geographic area, which brings together the business managers operating in a given area,
- at operational and financial level: management of treasury and support services, the operating investment and financing policies and the acquisition policy are decided and implemented by geographic area.

This led the Group to present its segment reporting for 8 geographic areas grouping together the countries where it is located.

The presentation of the operating segments takes account of the changes set out in the section “Changes in presentation decided by the Group”.

Costs relating to operations and incurred by Group holding companies on behalf of geographic areas are allocated to the relevant segments either directly or on the basis of an allocation key. Items not allocated correspond to headquarter expenses.

Inter-segment transactions are carried out on an arm’s length basis.

The performance of operating segments is measured based on an operating margin. This indicator enables the measurement and comparison of the operating performance of operating segments, irrespective of whether their business results from internal or external growth.

S) EXCHANGE GAINS AND LOSSES ON INTER-COMPANY TRANSACTIONS

The results and financial position of a foreign subsidiary are included in the Group’s consolidated financial statements after the elimination of inter-company balances and transactions. However, a foreign exchange gain or loss arising on an inter-company monetary asset or liability (e.g. an inter-company receivable denominated in a currency different from the functional currency of the subsidiary) cannot be eliminated. Such foreign exchange gains and losses are recognized in the Income statement or in Income and expense recognized directly in equity, if the underlying forms an integral part of the net investment in the foreign operation (e.g. a loan with no fixed maturity).

The fair values of hedging instruments relating to inter-company operating transactions performed as part of the centralized management of currency risk in the parent company are eliminated.

NOTE 2 – CHANGES IN GROUP STRUCTURE

ACQUISITIONS / DISPOSALS IN FISCAL YEAR 2013

The Group did not perform any acquisitions during fiscal year 2013.

NOTE 3 – REVENUES

	2011		2012		2013	
in millions of euros	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
North America	1,805	19	2,101	20	2,074	21
France	2,138	22	2,181	21	2,190	22
United Kingdom and Ireland	1,945	20	2,104	20	2,004	20
Benelux	1,266	13	1,118	11	1,080	11
Southern Europe *	453	5	500	5	484	5
Nordic countries	635	7	714	7	705	7
Germany and Central Europe	626	6	658	6	651	6
Asia-Pacific and Latin America *	825	9	888	9	904	9
Revenues	**9,693**	**100**	**10,264**	**100**	**10,092**	**100**

* Latin America, previously included in the "Southern Europe and Latin America" area, is included in the "Asia-Pacific and Latin America" area with effect from January 1, 2013 (see Note 25, Operating segments).

The year-on-year decrease in revenues in 2013 was -1.7%, based on the year-end Group structure and exchange rates, compared with an increase of 0.9% on a like-for-like basis (constant Group structure and exchange rates).

NOTE 4 – OPERATING EXPENSES BY NATURE

	2011 *		2012 *		2013	
in millions of euros	**Amount**	**% of revenues**	**Amount**	**% of revenues**	**Amount**	**% of revenues**
Personnel costs	5,812	60.0	6,183	60.3	6,083	60.3
Travel expenses	390	4.0	423	4.1	428	4.2
	6,202	**64.0**	**6,606**	**64.4**	**6,511**	**64.5**
Purchases and sub-contracting expenses	2,231	23.0	2,227	21.7	2,159	21.4
Rent, facilities and local taxes	324	3.3	338	3.3	329	3.3
Other charges to depreciation, amortization and provisions and proceeds from asset disposals	193	2.0	264	2.6	236	2.3
Operating expenses	**8,950**	**92.3**	**9,435**	**91.9**	**9,235**	**91.5**

* Figures have been adjusted for the restatements presented in Note 1 - Accounting policies, following application of IAS 19, revised.

In France, the Group receives Research Tax Credit income that is deducted from operating expenses (purchases and sub-contracting expenses) in the amount of €25 million (€23 million in 2012), including €5 million in respect of project costs expensed in prior years (€6 million in 2012).

Breakdown of personnel costs

in millions of euros	*Note*	2011 *	2012 *	2013
Wages and salaries		4,583	4,890	4,801
Payroll taxes		1,183	1,236	1,219
Pension costs related to defined benefit pension plans and other post-employment benefit expenses	*20*	46	57	63
Personnel costs		**5,812**	**6,183**	**6,083**

* Figures have been adjusted for the restatements presented in Note 1 - Accounting policies, following application of IAS 19, revised.

NOTE 5 – OTHER OPERATING INCOME AND EXPENSE

in millions of euros	*Note*	2011	2012	2013
Restructuring costs		(81)	(168)	(68)
o/w Workforce reduction		*(74)*	*(151)*	*(44)*
o/w Real estate assets streamlining		*(4)*	*(14)*	*(23)*
o/w Rightshoring		*(3)*	*(3)*	*(1)*
Integration cost relating to acquired companies		(9)	(9)	-
Acquisition-related costs		(7)	(2)	(2)
Expense relating to share grants	*9*	(17)	(18)	(23)
Other operating expenses		(4)	(11)	(16)
Total operating expenses		***(118)***	***(208)***	***(109)***
Other operating income		-	22	2
Total operating income		***-***	***22***	***2***
Other operating income and expense		**(118)**	**(186)**	**(107)**

Restructuring costs

Fiscal year 2013 restructuring costs primarily concern workforce reduction measures and the streamlining of real estate assets, particularly in the Netherlands and France.

NOTE 6 – NET FINANCIAL EXPENSE

in millions of euros	*Note*	2011 *	2012 *	2013
Income from cash, cash equivalents and cash management assets		23	25	25
Interest on borrowings		(54)	(62)	(55)
Net finance costs at the nominal interest rate		**(31)**	**(37)**	**(30)**
Impact of amortized cost on borrowings		(34)	(18)	(17)
Net finance costs at the effective interest rate		**(65)**	**(55)**	**(47)**
Net interest cost on defined benefit pension plans	*20*	(43)	(53)	(42)
Exchange losses (gains) on financial transactions		2	(8)	(5)
Exchange losses (gains) on derivative instruments		(4)	6	(1)
Other		(13)	(17)	(7)
Other financial income and expense		**(58)**	**(72)**	**(55)**
o/w financial income		*64*	*42*	*52*
o/w financial expenses		*(122)*	*(114)*	*(107)*
Net financial expense		**(123)**	**(127)**	**(102)**

* Figures have been adjusted for the restatements presented in Note 1 - Accounting policies, following application of IAS 19, revised.

Interest on borrowings (€55 million) and the impact of amortized cost on borrowings (€17 million) totals €72 million and breaks down as follows:

- expense of €34 million (€37 million in 2012) in respect of the "OCEANE 2009" bonds convertible/exchangeable into new or existing Cap Gemini shares, including €5 million expense relating to the difference between the net carrying amount of "OCEANE 2009" bonds repurchased, including accrued coupons, and the fair value of the bond component at the repurchase date,
- coupons on the 2011 bond issue of €26 million (stable on 2012), plus an amortized cost accounting impact of €1 million (stable on 2012),
- interest on finance leases of €7 million, primarily in the United Kingdom, Brazil and the United States (€8 million in 2012),
- amortized cost accounting impact of €2 million on the "ORNANE 2013" bonds redeemable in cash and/or in new and/or existing shares (zero-coupon bonds),
- interest on bank loans of €2 million (€7 million in 2012), primarily in the Asia-Pacific area.

In other financial income and expense, gains and losses on financial transactions and derivative instruments mainly concern fair value gains and losses on inter-company loans granted to subsidiaries in Argentina, Chile and Brazil. Fair value gains and losses on the conversion option embedded in the "ORNANE 2013" bonds and the call option on own shares purchased in October 2013 are included in the "Derivative instruments" line (see Note 17 – Net cash and cash equivalents). Given the "matching" nature of the main characteristics of these two derivative instruments, their respective fair value gains and losses fully offset each other, resulting in a nil impact on the Group net financial expense in 2013.

The increase in the net interest cost on defined benefit pension plans is analyzed in Note 20 – Provisions for pensions and other post-employment benefits.

NOTE 7 – INCOME TAX EXPENSE

in millions of euros	*Note*	2011 *	2012 *	2013
Current income taxes		(126)	(153)	(161)
Deferred taxes	*13*	28	18	(21)
Income tax expense		**(98)**	**(135)**	**(182)**

* Figures have been adjusted for the restatements presented in Note 1 - Accounting policies, following application of IAS 19, revised.

The difference between the French standard rate of income tax and the effective Group tax rate can be analyzed as follows:

	2011 *		2012 *		2013	
in millions of euros	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Profit before tax	**477**		**478**		**618**	
Standard tax rate in France (%)	**36.1**		**36.1**		**38.0**	
Tax expense at the standard rate	**(172)**	**36.1**	**(173)**	**36.1**	**(235)**	**38.0**
Difference in tax rates between countries	16	(3.3)	16	(3.1)	36	(5.8)
Impact of:						
Deferred tax assets not recognized on temporary differences and tax loss carry-forwards arising in the period	2	(0.3)	1	(0.2)	26	(4.2)
Net recognition of deferred tax assets on temporary differences and tax loss carry-forwards arising prior to January 1	67	(13.6)	33	(6.4)	26	(4.2)
Utilization of previously unrecognized tax loss carry-forwards	(1)	0.1	8	(1.6)	1	(0.2)
Adjustments to prior years	(10)	2.0	8	(1.6)	9	(1.5)
Taxes not based on taxable income	(45)	9.2	(51)	10.2	(51)	8.3
Permanent differences and other items	45	(9.6)	23	(5.2)	6	(1.0)
Actual tax expense	**(98)**	**20.6**	**(135)**	**28.2**	**(182)**	**29.4**
Effective rate of income tax	**20.6%**		**28.2%**		**29.4%**	

* Figures have been adjusted for the restatements presented in Note 1 - Accounting policies, following application of IAS 19, revised.

The low effective rate of income tax in 2011 was due to the recognition of US deferred tax assets in the amount of €76 million (USD 105 million) (see Note 13 – Deferred tax).

Taxes not based on taxable income primarily consists of the Corporate Value-Added Contribution (*Cotisation sur la Valeur Ajoutée des Enterprises*, CVAE) in France, equity taxes in the United States, the regional tax on productive activities (IRAP) in Italy and the additional 3% contribution on dividends paid in France.

NOTE 8 – EARNINGS PER SHARE

BASIC EARNINGS PER SHARE

	2011 *	2012 *	2013
Profit for the year *(in millions of euros)*	394	353	442
Weighted average number of ordinary shares	153,595,650	155,795,618	158,147,868
Basic earnings per share *(in euros)*	**2.57**	**2.26**	**2.80**

* Figures have been adjusted for the restatements presented in Note 1 - Accounting policies, following application of IAS 19, revised.

The year-on-year increase in the average number of shares between 2012 and 2013 is mainly due to the issue in September 2012 of 6 million shares under the international Employee Share Ownership Plan (ESOP 2012) and share capital reductions through the cancellation of 2,925,711 treasury shares between February and May 2013.

DILUTED EARNINGS PER SHARE

Diluted earnings per share are calculated by assuming conversion into ordinary shares of all dilutive instruments outstanding during the year. The average share price in 2013 was €40.50.

In 2013, instruments considered dilutive for the purpose of calculating diluted earnings per share include:

- shares to be delivered to foreign employees under the 2010 performance share plan, the number of which is now definitive (584,055 shares). At December 31, 2013, these share grants are only subject to the presence conditions of the beneficiaries at the delivery date,
- the 175,005 shares falling within the scope of the free share plan open to all French employees, the terms of which were approved by the Board of Directors on July 25, 2012. At December 31, 2013, these share grants are only subject to the presence conditions of the beneficiaries at the delivery date,
- all 981,500 and 1,178,300 shares available for grant under the performance share plans, the terms of which were approved by the Board of Directors on December 12, 2012 and February 20, 2013, respectively. At December 31, 2013, performance conditions were calculated assuming a 100% realization rate.
- all 2,991,204 Redeemable Share Subscription or Purchase Warrants (BSAAR) not exercised, as the average market price of the Cap Gemini share in 2013 is higher than the aggregate of the €34 strike price and the €3.22 issue premium,
- the "OCEANE 2009" convertible bonds issued on April 20, 2009, i.e. an average of 14,428,708 bonds outstanding in 2013, as the €21 million interest expense recorded (net of taxes) on the bonds is lower per bond than basic earnings per share. 14,280,305 bonds were redeemed on October 25, 2013 and 2,628,564 bonds were converted between November and December 2013. The 2,896 bonds outstanding at December 31, 2013 were redeemed at par on January 2, 2014,
- the "ORNANE 2013" convertible bonds issued on October 25, 2013, i.e. an average of 1,110,093 bonds outstanding in 2013, as the €1 million interest expense recorded (net of taxes) on the bonds is lower per bond than basic earnings per share. These bonds were issued on October 25, 2013 and are convertible during the period from October 25, 2013 (inclusive) to December 31, 2016 (inclusive) in a limited number of defined circumstances and then at any time from January 1, 2017 (inclusive) until the eighteen business day (exclusive) preceding January 1, 2019, when they will be redeemable at par.

in millions of euros	2011 *	2012 *	2013
Profit for the year attributable to owners of the Company	**394**	**353**	**442**
Finance cost savings linked to the conversion of debt instruments, net of tax	23	24	** 22
Diluted profit for the year attributable to owners of the Company	**417**	**377**	**464**
Weighted average number of ordinary shares (diluted)			
Weighted average number of ordinary shares	153,595,650	155,795,618	158,147,868
Adjusted for:			
"OCEANE 2009" convertible/exchangeable bonds (weighted average)	16,911,765	16,911,765	14,428,708
"ORNANE 2013" convertible/exchangeable bonds (weighted average)	-	-	1,110,093
Redeemable Share Subscription or Purchase Warrants (BSAAR)	-	-	2,991,204
Performance shares and free shares that can be granted	1,207,035	2,104,322	2,918,860
Weighted average number of ordinary shares (diluted)	**171,714,450**	**174,811,705**	**179,596,733**
Diluted earnings per share *(in euros)*	**2.43**	**2.15**	**2.59**

* Figures have been adjusted for the restatements presented in Note 1 - Accounting policies, following application of IAS 19, revised,

** "OCEANE 2009" and "ORNANE 2013" convertible bonds are taken into account.

NOTE 9 – EQUITY

FEATURES OF INCENTIVE INSTRUMENTS AND EMPLOYEE SHARE OWNERSHIP PLANS

A) STOCK OPTION PLANS

At the May 12, 2005 Combined Shareholders' Meeting, the Board of Directors was given a 38-month authorization to grant stock options to certain Group employees on one or several occasions.

The last grant under this plan was performed in June 2008 and the plan has been closed since June 2013. Less than 20% of options initially granted were exercised under the 2005 Plan.

The main features of this plan and the bases of calculation are set out in the table below:

	2005 Plan
Maximum number of options to be subscribed	6,000,000
Grant date under this plan	June 1, 2008
Deadline for exercising stock options after their grant date (vesting by progressive tranches: 10% after 1 year, +20% after 2 years, +30% after 3 years, +40% after 4 years to reach 100%)	5 years
Subscription price (as a %) of the average share price over the 20 stock market trading days preceding the grant date	100%
Subscription price (per share and in euros) of the grant	40.5
Maximum number of shares to be issued on exercise of outstanding options at December 31, 2012	139,500
Number of new stock options granted during the year	Plan expired *
Number of options forfeited or canceled during the year	139,500
Number of options exercised during the year	Plan expired *
Maximum number of shares to be issued on exercise of outstanding options at December 31, 2013	Plan expired *
Residual weighted average life (in years)	n/a

* Last stock options granted on June 1, 2008 at a price of €40.5.

B) PERFORMANCE SHARE PLANS

The Combined Shareholders' Meetings of April 17, 2008, April 30, 2009 and then May 24, 2012, authorized the Board of Directors to grant shares to a certain number of Group employees, on one or several occasions and within a maximum period of 12 months for the first share plan and 18 months for the second and third share plans subject to performance and presence conditions. On March 5, 2009, October 1, 2010 and then on December 12, 2012 and February 20, 2013, the Board of Directors approved the terms and conditions and the list of beneficiaries of these four plans.

The main features of these plans are set out in the table below:

	2009 International Plan	2010 International Plan	2012 International Plan	2013 International Plan
Maximum number of shares to be granted	1% of the share capital on the date of the Board of Directors' decision i.e. a maximum of 1,458,860 shares	1% of the share capital on the date of the Board of Directors' decision i.e. a maximum of 1,557,703 shares	1,5% of the share capital on the date of the Board of Directors' decision i.e. a maximum of 2,426,555 shares	1,5% of the share capital on the date of the Board of Directors' decision i.e. a maximum of 2,426,555 shares
Total number of shares granted	1,148,250 (1)	1,555,000 (3)	1,003,500 (6)	1,209,100 (6)
Share grant date	March 5, 2009	October 1, 2010	December 12, 2012	February 20, 2013
Performance assessment dates	At the end of the first and second years following the grant date		At the end of the first and second calendar years following the grant date	At the end of the first and second years following the grant date
Vesting period	Two years as from the grant date (France) or four years as from the grant date (other countries)		2 years and ½ month as from the grant date (France) or 4 years and ½ month as from the grant date (other countries)	2 years and 1 week as from the grant date (France) or 4 years and 1 week as from the grant date (other countries)
Mandatory lock-in period effective as from the vesting date (France only)	Two years, or five years in the event of departure from the Group during the two years following the vesting date		4 years	
Number of shares at December 31, 2012 that may vest under this plan in respect of shares previously granted, subject to performance and presence conditions	289,500	623,620	1,003,500	-
Of which corporate officers	-	-(4)	*50,000* (6)	-
Number of shares subject to performance and/or presence conditions granted during the year	-	-	-	1,209,100
Of which corporate officers	-	-	-	*50,000* (6)
Number of shares forfeited or canceled during the year	4,000	39,565	22,000	30,800
Number of shares vested during the year	285,500 (2)	-	-	-
Number of shares at December 31, 2013 that may vest under this plan in respect of shares previously granted, subject to performance and presence conditions	-	584,055 (5)	981,500	1,178,300
Share price at the grant date *(in euros)*	23.3	37.16	33.15	36.53
Main market conditions at the grant date				
Volatility	*42.70%*	*42.80%*	*25.80%*	*38.70%*
Risk-free interest rate	*1.40%*	*1.67%*	*0.35% - 0.98%*	*0.59% - 1.28%*
Expected dividend rate	*3.00%*	*3.00%*	*3.00%*	*3.00%*
Other conditions				
Performance condition(s)	*Yes (see below)*			
Employee presence within the Group at the vesting date	*Yes*			
Pricing model used to calculate the fair value of shares	-Monte Carlo for performance shares - Black& Scholes for free shares	-Monte Carlo for performance shares with external (market) conditions - Black& Scholes for shares without conditions or with internal performance conditions	Monte Carlo for performance shares with external (market) conditions	
Range of fair values *(in euros)*				
Free shares (per share and in euros)	20.70 - 21.90	32.32 - 32.96	n/a	n/a
Performance shares (per share and in euros)	16.51 - 17.53	21.54 – 32.96	14.35 - 28.67	16.18 - 32.14
Of which corporate officers	17.53	n/a	16.18	18.12

(1) Of which 64,750 shares granted without performance conditions (5.6% of the total) pursuant to the relevant resolution (authorization capped at 15% of the total);
(2) Balance on the "foreign" plan that may be granted on March 5, 2013, subject to conditions of presence;
(3) Of which 124,000 shares granted without performance conditions (8% of the total) pursuant to the relevant resolution (authorization capped at 15% of the total);
(4) No performance shares were granted in 2010;
(5) Balance on the "foreign" plan that may be granted in October 2014, subject to conditions of presence at that date (including 65,500 shares without performance conditions);
(6) Grant subject to performance conditions only.

a) Performance conditions of the 2009 plan

The exact number of shares vesting at the end of the vesting period (2 years for the French plan and 4 years for the international plan) is equal to the maximum number of shares initially granted, multiplied by a percentage (from 0% to 100%) corresponding to the chosen performance measurement criteria.
The performance of the Cap Gemini share, measured over the first two years, compared with the average performance of a basket of ten securities of listed companies, measured over the same period and representative of the Group's business sector in at least five countries in which the Group is firmly established, will ultimately condition the vesting of the shares.

The benchmark basket comprises the following securities, with each security equally weighted: Accenture / Atos Origin / CGI Group / Cognizant / CSC / Infosys / Logica / Sopra / Steria / Tieto.
No shares are granted if the performance of the Cap Gemini share during the period in question is less than 90% of the average performance of the basket of securities over the same period. In each period, the number of shares that ultimately vests:

- is equal to 60% of the number of shares initially allocated if the performance of the Cap Gemini share is equal to 90% of the basket,
- varies on a straight-line basis between 60% and 100% of the initial allocation, based on a predefined schedule, where the performance of the Cap Gemini share is between 90% and 110% of the basket,
- is equal to 100% of the number of shares initially allocated if the performance of the Cap Gemini share is higher than or equal to 110% of the basket.

The definitive calculation led to the grant of 50% of performance shares initially allocated. Including shares granted solely subject to presence conditions, the final number of shares that vested in respect of the first plan is 485,750 shares, i.e. 42% of the number initially granted. The 285,500 shares delivered on March 5, 2013 were delivered to non-French beneficiaries of the plan.

b) Performance conditions of the 2010 plan

In accordance with the AMF recommendation of December 8, 2009 regarding the inclusion of an internal and external performance condition when granting performance shares, the Board of Directors decided to add an internal condition to the external condition initially planned.

External performance condition

The external performance condition is calculated in the same way as under the first plan, except for the grant thresholds which have been tightened compared with the first plan. As such:

- no shares are granted if the performance of the Cap Gemini share during the period in question is less than 90% of the average performance of the basket of securities over the same period.
- the number of shares that ultimately vests:
  - is equal to 40% of the number of shares initially allocated if the performance of the Cap Gemini share is at least equal to 90% of the basket,
  - is equal to 60% of the number of shares initially allocated if the performance of the Cap Gemini share is equal to 100% of the basket,
  - varies on a straight-line basis between 40% and 60% and between 60% and 100% of the initial allocation, based on a pre-defined schedule, where the performance of the Cap Gemini share is between 90% and 100% of the basket in the first case and 100% and 110% of the basket in the second case,
  - is equal to 100% of the number of shares initially allocated if the relative performance of the Cap Gemini share is higher than or equal to 110% of the basket.

Under these conditions, if the performance of the Cap Gemini share is in line with that of the basket of comparable shares, only 60% of the initial allocation will be granted compared with 80% under the first plan.
The external performance condition accounts for 70% of the grant calculation.

The calculation for the period concerned leads, at the share delivery date, to the grant of 55% of the maximum number of shares initially defined in respect of external performance conditions.

The fair value of shares subject to external performance conditions was adjusted for a discount calculated in accordance with the Monte Carlo model, together with a discount for non-transferability for the shares granted in France.

Internal performance condition

The internal performance condition is based on the progression in the 2011 audited and published operating margin of Capgemini Group compared with the 2010 operating margin at constant Group structure and exchange rates.
The performance calculation was therefore performed following approval of the 2011 accounts, by comparing the percentage increase in the 2011 audited and published operating margin with the 2010 audited and published operating margin at constant Group structure and exchange rates. Based on the percentage increase calculated in this way:

- no shares would have been granted in respect of the internal performance condition if the increase in the operating margin after amortization of intangible assets recognized in business combinations thus calculated was less than 12%,
- the number of shares that ultimately vested would have been:
  - equal to 40% of the number of shares initially allocated for an increase between 12% and 13.5%,
  - equal to 60% of the number of shares initially allocated for an increase between 13.5% and 15%,
  - equal to 100% of the number of shares initially allocated for an increase greater than or equal to 15%.

The internal performance condition accounts for 30% of the grant calculation.

The year-on-year increase in the operating margin at constant Group structure and exchange rates was 15.6%. Accordingly, shares granted at the share delivery date in respect of the internal performance condition shall equal 100% of the number of shares initially defined.

As the date for definitive delivery to French beneficiaries was set at the end of a 2-year vesting period (with obligation to hold the shares for a further 2 years), a total of 350,509 shares were delivered to these beneficiaries out of an initial amount of 528,500 shares, i.e. two-thirds. At the end of December 2013, some 584,055 shares are likely to be delivered in October 2014 to non-French beneficiaries (subject to their presence in the Group at that date), i.e. a maximum of 57% of the initial grant.

The fair value of shares subject to internal performance conditions is calculated assuming 100% realization and will be adjusted where necessary in line with effective realization of this condition. A discount for non-transferability is also applied for the shares granted in France.

c) Performance conditions of the 2012 and 2013 plans

The following internal and external performance conditions apply:

External performance condition
The external performance condition is calculated in a similar way as under the 2010 plan.
It accounts for 50% of the total amount granted.
The benchmark basket comprises the following securities, with each security equally weighted: Accenture / Atos Origin / CGI Group / Cognizant / CSC / Infosys / Sopra / Steria / Tieto.

Internal performance condition
The internal performance condition is based on the generation of Organic Free Cash Flow (OFCF) over a three-year period encompassing fiscal years 2012 to 2014. Accordingly,

- no shares will be granted in respect of the internal performance condition if the cumulative increase in Organic Free Cash Flow over the reference period is less than €750 million,
- 100% of the initial internal grant will become definitive if Organic Free Cash Flow of €1 billion or more is generated.

The internal performance condition accounts for 50% of the total amount granted.

The fair value of shares subject to internal performance conditions is calculated assuming 100% realization and will be adjusted where necessary in line with effective realization of this condition. A discount for non-transferability is also applied for the shares granted in France.

C) Free share plan

At the May 24, 2012 Combined Shareholders' Meeting, the Board of Directors was given an 18-month authorization to grant to certain Group employees, on one or several occasions, performance shares subject only to a condition of presence. This authorization was partially used and the terms and conditions of the grant and the list of beneficiaries were set by the Board of Directors meeting of July 25, 2012.

The main features of this plan are set out in the table below:

	2012 Plan
Maximum number of shares to be granted	1 5.% of the share capital on the date of the Board of Directors' decision i.e. a maximum of 2,336,554 shares, of which a maximum of 15% granted without performance conditions
Total number of shares granted	202,538 *
Date of the Board of Directors' decision	July 25, 2012
Grant condition assessment date	Presence condition only (employee presence within the Group at the vesting date)
Vesting period	Two years as from the grant date (France only) Democratic plan
Mandatory lock-in period effective as from the vesting date (France only)	2 years
Number of shares at December 31, 2012 that may vest under this plan in respect of shares previously granted, subject to presence conditions	187,702
Number of shares forfeited or canceled during the year	12,649
Number of shares vested during the year	48
Number of shares at December 31, 2013 that may vest under this plan in respect of shares previously granted, subject to presence conditions	175,005
Share price at the grant date *(in euros)*	26.30
Main market conditions at the grant date	
Risk-free interest rate	*0.88%*
Expected dividend rate	*3%*
Fair value in euros *(per share)*	€20.22

* i.e. 8.6% of the total authorized maximum granted without performance conditions, pursuant to the resolution (authorization capped at 15% of the total).

This transaction, which aims to develop employee share ownership, enabled all employees of French companies with at least three months seniority at the grant date to receive shares and to become Cap Gemini shareholders at the end of the vesting period. More than 20,000 employees were concerned by this share grant, representing a total of 202,538 shares and with a differentiated share allocation based on annual salary (four categories): the lowest paid employees received 12 shares, while the highest paid employees received 4 shares.

D) REDEEMABLE SHARE SUBSCRIPTION OR PURCHASE WARRANTS (*BONS DE SOUSCRIPTION ET / OU D'ACQUISITION D'ACTIONS REMBOURSABLES* – BSAAR)

During 2009, 2,999,000 warrants were subscribed by employees and corporate officers of the Group (at a price of €3.22 per warrant). The exercise period commenced the date of listing of the BSAAR warrants on the Euronext Paris market on July 23, 2013 and terminates on the seventh anniversary of the issue date. Between July 23, 2009 and the date the warrants were admitted to trading on Euronext Paris, they could not be exercised or transferred except under the conditions specified in the issue agreement. The issue was disclosed in a prospectus approved by the AMF on May 14, 2009 under reference number N°09-140.

E) INTERNATIONAL EMPLOYEE SHARE OWNERSHIP PLAN – ESOP 2012

The Group set up an employee share ownership plan (@ESOP 2012) in the second half of 2012. On September 27, 2012, the Group issued 6,000,000 new shares reserved for employees with a par value of €8, representing a share capital increase of €153 million net of issue costs. The total cost of this employee share ownership plan in 2012 was €0.8 million, attributable to the Stock Appreciation Rights (SAR) mechanism for employees in countries where the set-up of an Employee Savings Mutual Fund (*Fonds Commun de Placement Entreprise*, FCPE) was not possible or relevant.

IMPACT OF INCENTIVE INSTRUMENTS AND EMPLOYEE SHARE OWNERSHIP PLANS

The following table breaks down by type of incentive and employee share ownership instrument, the expense recognized in "Other operating income and expense" (including payroll taxes and employer contributions) and the residual amount to be amortized at each period end:

		2011		2012		2013	
in millions of euros	*Note*	**Expense of the period**	**At December 31**	**Expense of the period**	**At December 31**	**Expense of the period**	**At December 31**
Stock option plans		1	1	1	-	-	-
Performance share plans		16	25	15	27	21	37
Free share plans		-	-	1	2	2	1
Employee share ownership plan - ESOP		-	-	1	-	-	-
Total	5	17	26	18	29	23	38

TREASURY SHARES AND MANAGEMENT OF SHARE CAPITAL AND MARKET RISKS

The Group does not hold any shares for financial investment purposes and does not have any interests in listed companies.

At December 31, 2013, treasury shares were deducted from consolidated equity in the amount of €9 million. These consist of 242,173 shares resulting from (i) implementation of the liquidity agreement (the associated liquidity line is €7 million); and (ii) shares held under the contractual holding system for key employee of American activities.

In view of the small number of treasury shares held, the Group is not therefore exposed to significant equity risk. Finally, as the value of treasury shares is deducted from equity, changes in the share price do not impact the Consolidated Income Statement.

The Group's capital management strategy is designed to maintain a strong capital base in view of supporting the continued development of its business activities and delivering a return to shareholders, while adopting a prudent approach to debt as evidenced by the use of the debt-to-equity ratio as a key performance indicator. At December 31, 2011, 2012 and 2013, the Group had a positive net cash position. In order to best manage the structure of its capital, the Group can issue new shares, buy back its own shares, adjust the dividend paid to shareholders or enter into derivative instruments on its own shares.

In October 2013, the Group sold a call option on Cap Gemini shares to a bank counterparty. The derivative instrument is recognized in equity (€34 million, net of tax).

CURRENCY RISK AND TRANSLATION GAINS AND LOSSES ON THE ACCOUNTS OF SUBSIDIARIES WITH A FUNCTIONAL CURRENCY OTHER THAN THE EURO

Regarding risks arising on the translation of the foreign currency accounts of consolidated subsidiaries, fluctuations in the Pound Sterling, US dollar and Indian rupee against the euro may have an impact on the consolidated financial statements. The negative impact on translation reserves is mainly due to the depreciation of the US dollar and the Indian rupee against the euro during 2013.

The Group does not hedge risks arising on the translation of the foreign currency accounts of consolidated subsidiaries whose functional currency is not the euro. The main exchange rates used for the preparation of the financial statements are presented in Note 1-B – Accounting policies: Foreign currency translation.

NOTE 10 – GOODWILL AND INTANGIBLE ASSETS

in millions of euros	Goodwill	Customer relationships	Licenses and software	Other intangible assets	Total
GROSS					
At January 1, 2011	**3,251**	**164**	**173**	**182**	**3,770**
Translation adjustments	25	(2)	(3)	-	20
Acquisitions / Increase	-	-	22	-	22
Internal developments	-	-	-	6	6
Disposals / Decrease	-	-	(15)	(4)	(19)
Business combinations	547	9	22	5	583
Other movements	(4)	2	-	3	1
At December 31, 2011	**3,819**	**173**	**199**	**192**	**4,383**
Translation adjustments	(33)	(6)	(3)	1	(41)
Acquisitions / Increase	11	-	27	7	45
Internal developments	-	-	-	21	21
Disposals / Decrease	-	-	(7)	-	(7)
Business combinations	(44)	45	3	14	18
Other movements	-	-	5	(1)	4
At December 31, 2012	**3,753**	**212**	**224**	**234**	**4,423**
Translation adjustments	(100)	(11)	(12)	(3)	(126)
Acquisitions / Increase	-	-	24	-	24
Internal developments	-	-	-	19	19
Disposals / Decrease	-	-	(27)	(1)	(28)
Business combinations	(1)	-	-	-	(1)
Other movements	-	-	(2)	2	-
At December 31, 2013	**3,652**	**201**	**207**	**251**	**4,311**
AMORTIZATION AND IMPAIRMENT *					
At January 1, 2011	**50**	**60**	**140**	**150**	**400**
Translation adjustments	-	1	(2)	-	(1)
Charges and provisions	-	25	21	9	55
Disposals	-	-	(14)	(4)	(18)
Business combinations	-	-	18	2	20
Other movements	1	-	-	4	5
At December 31, 2011	**51**	**86**	**163**	**161**	**461**
Translation adjustments	-	(3)	(3)	2	(4)
Charges and provisions	-	33	26	14	73
Disposals	-	-	(5)	-	(5)
Business combinations	-	-	-	1	1
Other movements	-	-	3	-	3
At December 31, 2012	**51**	**116**	**184**	**178**	**529**
Translation adjustments	-	(7)	(9)	(2)	(18)
Charges and provisions	-	28	21	14	63
Disposals	-	-	(27)	-	(27)
Other movements	-	-	(3)	-	(3)
At December 31, 2013	**51**	**137**	**166**	**190**	**544**
NET					
At December 31, 2011	**3,768**	**87**	**36**	**31**	**3,922**
At December 31, 2012	**3,702**	**96**	**40**	**56**	**3,894**
At December 31, 2013	**3,601**	**64**	**41**	**61**	**3,767**

* Goodwill is subject to impairment only.

NOTE 11 – PROPERTY, PLANT AND EQUIPMENT – PP&E

in millions of euros	Land, buildings and fixtures and fittings	Computer equipment	Other PP&E	Total
GROSS				
At January 1, 2011	**534**	**504**	**188**	**1,226**
Translation adjustments	(6)	(10)	(10)	(26)
Acquisitions / Increase	53	111	26	190
Disposals / Decrease	(10)	(44)	(5)	(59)
Business combinations	25	38	8	71
Other movements	(3)	5	(10)	(8)
At December 31, 2011	**593**	**604**	**197**	**1,394**
Translation adjustments	(5)	(9)	(5)	(19)
Acquisitions / Increase	39	100	37	176
Disposals / Decrease	(21)	(72)	(20)	(113)
Other movements	(1)	(13)	1	(13)
At December 31, 2012	**605**	**610**	**210**	**1,425**
Translation adjustments	(21)	(23)	(16)	(60)
Acquisitions / Increase	43	83	10	136
Disposals / Decrease	(42)	(114)	(15)	(171)
Other movements	(13)	(3)	(4)	(20)
At December 31, 2013	**572**	**553**	**185**	**1,310**
DEPRECIATION AND IMPAIRMENT				
At January 1, 2011	**230**	**370**	**127**	**727**
Translation adjustments	-	(9)	(5)	(14)
Charges and provisions	44	72	17	133
Disposals	(8)	(42)	(4)	(54)
Business combinations	19	30	5	54
Other movements	(1)	1	1	1
At December 31, 2011	**284**	**422**	**141**	**847**
Translation adjustments	(1)	(8)	(2)	(11)
Charges and provisions	50	86	19	155
Disposals	(19)	(64)	(18)	(101)
Other movements	-	(7)	-	(7)
At December 31, 2012	**314**	**429**	**140**	**883**
Translation adjustments	(9)	(16)	(9)	(34)
Charges and provisions	46	82	17	145
Disposals	(41)	(110)	(14)	(165)
Other movements	(6)	(5)	(2)	(13)
At December 31, 2013	**304**	**380**	**132**	**816**
NET				
At December 31, 2011	**309**	**182**	**56**	**547**
At December 31, 2012	**291**	**181**	**70**	**542**
At December 31, 2013	**268**	**173**	**53**	**494**

Property, plant and equipment purchased under finance lease

Net *(in millions of euros)*	2011	2012	2013
At January 1	**157**	**183**	**172**
Translation adjustments	1	-	(4)
Acquisitions / Increase	60	41	36
Disposals / Decrease	(1)	(3)	(1)
Depreciation and impairment	(39)	(44)	(44)
Business combinations	6	-	-
Other movements	(1)	(5)	(3)
At December 31	**183**	**172**	**156**

NOTE 12 – ASSET IMPAIRMENT TESTS

GOODWILL PER CASH-GENERATING UNIT

The cash-generating units adopted by the Group correspond to geographic areas representing the Group's major markets and the main lines of development and strategic investment.

	December 31, 2011			December 31, 2012			December 31, 2013		
in millions of euros	Gross value	Impair-ment	Net carrying amount	Gross value	Impair-ment	Net carrying amount	Gross value	Impair-ment	Net carrying amount
North America	636	(6)	630	624	(6)	618	597	(6)	591
France	1,086	(2)	1,084	1,042	(2)	1,040	1,035	(2)	1,033
United Kingdom and Ireland	533	-	533	541	-	541	528	-	528
Benelux	800	(12)	788	798	(12)	786	793	(12)	781
Southern Europe *	54	-	54	50	-	50	50	-	50
Nordic countries	162	-	162	164	-	164	158	-	158
Germany and Central Europe	258	(31)	227	257	(31)	226	253	(31)	222
Asia-Pacific and Latin America *	290	-	290	277	-	277	238	-	238
Goodwill	**3,819**	**(51)**	**3,768**	**3,753**	**(51)**	**3,702**	**3,652**	**(51)**	**3,601**

* Latin America, previously included in the "Southern Europe and Latin America" area, is included in the "Asia-Pacific and Latin America" area with effect from January 1, 2013 (see Note 25, Operating segments).

This goodwill was tested for impairment at December 31, 2013 in line with the Group procedure for verifying the value of such assets.

Value in use is measured using the discounted future cash flow method and based on the following main assumptions:

- number of years over which cash flows are estimated: five years, based on data taken from the budget process for the first year and from the three-year strategic plan for the next two years, with extrapolation of this data for the remaining period,
- long-term growth rate used to extrapolate to perpetuity final year estimated cash flows: 2.3% (2.1% in 2012), 5.5% for Brazil (4.0% in 2012) and 3.8% for India (2.1% in 2012),
- discount rate: 9.6% for North America, 9.7% for the United Kingdom, 13.5% for Brazil, 12.5% for India and 9.6% for the rest of the Group (8.7%, 8.9%, 12.0%, 9.8% and 9.8% respectively in 2012).

Group long-term growth and discount rates are based in the majority of cases on the average of a representative sample of projections by financial analysts who use these indicators to value the Group.
In 2013, the Group used estimates produced by 11 financial analysts, of whom 8 were already included in the 2012 group of analysts.
From 2013, Long-term growth and discount rates used for Brazil and India have been calculated separately, taking account of the specific characteristics of these countries.
The change in discount rates arises from the three components used for the calculation: the risk-free rates, the risk premium and the volatility of the Cap Gemini share price in relation to changes in its listed market ("beta").

No impairment losses were recognized at December 31, 2013 as a result of these impairment tests.

Furthermore, an analysis of the calculation's sensitivity to a combined change in the following key assumptions:

- +/- 2 points in the revenue growth rate for the first five years,
- +/- 1 point in the operating margin rate for the first five years,
- +/- 0.5 points in the discount rate,
- +/- 0.5 points in the long-term growth rate,

did not identify any recoverable amounts below the carrying amount for a cash-generating unit.

NOTE 13 – DEFERRED TAXES

RECOGNIZED DEFERRED TAXES

A) CHANGE IN DEFERRED TAX ASSETS

in millions of euros	*Note*	Tax loss carry-forwards excl. the US	Amortizable goodwill and US tax losses carry-forward	Provisions for pensions and other post-employment benefits	Other deductible temporary differences	**Total deferred tax assets**
At January 1, 2011		**502**	**123**	**178**	**100**	**903**
Business combinations		1	-	1	-	2
Translation adjustments		-	9	5	(2)	12
Deferred tax expense recognized in the Income Statement	*7*	(34)	76	(3)	(8)	31
Deferred tax expense recorded in income and expense recognized in equity		-	-	67	14	81
At December 31, 2011		**469**	**208**	**248**	**104**	**1,029**
Translation adjustments		-	(4)	1	(1)	(4)
Deferred tax expense recognized in the Income Statement	*7*	(28)	-	(2)	34	4
Deferred tax expense recorded in income and expense recognized in equity		-	-	49	(13)	36
At December 31, 2012		**441**	**204**	**296**	**124**	**1,065**
Translation adjustments		(1)	(9)	(11)	(8)	(29)
Deferred tax expense recognized in the Income Statement	*7*	(46)	-	(15)	29	(32)
Deferred tax expense recorded in income and expense recognized in equity		40	-	(18)	-	22
Other movements		-	-	-	(3)	(3)
At December 31, 2013		**434**	**195**	**252**	**142**	**1,023**

a) Deferred tax assets arising from tax loss carry-forwards (excluding the United States)

Recognized tax loss carry-forwards (excluding the United States) total €433 million at December 31, 2013. They include tax losses of €379 million attributable to the French tax group.

b) US deferred tax assets arising from amortizable goodwill and tax losses carry-forwards

The acquisition of Ernst & Young's North American consulting business in 2000 gave rise to the amortization for tax purposes, over a period of 15 years, of the difference between the acquisition price of the business and the tax base of the assets and liabilities acquired. Since 2000, the annual amortization charge has been deducted from US tax profits. Annual tax losses can be carried forward for a period of 20 years.

At December 31, 2013, the cumulative amount of US tax losses carried forward, including the amortization charge already deducted for tax purposes referred to above, totaled €2,626 million (USD 3,622 million). To these tax loss carry-forwards are added future amortization charges deductible for tax purposes of €266 million (USD 367 million) at December 31, 2013.

Recognized deferred tax assets total €195 million at December 31, 2013. After the utilization of USD 62 million in 2013 tied to the offset of tax-deductible amortization from the taxable profits of the US tax group, a revaluation was performed in the same amount. Accordingly, the US dollar amount of recognized deferred tax assets is unchanged at December 31, 2013 compared with December 31, 2012 at USD 269 million (€195 million).

Therefore, applying a tax rate of 39%, unrecognized deferred tax assets at December 31, 2013 amount to €933 million (USD 1,287 million).

B) Change in deferred tax liabilities

in millions of euros	*Note*	Tax-deductible goodwill amortization	Customer relationships	Amortized cost of bonds	Other taxable temporary differences	**Total deferred tax liabilities**
At January 1, 2011		**51**	**33**	**11**	**83**	**178**
Business combinations		-	1	-	-	1
Translation adjustments		1	-	-	(1)	-
Deferred tax expense recognized in the Income Statement	*7*	(2)	(8)	(1)	14	3
Deferred tax expense recorded in income and expense recognized in equity		-	-	-	1	1
At December 31, 2011		**50**	**26**	**10**	**97**	**183**
Business combinations		-	17	-	4	21
Disposals and other movements *		-	-	-	(24)	(24)
Translation adjustments		(1)	(2)	-	1	(2)
Deferred tax expense recognized in the Income Statement	*7*	1	(10)	(5)	-	(14)
Deferred tax expense recorded in income and expense recognized in equity		-	-	-	(1)	(1)
At December 31, 2012		**50**	**31**	**5**	**77**	**163**
Translation adjustments		(2)	(1)	-	(2)	(5)
Deferred tax expense recognized in the Income Statement		2	(9)	-	(4)	(11)
Deferred tax expense recorded in income and expense recognized in equity	*7*	-	-	-	13	13
Other movements		4	-	-	(6)	(2)
At December 31, 2013		**54**	**21**	**5**	**78**	**158**

* Including a deferred tax liability reversal of €29 million of relating to the disposal of Capgemini Reinsurance Company S.A. at December 31, 2012.

Unrecognized deferred tax assets

At December 31 *(in millions of euros)*	**2011**	**2012**	**2013**
Tax loss carry-forwards, excluding the United States	196	238	226
US deferred tax on amortizable goodwill and tax loss carry-forwards	1,063	1,022	933
Deferred tax on other temporary differences	133	170	120
Unrecognized deferred tax assets	**1,392**	**1,430**	**1,279**

Expiry dates of tax loss carry-forwards (taxable base)

	2011		**2012**		**2013**	
At December 31 *(in millions of euros)*	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Between 1 and 5 years	46	1	49	1	92	2
Between 6 and 10 years	578	13	810	17	1,092	23
Between 11 and 15 years	1,320	28	1,284	27	1,112	24
Beyond 15 years (definite expiry date)	885	19	782	16	696	15
Carried forward indefinitely	1,818	39	1,868	39	1,700	36
Tax loss carry-forwards (taxable base)	**4,647**	**100**	**4,793**	**100**	**4,692**	**100**
o/w recognized tax losses	*1,537*	*33*	*1,493*	*31*	*1,624*	*35*

NOTE 14 – OTHER NON–CURRENT ASSETS

At December 31 *(in millions of euros)*	*Notes*	2011	2012	2013
Deposits, receivables and other long-term investments		74	68	63
Derivative instruments	*19*	-	1	71
Other		45	29	19
Other non-current assets	*18*	**119**	**98**	**153**

Deposits and other long-term investments mainly consist of security deposits and guarantees relating to leases and "*aides à la construction*" (building aid program) loans in France, as well as escrow accounts guaranteeing tax and employee-related disputes in CPM Braxis and rental deposits for premises in India.

Derivative instruments primarily consist of the call option on own shares purchased by Cap Gemini on October 18, 2013, valued at €70 million at December 31, 2013.

NOTE 15 – ACCOUNTS AND NOTES RECEIVABLE

At December 31 *(in millions of euros)*	*Note*	2011	2012	2013
Accounts receivable		1,710	1,543	1,630
Provisions for doubtful accounts		(11)	(12)	(10)
Accrued income		871	900	864
Accounts and notes receivable, excluding capitalized costs on projects		**2,570**	**2,431**	**2,484**
Capitalized costs on projects		115	107	103
Accounts and notes receivable	*18*	**2,685**	**2,538**	**2,587**

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

At December 31 *(in millions of euros)*	*Note*	2011	2012	2013
Accounts and notes receivable, excluding capitalized costs on projects		2,570	2,431	2,484
Advances from customers and billed in advance		(661)	(624)	(684)
Total accounts receivable net of advances from customers and billed in advance	*18*	**1,909**	**1,807**	**1,800**
In number of days' annual revenues *		70	63	64

* In 2011, this ratio is adjusted to take account of the impact of entries into the scope of consolidation.

In 2013, Capgemini Technology Services S.A.S. and Capgemini America, Inc. assigned to a financial institution, without recourse, receivables in the total amount of €20 million (€25 million in 2012) and €16 million (USD 22 million) respectively.
As these receivables were assigned with transfer of credit risk as defined by IAS 39, they were derecognized in the Statement of Financial Position at December 31, 2013.

AGED ANALYSIS OF ACCOUNTS RECEIVABLE

The low bad debt ratio (0.6% at December 31, 2013) reflects the fact that most invoices are only issued after the client has validated the services provided.
At end-2013, past due balances totaled €351 million, representing 21.7% of accounts receivable less provisions for doubtful accounts. The breakdown is as follows:

in millions of euros	< 30 days	> 30 days and < 90 days	> 90 days
Net accounts receivable	**207**	**76**	**68**
As a % of accounts and notes receivable, net of provisions for doubtful accounts	12.8%	4.7%	4.2%

Past due balances concern accounts receivable from customers which are individually analyzed and monitored.

CREDIT RISK

The Group's largest client, a major British public body, contributes around 8% of Group revenues (9% in 2012 and 2011), while the second-largest client accounts for just 2%. The top 10 clients collectively account for 20% of Group revenues. The solvency of these major clients and the sheer diversity of the other smaller clients help limit credit risk. The economic environment could impact the business activities of the Group's clients, as well as the amounts receivable from these clients. However, the Group does not consider that any of its clients, business sectors or geographic areas present a significant risk of non-collection that could materially impact the financial position of the Group as a whole.

NOTE 16 – OTHER CURRENT RECEIVABLES

At December 31 *(in millions of euros)*	*Notes*	**2011**	**2012**	**2013**
Social security and tax-related receivables, other than income tax		171	162	171
Prepaid expenses		154	152	168
Derivative instruments	19	12	6	3
Other		33	31	26
Other current receivables	*18*	**370**	**351**	**368**

At December 31, 2013, "Social security and tax-related receivables, other than income tax" include research tax credit receivables in France in the amount of €59 million (€45 million at December 31, 2012).
The portion of research tax credit receivables available for offset against the current income tax expense is recorded in Current tax assets in the Consolidated Statement of Financial Position in the amount of €12 million.

Note 17 – Net cash and cash equivalents

At December 31 *(in millions of euros)*	*Note*	2011	2012	2013
Cash management assets		**73**	**75**	**77**
Short-term investments		1,877	1,610	1,177
Cash at bank		346	413	461
Asset/liability derivative instruments on cash items		10	(1)	-
Bank overdrafts (liability)		(9)	(6)	(9)
Cash and cash equivalents	*18*	**2,224**	**2,016**	**1,629**
Bonds		(1,036)	(1,053)	(848)
Obligations under finance leases		(96)	(76)	(57)
Draw-downs on bank and similar facilities and other borrowings		(3)	(2)	(1)
Long-term borrowings		**(1,135)**	**(1,131)**	**(906)**
Bonds		(422)	(22)	(2)
Obligations under finance leases		(51)	(54)	(50)
Draw-downs on bank and similar facilities and other borrowings		(220)	(17)	(72)
Short-term borrowings		**(693)**	**(93)**	**(124)**
Borrowings		**(1,828)**	**(1,224)**	**(1,030)**
Derivative instruments *		(15)	5	2
Net cash and cash equivalents		**454**	**872**	**678**

* Including the fair value at December 31, 2013 of the conversion option embedded in the "ORNANE 2013" bonds and the call option on own shares purchased by Cap Gemini on October 18, 2013.

CASH MANAGEMENT ASSETS

Cash management assets consist of capitalization contracts with insurance companies (Generali and AG2R la mondiale). These contracts may be cancelled by the Company at any time without penalty.

SHORT-TERM INVESTMENTS

At December 31, 2013, short-term investments mainly consist of money market mutual funds (FCP and SICAV), certificates of deposit and term bank deposits, paying interest at standard market rates.

BORROWINGS

A) BONDS

a) "ORNANE 2013" Bond issue

On October 18, 2013, Cap Gemini launched an offering of bonds redeemable in cash and/or in new and/or existing shares *(Obligations à option de Remboursement en Numeraire et/ou en Actions Nouvelles et/ou Existantes,* ORNANE) and maturing on January 1, 2019 ("ORNANE 2013"). Bondholders enjoy all rights from October 25, 2013.

The total amount of the issue was €400 million, comprising 5,958,587 bonds with a nominal value of €67.13 each, representing an issue premium of 42.5% compared with the benchmark Cap Gemini share price during the relevant period.

On October 18, 2013, the Company purchased a call option on its own shares aimed at neutralizing the potential dilution related to the ORNANE bond issue. In addition, and in order to optimize the cost of the Group's financial resources, the Company sold a call option also on its own shares but with a higher strike price. Together, these two transactions synthetically enhance the effective dilution threshold of the ORNANEs by approximately 5%.

The bonds will not bear any interest (zero coupon bonds) and are redeemable at par on January 1, 2019.

During the period from October 25, 2013 to December 31, 2016 (inclusive), bondholders may only exercise their share conversion rights in the limited circumstances listed in the prospectus.

From January 1, 2017 (inclusive), bondholders may exercise their share conversion rights at any time up to the eighteenth trading day (exclusive) preceding January 1, 2019.

On the exercise by bondholders of their share conversion rights, Cap Gemini may present, at its initiative, either (i) a cash amount up to the nominal value of the bonds and new and/or existing shares thereafter, where applicable, or (ii) only new and/or existing shares.

The bonds will be redeemed at par on January 1, 2019 if share conversion rights are not exercised by bondholders.

The bond issue is also subject to standard early redemption, early repayment and pari passu clauses.

The terms and conditions of this issue were set out in the prospectus approved by the AMF on October 18, 2013 under reference number n°13-557.

Given the settlement terms of the "ORNANE 2013" bonds, an embedded conversion option is recognized in "Other non-current liabilities", with fair value movements taken to profit or loss.

In parallel and given its terms and conditions, the call option on own shares purchased on October 18, 2013 is recognized in assets. Fair value movements are taken to profit and loss and offset those on the embedded conversion option.

b) 2011 Bond issue

On November 18, 2011, Cap Gemini performed a euro bond issue maturing on November 29, 2016. Bondholders enjoy all rights from November 29, 2011.
The total amount of the issue was €500 million, comprising 5,000 bonds with a nominal value of €100,000 each. The bonds bear interest at 5.25% per year, potentially increasing to 6.50% in the event of a down-grading of Cap Gemini's credit rating.
The terms and conditions of this issue were set out in the prospectus approved by the AMF on November 25, 2011 under reference number n°11-546.

The bonds are redeemable in full on November 29, 2016. They may be redeemed before this date at the initiative of the Company, subject to certain conditions set out in the issue prospectus and particularly concerning the minimum redemption price. Bondholders may request the early redemption of all or part of their bonds in the event of a change in control of the Company, provided this change in control is accompanied by a downgrading of the Company's financial rating.
Early repayment may be requested at the initiative of a majority of bondholders, subject to the occurrence of certain events and particularly failure to pay sums due in respect of the bond issue or to comply with other obligations set out in the documentation (beyond any "grace" periods, if applicable), cross default (in excess of a minimum threshold), liquidation, dissolution or sale of all of the Company's assets.
An upgrade or downgrade in Cap Gemini's credit rating would not constitute an early repayment event.
Furthermore, Cap Gemini has undertaken that the bonds will rank pari passu with all other bonds issued by the Company.

c) "OCEANE 2009" convertible bonds

On April 8, 2009, Cap Gemini issued bonds convertible/exchangeable into new or existing Cap Gemini shares, maturing on January 1, 2014 ("OCEANE 2009"). Bondholders enjoy all rights from April 20, 2009.
The total amount of the issue was €575 million, comprising 16,911,765 bonds with a nominal value of €34 each, resulting in an issue premium of 35% compared with the Company benchmark share price. The bonds bear interest at 3.5% per year. They may be converted at any time commencing April 20, 2009 and are redeemable at par on January 1, 2014 if not converted. The terms and conditions of this issue were set out in the prospectus approved by the AMF on April 8, 2009 under reference number n°09-084.

Cap Gemini repurchased 14,280,305 "OCEANE 2009" bonds during the fiscal year for an amount of €687 million, pursuant to a reverse book-building process on October 18, 2013 and a buyback procedure implemented between October 21 and October 25, 2013 (inclusive). In addition, between October and December 2013, bondholders exercised Cap Gemini share conversion rights in respect of 2,628,564 bonds, resulting in the presentation of 1,440,397 existing shares and 1,188,167 new shares. Cap Gemini redeemed in full the remaining 2,896 bonds outstanding on January 2, 2014.

d) "OCEANE 2005" convertible bonds and redemption

On June 16, 2005, Cap Gemini issued bonds convertible/exchangeable into new or existing Cap Gemini shares, maturing on January 1, 2012 ("OCEANE 2005"). Bondholders enjoyed all rights from June 24, 2005.

After redeeming a total of 2,350,000 bonds in a number of transactions in November 2011 for an amount of €99 million, Cap Gemini redeemed the remaining 9,460,810 "OCEANE 2005" bonds on January 2, 2012 for a total amount of €396 million.

IMPACT OF EXISTING BONDS ON THE FINANCIAL STATEMENTS

At December 31 *(in millions of euros)*	**2011**		**2012**		**2013**	
	"OCEANE 2009" bonds	2011 Bond issue	"OCEANE 2009" bonds	2011 Bond issue	2011 Bond issue	"ORNANE 2013" bonds
Equity component	64	n/a	64	n/a	n/a	n/a
Option component in respect of the embedded conversion option	n/a	n/a	n/a	n/a	n/a	70
Debt component at amortized cost	561	497	576	499	499	351
Effective interest rate	6.8%	5.5%	6.8%	5.5%	5.5%	2.7%
Interest expense recognized in the Income Statement for the period	36	2	37	27	27	2
Nominal interest rate	3.5%	5.3%	3.5%	5.3%	5.3%	0.0%
Nominal interest expense (coupon)	20	2	20	26	26	0

In 2013, the interest expense on the "OCEANE 2009" bonds totaled €34 million and is broken down in Note 6, Net financial expense.

FAIR VALUE OF BONDS

At December 31 *(in millions of euros)*	**2011**		**2012**		**2013**	
	"OCEANE 2009" bonds	2011 Bond issue	"OCEANE 2009" bonds	2011 Bond issue	2011 Bond issue	"ORNANE 2013" bonds
Fair value	578	511	586	557	553	360
Market rate	3.2%	4.7%	1.6%	2.2%	1.4%	2.1%

B) OBLIGATIONS UNDER FINANCE LEASES

in millions of euros	**Earliest date of leases**	**Latest expiry date**	**Effective interest rate**	**December 31, 2013**
Buildings (Immobilière Les Fontaines S.A.R.L.)	October 2002	July 2014	Euribor 3 months +0.75%	7
Computer equipment and other fixed assets	February 2008	September 2018	6.32%	100
Obligations under finance leases				**107**
Of which long-term obligations				*57*
Of which short-term obligations				*50*

C) DRAW-DOWNS ON BANKS AND SIMILAR FACILITIES

At December 31, 2013, draw-downs on banks and similar facilities primarily consist of €51 million of commercial paper issued by Cap Gemini.

D) SYNDICATED CREDIT FACILITY OBTAINED BY CAP GEMINI

On January 13, 2011, Cap Gemini signed a €500 million multi-currency credit facility with a syndicate of 18 banks, maturing on January 13, 2016.
The initial margin on this credit facility is 0.90%. This margin may be adjusted upwards or downwards according to the credit rating of Cap Gemini. The facility is also subject to a fee on undrawn amounts equal to 35% of the margin, that may be increased to 40% if Cap Gemini's rating falls. Following the upgrade of Cap Gemini's credit rating to BBB by Standard & Poor's on July 30, 2013, the margin applicable is now 0.75% and the fee on undrawn amounts 0.2625%.
An upgrade or downgrade in Cap Gemini's credit rating would have no impact on the availability of this credit facility. The other main terms and conditions of the credit facility, in particular with respect to certain financial ratios, are detailed in Note 27 - Off balance sheet commitments.

This credit facility was not drawn at December 31, 2013.

EFFECTIVE INTEREST RATE (EIR)

In 2013, the effective interest rate on the Group's average outstanding borrowings, excluding exceptional item relating to the repurchase of the "OCEANE 2009" bonds, was 5.3% (6.4% in 2012). At December 31, 2013, 98% of the Group's borrowings are at fixed rates, unchanged on December 31, 2012, and the remainder is at floating rates.

	At December 31, 2013							
	Euro		US dollar		Pound Sterling		Other currencies	Total
	Amount	EIR	Amount	EIR	Amount	EIR	Amount	Amount
	M€	%	M€	%	M€	%	M€	M€
2011 Bond issue	499	5.5%	-	-	-	-	-	**499**
"ORNANE 2013" bonds	351	2.7%	-	-	-	-	-	**351**
Draw-downs on bank and similar facilities	52	0.4%	-	-	-	-	21	**73**
Obligations under finance leases	35		11		51		10	**107**
Borrowings	**937**		**11**		**51**		**31**	**1,030**

NET CASH AND CASH EQUIVALENTS BY MATURITY AT REDEMPTION VALUE

The amounts indicated below correspond to the undiscounted value of future contractual cash flows. Future cash flows relating to the 2011 bond issue and the "ORNANE 2013" bonds were estimated based on contractual nominal interest rates (5.25% and 0%, respectively) and on the assumption that the bonds would be redeemed in full at maturity. The contractual cash flows associated with "Obligations under finance leases" represent contractual repayments of the liability.

in millions of euros	Contractual maturity	Carrying amount	Contractual cash flows	Less than 1 year	1 to 2 years	2 to 5 years	Beyond 5 years
At December 31, 2013							
Cash management assets	2014	**77**	**77**	**77**	**-**	**-**	**-**
Cash and cash equivalents	n/a	**1,629**	**1,629**	**1,629**	**-**	**-**	**-**
2011 Bond issue	2016	(499)	(576)	(26)	(26)	(524)	-
"ORNANE 2013" bonds	2019	(351)	(400)	-	-	-	(400)
Obligations under finance leases	2014 to 2018	(107)	(114)	(53)	(37)	(24)	-
Draw-downs on bank and similar facilities and other borrowings	2014 to 2018	(73)	(73)	(72)	(1)	-	-
Borrowings		**(1,030)**	**(1,163)**	**(151)**	**(64)**	**(548)**	**(400)**
Net cash and cash equivalents		**678**	**543**	**1,555**	**(64)**	**(548)**	**(400)**
At December 31, 2012							
Cash management assets	2013	**75**	**75**	**75**	**-**	**-**	**-**
Cash and cash equivalents	n/a	**2,016**	**2,016**	**2,016**	**n/a**	**n/a**	**n/a**
"OCEANE 2009" bonds	2014	(576)	(615)	(20)	(595)	-	-
2011 Bond issue	2016	(499)	(603)	(26)	(26)	(551)	-
Obligations under finance leases	2013 to 2017	(130)	(138)	(58)	(45)	(35)	-
Draw-downs on bank and similar facilities and other borrowings	2013 to 2015	(19)	(19)	(17)	(1)	(1)	-
Borrowings		**(1,224)**	**(1,375)**	**(121)**	**(667)**	**(587)**	**-**
Net cash and cash equivalents		**872**	**716**	**1,970**	**(667)**	**(587)**	**-**
At December 31, 2011							
Cash management assets	2012	**73**	**73**	**73**	**-**	**-**	**-**
Cash and cash equivalents	n/a	**2,224**	**2,224**	**2,224**	**n/a**	**n/a**	**n/a**
"OCEANE 2005" bonds	2012	(400)	(400)	(400)	-	-	-
"OCEANE 2009" bonds	2014	(561)	(635)	(20)	(20)	(595)	-
2011 Bond issue	2016	(497)	(631)	(2)	(26)	(603)	-
Obligations under finance leases	2012 to 2017	(147)	(153)	(56)	(45)	(52)	-
Draw-downs on bank and similar facilities and other borrowings	2012 to 2014	(223)	(223)	(220)	(2)	(1)	-
Borrowings		**(1,828)**	**(2,042)**	**(698)**	**(93)**	**(1,251)**	**-**
Net cash and cash equivalents		**454**	**255**	**1,599**	**(93)**	**(1,251)**	**-**

NET CASH AND CASH EQUIVALENTS AND LIQUIDITY RISK

The financial liabilities whose repayment could expose the Group to liquidity risk are mainly the convertible bonds ("ORNANE 2013") and the 2011 bond issue.

To manage the liquidity risk that may result from financial liabilities becoming due and payable, at contractual due date or early, the Group has implemented a conservative financing policy mainly based on:

- prudent use of debt leveraging, coupled with limited use of any clauses that could lead to early repayment of borrowings,
- maintaining a high level of available funds at all times (€1,715 million at December 31, 2013), which could be increased by a multi-currency syndicated line of credit of €500 million (undrawn to date),
- actively managing the due dates of financial liabilities in order to limit the concentration of borrowings' maturities,
- using diverse sources of financing, allowing the Group to reduce its reliance on certain categories of lenders.

NET CASH AND CASH EQUIVALENTS AND CREDIT RISK

Financial assets which could expose the Group to a credit or counterparty risk mainly consist of financial investments: in accordance with Group policy, cash balances are not invested in equity-linked products, but in (i) negotiable debt securities (certificates of deposit), (ii) term deposits, (iii) capitalization contracts or (iv) short-term money market mutual funds, subject to minimum credit rating and diversification rules.

At December 31, 2013, short-term investments totaled €1,177 million and comprise mainly (i) money market mutual funds meeting the criteria defined by the AMF for classification in the "monetary category"; and (ii) negotiable debt securities and term deposits maturing within three months or immediately available, issued by highly rated companies or financial institutions (minimum rating of A2/P2 or equivalent). Consequently, these short-term investments do not expose the Group to any material credit risk.

NOTE 18 – CASH FLOWS

At December 31, 2013, cash and cash equivalents totaled €1,629 million (see Note 17 – Net cash and cash equivalents), down €387 million on December 31, 2012 (€2,016 million). Excluding the impact of exchange rate fluctuations on cash and cash equivalents of €88 million, this decrease is €299 million. Cash flow impacts are shown in the Consolidated Statement of Cash Flows.

NET CASH FROM OPERATING ACTIVITIES

In 2013, net cash from operating activities totaled €390 million (compared with €709 million in 2012) and resulted from:

- cash flows from operations before net finance costs and income tax in the amount of €635 million, including the €235 million exceptional contribution paid under the accelerated financing of a UK pension fund,
- payment of current income taxes in the amount of €124 million,
- an increase in working capital requirements, generating a negative cash impact of €121 million.

Changes in working capital requirements (WCR) and the reconciliation with the Consolidated Statement of Financial Position are as follows:

		Working capital requirement components (Consolidated Statement of Financial Position)					Neutralization of items with no cash impact			Statement of Cash Flows items
in millions of euros	*Notes*	**December 31, 2012**	**December 31, 2013**	**Net impact**	**Non-WCR items ***	**Impact of WCR items**	**Impact on Income statement**	**Foreign exchange impact**	**Reclassifications ** and changes in Group structure**	**Amount**
Accounts and notes receivable, excluding capitalized costs on projects	*15*	2,431	2,484	(53)	-	(53)	-	(76)	(2)	(131)
Capitalized costs on projects	*15*	107	103	4	-	4	-	(3)	-	1
Advances from customers and billed in advance	*15*	(624)	(684)	60	-	60	-	17	(4)	73
Change in accounts and notes receivable and advances from customers and amounts billed in advance				**11**	**-**	**11**	**-**	**(62)**	**(6)**	**(57)**
Accounts and notes payable (accounts payable)	*23*	(921)	(920)	(1)	-	(1)	-	39	1	39
Change in accounts and notes payable				**(1)**	**-**	**(1)**	**-**	**39**	**1**	**39**
Other non-current assets	*14*	98	153	(55)	65	10	-	(1)	(10)	(1)
Other current receivables	*16*	351	368	(17)	(1)	(18)	-	(16)	(19)	(53)
Other non-current liabilities	*22*	(219)	(269)	50	(61)	(11)	-	7	2	(2)
Accounts and notes payable (excluding accounts payable)	*23*	(1,414)	(1,373)	(41)	-	(41)	-	42	(1)	-
Other current payables	*24*	(206)	(164)	(42)	23	(19)	3	1	(32)	(47)
Change in other receivables/ payables				**(105)**	**26**	**(79)**	**3**	**33**	**(60)**	**(103)**
CHANGE IN OPERATING WORKING CAPITAL						**(69)**	**3**	**10**	**(65)**	**(121)**

* Consolidated Statement of Financial Position items explaining cash flows relating to investing and financing activities and the payment of the income tax expense are not included in working capital requirements,

** The Reclassifications heading mainly includes changes relating to the current and non-current reclassification of certain accounts and notes receivable and payable and changes in the position of certain tax and employee-related receivables and payables in assets or liabilities, or recognition, without impacting cash, through an item not classified in working capital requirements.

NET CASH USED IN INVESTING ACTIVITIES

The main components of net cash used in investing activities of €152 million (compared with €206 million in 2012) reflect:

- net cash outflows of €97 million, primarily relating to acquisitions of computer hardware for client projects or the partial renewal of IT installations and the renovation, extension and refurbishment of office space (see Note 11 – Property, plant and equipment),
- cash outflows of €43 million relating to acquisitions of intangible assets, net of disposals, mainly involving software for customer projects or for internal use and internally generated intangible assets,
- deferred cash outflows of €11 million on business combinations.

NET CASH USED IN FINANCING ACTIVITIES

Net cash outflows as a result of financing activities totaled €537 million (compared with cash outflows of €680 million in 2012) and mainly comprised:

- cash inflows of €392 million, net of costs, on the "ORNANE 2013" bond issue,
- payments received of €19 million from EMC and Caixa Participacões on the subscription of a share capital increase in the amount of BRL53 million,
- cash outflows of €687 million on the partial redemption of "OCEANE 2009" bonds,
- payment of the 2012 dividend of €157 million,
- cash outflows of €55 million to reimburse debt on finance leases,
- interest paid net of interest received of €30 million,
- net cash outflows of €28 million in respect of treasury share transactions.

NOTE 19 – DERIVATIVE INSTRUMENTS AND CURRENCY AND INTEREST RATE RISK MANAGEMENT

CURRENCY RISK MANAGEMENT

A) EXPOSURE TO CURRENCY RISK AND CURRENCY RISK MANAGEMENT POLICY

a) Currency risk and hedging of operating transactions

The growing use of offshore production centers located in India, Poland and Latin America, exposes the Group to currency risk with respect to some of its production costs.
The Group implements a policy aimed at minimizing and managing these currency risks, due in the majority to internal flows with India. The definition of the hedging policy and the management of operational currency risk is centralized at parent company level. Currency risk is managed based on periodic reporting by subsidiaries of their exposure to currency risk over the coming 1 to 3 years. On this basis, the parent company acting as an internal bank, grants internal currency guarantees to subsidiaries and enters into currency hedges with its bank counterparties, primarily through forward foreign exchange contracts.
These hedging transactions are recorded in accordance with cash flow hedges accounting rules.

b) Currency risk and hedging of financial transactions

The Group is exposed to the risk of exchange rate fluctuations in respect of:

- inter-company financing transactions, mainly within the parent company: as inter-company lending and borrowing is generally hedged (in particular using forward buy and sale foreign exchange contracts), the impact of changes in exchange rates on the Income Statement is negligible,
- fees paid to the parent company by subsidiaries whose functional currency is not the euro. As the majority of these flows are hedged, the impact of changes in exchange rates on the Income Statement is not material.

c) Currency risk and hedging of other non-current liabilities

The Group maintained a partial hedge of its currency risk exposure (euro against the Brazilian real) on the call-put option held since October 2010 by Capgemini Group and the historical shareholders of CPM Braxis, respectively, over their share capital not yet acquired by the Group.

d) Sensitivity to currency risk

A 10% fluctuation in the Pound Sterling-euro exchange rate would trigger a corresponding 2% change in revenues and 2.2% change in operating margin. Similarly, a 10% fluctuation in the US dollar-euro exchange rate would trigger a corresponding 1.7% change in revenues and a 2.1% change in operating margin.

B) HEDGING DERIVATIVES

Amounts hedged at December 31, 2013 using forward purchase and sale foreign exchange contracts, mainly concern the parent company with respect to the centralized management of currency risk on operating transactions and inter-company financing transactions.

At December 31, 2013, the euro-equivalent value of forward purchase and sale foreign exchange contracts breaks down by transaction type and maturity as follows:

in millions of euros		< 6 months	> 6 months and < 12 months	> 12 months	Total
Operating transactions		338	258	352	**948**
Of which	*fair value hedge*	*160*			***160***
	cash flow hedge	*178*	*258*	*352*	***788***
Financial transactions	*fair value hedge*	223			**223**
Transactions on other non-current liabilities	*cash flow hedge*	21			**21**
Total		**582**	**258**	**352**	**1,192**

Hedges contracted in respect of operating transactions mainly comprise forward purchase and sale foreign exchange contracts maturing between 2014 and 2016 with an aggregate euro-equivalent value of €948 million (€1,277 million at December 31, 2012). The hedges were chiefly taken out in respect of transactions in Indian rupee (INR 44,873 million), US dollar (USD 286 million), Polish zloty (PLN 418 million) and Pound Sterling (GBP 40 million).

The maturities of the hedges range from 2 months to 3 years and the main counterparty is Cap Gemini (for a euro-equivalent value of €926 million).

Hedges contracted in respect of financial transactions primarily concern Cap Gemini in the amount of €208 million at December 31, 2013. They mainly comprise hedged inter-company loans for €197 million (€432 million at December 31, 2012) and correspond to loans denominated in US dollar, Australian dollar and Mexican peso.

Hedges contracted in respect of other non-current liabilities concern the parent company. They mainly comprise forward contracts to buy foreign exchange with a nominal value of BRL 68 million (€21 million), maturing in January 2014.

The Group's total exposure to currency risk on its assets and liabilities, including internal transactions, is €730 million and €708 million, respectively, at December 31, 2013. These exposures mainly concern the parent company and in particular, foreign currency denominated bank accounts and liabilities held in connection with inter-company Group financing transactions.

FAIR VALUE OF HEDGING DERIVATIVES

At December 31 *(in millions of euros)*		*Notes*	2011	2012	2013
Other non-current assets		*14*	-	1	71
Other current receivables		*16*	12	6	3
Other non-current liabilities		*22*	(15)	(9)	(97)
Other current payables		*24*	(51)	(25)	(2)
Fair value of hedging derivatives			**(54)**	**(27)**	**(25)**
relating to:	*- operating transactions*		*(49)*	*(31)*	*(27)*
	- financial transactions		*(5)*	*4*	*2*
Hedging derivative counterparty recorded in income and expense recognized in equity at December 31 (on operating transactions)			**(44)**	**(22)**	**(20)**
Change in the period in hedging derivatives recorded in income and expense recognized in equity			**(55)**	**22**	**2**
o/w amounts released to operating profit in respect of transactions performed			*3*	*33*	*28*
o/w fair value of hedging derivatives relating to future transactions			*(58)*	*(11)*	*(26)*

The fair value of hedging derivatives and the hedging derivative counterparty recognized in income and expense recognized in equity, primarily concern hedges of inter-company flows between India and other Group entities.

Other non-current assets mainly consist of the call option on own shares purchased by Cap Gemini on October 18, 2013, valued at €70 million at December 31, 2013.

Other non-current liabilities mainly consist of the conversion option embedded in the "ORNANE 2013" bonds, valued at €70 million at December 31, 2013 and the fair value of derivative instruments contracted pursuant to the central management of foreign exchange risk.

INTEREST RATE RISK MANAGEMENT

A) INTEREST RATE RISK MANAGEMENT POLICY

The Group's exposure to interest rate risk should be analyzed in light of its cash position: at December 31, 2013, the Group had €1,715 million in cash and cash equivalents, mainly invested at floating rates (or failing this, at fixed rates for periods of less than or equal to 3 months), and €1,039 million in gross indebtedness principally at fixed rates (98%) (see Note 17 - Net cash and cash equivalents). The high proportion of fixed rate borrowings is due to the weight of bond issues in gross indebtedness.

B) EXPOSURE TO INTEREST RATE RISK: SENSITIVITY ANALYSIS

Based on average levels of cash and cash equivalents and borrowings in 2013, a 100-basis point rise in interest rates would have a positive impact of around €11 million on the Group's net finance costs (€16 million in 2012 and €17 million in 2011 respectively). Conversely, a 100-basis point fall in interest rates would have an estimated €11 million negative impact on the Group's net finance costs for 2013 (€16 million in 2012 and €17 million in 2011, respectively).

C) FAIR VALUE OF INTEREST RATE DERIVATIVES

An interest rate swap contract maturing in July 2014, covering 50% of a finance lease taken out by S.A.R.L. Immobiliere Les Fontaines (owner of Capgemini University) was entered into by the latter in 2003 for a residual notional amount of €4 million (liability of €7 million at December 31, 2013). Under the terms of the swap, S.A.R.L. Immobiliere Les Fontaines pays a fixed rate of 3.51% and receives 3-month Euribor +0.75%.

COUNTERPARTY RISK MANAGEMENT

In addition, in line with its policies for managing currency and interest rate risks as described above, the Group also enters into hedging agreements with leading financial institutions. Accordingly, counterparty risk can be deemed not material. At December 31, 2013, the Group's main counterparties for managing currency and interest rate risk are Barclays, BNP Paribas, CA CIB, HSBC, ING, Banco Itau, JP Morgan, Natixis, Santander, and Société Générale.

NOTE 20 – PROVISIONS FOR PENSIONS AND OTHER POST–EMPLOYMENT BENEFITS

BREAKDOWN OF PROVISIONS FOR PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

CHANGE IN THE OBLIGATION, PLAN ASSETS AND THE EXPENSE RECOGNIZED IN THE INCOME STATEMENT

in millions of euros	*Notes*	2011 *	2012 *	2013
Present value of the obligation at January 1		**2,548**	**3,023**	**3,355**
Business combinations		8	-	-
Service cost		46	57	63
Interest cost		136	147	143
Contributions paid by employees		6	7	7
Benefits paid to employees		(71)	(95)	(95)
Changes in actuarial gains and losses **		277	161	60
Translation adjustments		72	51	(114)
Other movements		1	4	9
Present value of the obligation at December 31		**3,023**	**3,355**	**3,428**
Fair value of plan assets at January 1		**(1,713)**	**(1,898)**	**(2,153)**
Expected return on plan assets		(93)	(94)	(101)
Contributions paid by employees		(6)	(7)	(7)
Benefits paid to employees		66	83	83
Contributions paid		(99)	(120)	(376)
Return on plan assets net of interest income **		(5)	(81)	17
Translation adjustments		(45)	(32)	78
Other movements		(3)	(4)	(7)
Fair value of plan assets at December 31		**(1,898)**	**(2,153)**	**(2,466)**
Net provision in the Statement of Financial Position at December 31		**1,125**	**1,202**	**962**
Expense for the period recognized in the Income Statement				
Service cost	*4*	(46)	(57)	(63)
Net interest cost	*6*	(43)	(53)	(42)
Total expense for the period		**(89)**	**(110)**	**(105)**

* Figures have been adjusted for the restatements presented in Note 1 - Accounting policies, following application of IAS 19, revised,

** The change in actuarial gains and losses is recorded in "Income and expense recognized in equity".

ANALYSIS OF THE CHANGE IN PROVISIONS FOR PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

A) ACCELERATED FINANCING OF THE PENSION PLAN SHORTFALL IN THE UNITED KINGDOM

In July 2013, the Group launched the accelerated financing of the pension fund shortfall in the United Kingdom, through an exceptional contribution of €235 million.

B) CHANGE IN REGULATORY CONTEXT: PENSION REFORM IN FRANCE

The pension reforms adopted in France and resulting in the lengthening of the period of activity, did not have a material impact on the amount of retirement termination payments.

C) IMPACT ON THE INCOME STATEMENT: CHANGE IN THE SERVICE COST AND THE NET INTEREST COST

In 2013, the expense recognized in operating margin in respect of the service cost and the past service cost is €63 million and mainly concerns Canada (€19 million), France (€17 million) and the United Kingdom (€14 million).

The net impact of the interest cost (discounting of the defined benefit obligation) and the expected return on plan assets is a financial expense of €42 million (mainly concerning the United Kingdom for €26 million). The improvement in financial expense in 2013 compared with 2012 (€11 million) is due to:

- a €9 million decrease in the net financial expense in the United Kingdom, primarily due to the impact of the €235 million exceptional contribution (€6 million) and the combined impact of foreign exchange rate fluctuations and discounting (€3 million)
- a €2 million decrease in the net financial expense in Canada, primarily due to the combined impact of foreign exchange rate fluctuations and discounting.

D) IMPACTS ON THE STATEMENT OF FINANCIAL POSITION: CONTRIBUTIONS, BENEFITS, TRANSLATION ADJUSTMENTS AND ACTUARIAL GAINS AND LOSSES

Contributions paid by the Group totaled €376 million in 2013; €318 million in the United Kingdom (including the €235 million exceptional contribution) and €46 million in Canada.
Benefits paid to employees of €95 million (including €83 million under funded plans) mainly involved the United Kingdom (€38 million) and Canada (€35 million).
The €36 million decrease in provisions for pensions for translation adjustments, is due to the depreciation, in particular, of the Pound Sterling (€19 million) and the Canadian dollar (€14 million) during the period.

In the United Kingdom, the defined benefit section of the main Capgemini UK Plc. pension plan terminated on March 31, 2008 for the large majority of beneficiaries. In exchange, these individuals were given the opportunity to join the defined contribution section of this plan. In addition, in accordance with the recommendations put forward by the UK Pensions Regulator, Capgemini UK Plc. has committed to fund the shortfall identified at the last three-year valuation in 2012 by April 2021.
In accordance with local regulations, the non-renewal of certain contracts in full or in part could result in the Group paying additional post-employment benefits.

Actuarial gains and losses reflect increases or decreases in the present value of the obligation or the fair value of the related plan assets. Actuarial gains and losses include (i) the impact of changes in actuarial assumptions and (ii) experience adjustments, reflecting differences between projected actuarial assumptions and what has actually occurred.

	2011 *	2012 *	2013			
At December 31 *(in millions of euros)*			**United Kingdom**	**Canada**	**Other countries**	**Total**
Impact of changes in actuarial assumptions	285	129	92	(24)	2	70
Experience adjustments	(13)	(49)	44	(25)	(12)	7
*o/w adjustment on liabilities ** *	*(26)*	*5*	*(2)*	*(2)*	*(6)*	*(10)*
*o/w adjustment on assets *** *	*13*	*(54)*	*46*	*(23)*	*(6)*	*17*
Impact on income and expense recognized in equity	**272**	**80**	**136**	**(49)**	**(10)**	**77**

* Figures have been adjusted for the restatements presented in Note 1 - Accounting policies, following application of IAS 19, revised,

** + : Increase in liabilities / - : decrease in liabilities,

*** - : Increase in assets / + : decrease in assets.

Changes in actuarial assumptions generated an actuarial loss of €70 million in 2013 as follows:

- changes in demographic assumptions: impact of €11 million, including €13 million in Canada,
- changes in financial assumptions: impact of €59 million, including €92 million in the United Kingdom and (€37) million in Canada.

E) Breakdown of the change by main country

in millions of euros	*Note*	United Kingdom	Canada	Other countries	Total
At December 31, 2011*					
Present value of obligations of funded plans		2,187	425	176	2,788
Fair value of plan assets		(1,428)	(345)	(125)	(1,898)
Funding shortfall of funded plans		759	80	51	890
o/w actuarial gains and losses recorded in income and expense recognized in equity		*601*	*139*	*19*	*759*
Funding shortfall under unfunded plans		-	85	*150*	235
o/w actuarial gains and losses recorded in income and expense recognized in equity		-	*27*	*28*	*55*
Net provision in the Statement of Financial Position		**759**	**165**	**201**	**1,125**
At December 31, 2012*					
Present value of obligations of funded plans		2,387	474	227	3,088
Fair value of plan assets		(1,626)	(389)	(138)	(2,153)
Funding shortfall of funded plans		761	85	89	935
o/w actuarial gains and losses recorded in income and expense recognized in equity		*641*	*162*	*50*	*853*
Funding shortfall under unfunded plans		-	95	172	267
o/w actuarial gains and losses recorded in income and expense recognized in equity		-	*29*	*46*	*75*
Net provision in the Statement of Financial Position		**761**	**180**	**261**	**1,202**
At December 31, 2013					
Present value of obligations of funded plans		** 2,512	414	245	3,171
Fair value of plan assets		(1,911)	(403)	(152)	(2,466)
Funding shortfall of funded plans		601	11	93	705
o/w actuarial gains and losses recorded in income and expense recognized in equity		*792*	*108*	*46*	*946*
Funding shortfall under unfunded plans		-	85	172	257
o/w actuarial gains and losses recorded in income and expense recognized in equity		-	*21*	*39*	*60*
Net provision in the Statement of Financial Position	*18*	**601**	**96**	**265**	**962**

* Figures have been adjusted for the restatements presented in Note 1 - Accounting policies, following application of IAS 19, revised,

** The year-on-year increase in the present value of the obligation is mainly due to the combined impact of a fall in the benchmark discount rate (4.6% to 4.5%) and an increase in the forecast inflation rate (3% to 3.4%).

The “Other countries” are France, Germany, Sweden, Italy, the United States, India, Switzerland, the Netherlands, Austria and Norway.

F) EMPLOYEES COVERED BY PENSION PLANS

At December 31	2011	2012	2013 United Kingdom	2013 Canada	2013 Other countries	2013 Total
Current employees – accruing pensionable service	59,640	65,895	1,057	847	70,117	72,021
Former and current employees – not accruing pensionable service	11,729	10,459	8,301	81	1,639	10,021
Retirees	2,394	2,716	2,190	251	478	2,919
Total	**73,763**	**79,070**	**11,548**	**1,179**	**72,234**	**84,961**

The increase in employees in 2013 is chiefly attributable to the expansion of Group operations in India. At December 31, 2013, a total of 47,673 employees were eligible for these pension plans in India, compared with 41,124 employees at December 31, 2012.

MAIN ACTUARIAL ASSUMPTIONS

A) DISCOUNT RATE, SALARY INFLATION RATE AND INFLATION RATE

%	2011	2012	2013 United Kingdom	2013 Canada	2013 Other countries
Discount rate	2.9 - 8.8	1.7 - 8.4	4.5	4.9	2.0 - 8.7
Salary inflation rate	1.5 - 10.0	1.5 - 8.0	3.4	3.0 - 4.5	1.5 - 8.0
Inflation rate	0.1 – 3.0	0.1 – 3.0	3.4	2	0.2 – 3.0

In 2013, the benchmark indexes used to calculate discount rates were similar to those used in previous years.
Mortalities tables used are those commonly used in the respective countries.

B) PLAN ASSETS AND ACTUAL RETURN ON PLAN ASSETS

(in millions of euros)	Amount	%	Actual return United Kingdom	Actual return Canada	Actual return Other countries
At December 31, 2011 *					
Shares	1,068	56	(5.7) - (4.8)	(4.1) - (4.0)	1.5 - 3.3
Bonds	752	40	15.3 - 15.8	10.8	1.5 - 6.2
Other	78	4			
Total *	**1,898**	**100**			
At December 31, 2012 *					
Shares	1,228	57	10.5 - 14.0	15.2 - 15.3	(1.2) - 15.6
Bonds	845	39	7.9 - 8.1	4.5	(1.2) - 8.4
Other	80	4			
Total *	**2,153**	**100**			
At December 31, 2013					
Shares	1,362	55	3.4 - 16.3	5.7 - 23.5	(6.5) - 28.8
Bonds	1,003	41	(7.6)** - (2.9)	(3.4)	(3.4) - 3.2
Other	101	4			
Total	**2,466**	**100**			

* Figures have been adjusted for the restatements presented in Note 1 - Accounting policies, following application of IAS 19, revised,

** This negative return on assets of 7.6% reflects the impact of the increase in long-term interest rates during the period, the fair value of the bond portfolio and the impact of hedging (mainly via lending-borrowing transactions in UK government GILT bonds) of interest rate risk on pension obligations.

SENSITIVITY ANALYSIS

A) ANALYSIS OF THE SENSITIVITY OF THE PRESENT VALUE OF THE OBLIGATION IN THE UNITED KINGDOM AND CANADA

The impact of a change of +/- 50 basis points in the discount rate, inflation rate and mortality rate on the present value of the obligation in the United Kingdom and Canada, which represent 88% of the total Group obligation at December 31, 2013, is presented below:

	Impact		Present value of obligation	
in millions of euros	**United Kingdom**	**Canada**	**United Kingdom**	**Canada**
Present value of the obligation at December 31, 2013			**2,512**	**499**
Increase of 50 basis points in the discount rate	(248)	(45)	2,264	454
Decrease of 50 basis points in the discount rate	287	50	2,799	549
Increase of 50 basis points in the inflation rate	214	31	2,726	530
Decrease of 50 basis points in the inflation rate	(198)	(28)	2,314	471
Increase of 50 basis points in the mortality rate	31	1	2,543	500
Decrease of 50 basis points in the mortality rate	(33)	(2)	2,479	497

B) ANALYSIS OF THE SENSITIVITY OF HEALTHCARE ASSISTANCE COSTS

Healthcare assistance costs exclusively concern Canada. For 2011, 2012 and 2013, a change of +/- 100 basis points in healthcare assistance cost trends would have an impact of plus or minus €2 million in the Consolidated Income Statement (service cost and net interest cost) and an impact ranging from negative €14 million to positive €18 million in the Consolidated Statement of Financial Position at December 31, 2013.

FUTURE CONTRIBUTION PAYMENT SCHEDULE

Contributions to the Group's main defined benefit pension funds (United Kingdom and Canada) in respect of 2014 are estimated at €85 million.
The average maturity of the main pension plans is 23 years in the United Kingdom and 16.5 years in Canada.

NOTE 21 – CURRENT AND NON–CURRENT PROVISIONS

in millions of euros	2011	2012	2013
At January 1	**66**	**63**	**64**
Charge	34	34	33
Reversals (utilization of provisions)	(13)	(27)	(17)
Reversals (surplus provisions)	(31)	(8)	(19)
Other movement	7	2	(3)
At December 31	**63**	**64**	**58**

At December 31, 2013, current provisions (€42 million) and non-current provisions (€16 million) mainly concern risks relating to projects and contracts amounting to €45 million (€47 million at December 31, 2012) and risks relating to tax and labor disputes amounting to €13 million (€17 million at December 31, 2012).

NOTE 22 – OTHER NON–CURRENT LIABILITIES

At December 31 *(in millions of euros)*	*Notes*	2011	2012	2013
Special employee profit-sharing reserve		61	51	34
Derivative instruments	19	15	9	97
Liabilities related to acquisitions of consolidated companies		219	127	118
Other		27	32	20
Other non-current liabilities	18	**322**	**219**	**269**

Liabilities related to acquisitions of consolidated companies consist of put options granted to Caixa Participacões and EMC in 2012 and 2013 of €113 million and earn-outs granted at the time of certain acquisitions.

Derivative instruments primarily consist of the conversion option embedded in the "ORNANE 2013" bonds valued at €70 million at December 31, 2013 and the fair value of derivative instruments contracted pursuant to the central management of currency risk for the remaining balance.

NOTE 23 – ACCOUNTS AND NOTES PAYABLE

At December 31 *(in millions of euros)*	*Note*	2011	2012	2013
Accounts payable		944	921	920
Accrued taxes other than income tax		378	358	358
Personnel costs		1,002	1,041	994
Other		16	15	21
Accounts and notes payable	18	**2,340**	**2,335**	**2,293**

NOTE 24 – OTHER CURRENT PAYABLES

At December 31 *(in millions of euros)*	*Notes*	2011	2012	2013
Special employee profit-sharing reserve		18	21	18
Derivative instruments	19	51	25	2
Liabilities related to acquisitions of consolidated companies		14	114	90
Other		54	46	54
Other current payables	18	**137**	**206**	**164**

Liabilities related to acquisitions of consolidated companies consist for €83 million of the initial put option (net of price adjustments and the impact of the unwinding of the discount) granted to remaining minority shareholders following the acquisition of CPM Braxis in 2010 and exercisable between October 2013 and October 2015 (€104 million at December 31, 2012).

NOTE 25 – OPERATING SEGMENTS

As indicated in Note 1-R – Accounting policies: Operating segments, segment information is provided for the geographic areas presented below and complemented by information on revenues and operating margin for each of the Group's four businesses.

Note that from January 1, 2013, the presentation of the operating segments reflects the following changes in presentation:

- Latin America, previously included in the "Southern Europe and Latin America" area, is now included in the "Asia-Pacific and Latin America" area, in order to group together countries with comparable economic characteristics,
- the operating margin realized by the main offshore production centers (India and Poland) has been reallocated to the geographic areas managing the contracts to enable a better assessment of the performance of these areas.

Comparative information for fiscal years 2011 and 2012 has also been restated to reflect this new presentation.

SEGMENT REPORTING BY GEOGRAPHIC AREA

The Group has operations in the following eight geographic areas:

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

Analysis of the income statement by geographic area

2013 *in millions of euros*	North America	France	United Kingdom and Ireland	Benelux	Southern Europe	Nordic countries	Germany and Central Europe	Asia-Pacific and Latin America	Not allocated *	Elimina-tions	**Total**
REVENUES											
- external	2,074	2,190	2,004	1,080	484	705	651	904	-	-	10,092
- inter-geographic area	98	178	111	54	19	23	154	670	-	(1,307)	-
TOTAL REVENUES	**2,172**	**2,368**	**2,115**	**1,134**	**503**	**728**	**805**	**1,574**	**-**	**(1,307)**	**10,092**
OPERATING MARGIN **	**255**	**204**	**175**	**105**	**21**	**64**	**57**	**44**	**(68)**	**-**	**857**
% of revenues	12.3%	9.3%	8.7%	9.8%	4.2%	9.1%	8.8%	4.9%	-	-	8.5%
Amortization of intangible assets recognized in business combinations	(9)	(8)	-	(3)	(2)	(1)	(1)	(6)	-	-	(30)
Operating margin after amortization of intangible assets recognized in business combinations	**246**	**196**	**175**	**102**	**19**	**63**	**56**	**38**	**(68)**	**--**	**827**
% of revenues	11.9%	8.9%	8.7%	9.4%	3.9%	9.0%	8.6%	4.2%	-	-	8.2%
OPERATING PROFIT	**243**	**164**	**159**	**83**	**10**	**61**	**46**	**22**	**(68)**	**-**	**720**
						Net financial expense					(102)
						Income tax expense					(182)
						Share of profit of associates					(1)
						PROFIT FOR THE YEAR					**435**
						Attributable to: Owners of the company					**442**
						Non-controlling interests					(7)

2012 *in millions of euros*											
REVENUES											
- external	2,101	2,181	2,104	1,118	500	714	658	888	-	-	10,264
- inter-geographic area	82	179	121	53	19	22	138	676	-	(1,290)	-
TOTAL REVENUES	**2,183**	**2,360**	**2,225**	**1,171**	**519**	**736**	**796**	**1,564**	**-**	**(1,290)**	**10,264**
OPERATING MARGIN ** and ***	**249**	**191**	**181**	**88**	**20**	**59**	**56**	**46**	**(61)**	**-**	**829**
% of revenues	11.8	8.8	8.6	7.9	4.0	8.3	8.4	5.2	-	-	8.1
Reminder: Reported operating margin ***	**195**	**182**	**160**	**84**	**20**	**54**	**60**	**135**	**(61)**	**-**	**829**
Amortization of intangible assets recognized in business combinations	(9)	(11)	-	(4)	(2)	(2)	(2)	(7)	-	-	(37)
Operating margin after amortization of intangible assets recognized in business combinations ***	**240**	**180**	**181**	**84**	**18**	**57**	**54**	**39**	**(61)**	**-**	**792**
% of revenues	11.4	8.3	8.6	7.5	3.6	8.0	8.2	4.4	-	-	7.7
OPERATING PROFIT ***	**232**	**138**	**162**	**20**	**3**	**54**	**41**	**17**	**(61)**	**-**	**606**
						Net financial expense					(127)
						Income tax expense					(135)
						Share of profit of associates					(1)
						PROFIT FOR THE YEAR					**343**
						Attributable to: Owners of the company					**353**
						Non-controlling interests					(10)

* Items that have not been allocated correspond to headquarter expenses,

** Effective from January 1, 2013, the operating margin is presented before amortization of intangible assets recognized in business combinations and the reallocation of offshore production centers. Comparative periods have been adjusted to reflect this change in presentation,

*** Figures have been adjusted for the restatements presented in Note 1 – Accounting policies, following the application of IAS 19, revised.

2011 *in millions of euros*	North America	France	United Kingdom and Ireland	Benelux	Southern Europe	Nordic countries	Germany and Central Europe	Asia-Pacific and Latin America	Not allocated *	Elimina-tions	**Total**
REVENUES											
- external	1,805	2,138	1,945	1,266	453	635	626	825	-	-	9,693
- inter-geographic area	78	162	125	52	18	26	132	568	-	(1,161)	-
TOTAL REVENUES	**1,883**	**2,300**	**2,070**	**1,318**	**471**	**661**	**758**	**1,393**	**-**	**(1,161)**	**9,693**
OPERATING MARGIN ** and * **	**202**	**199**	**150**	**103**	**15**	**53**	**39**	**41**	**(59)**	**-**	**743**
% of revenues	11.2	9.3	7.8	8.1	3.5	8.3	6.2	5.0	-	-	7.7
Reminder: Reported operating margin * **	**169**	**187**	**136**	**98**	**15**	**48**	**45**	**104**	**(59)**	**-**	**743**
Amortization of intangible assets recognized in business combinations	(10)	-	-	(4)	-	(2)	(2)	(7)	-	-	(25)
Operating margin after amortization of intangible assets recognized in business combinations * **	**192**	**199**	**150**	**99**	**15**	**51**	**37**	**34**	**(59)**	**-**	**718**
% of revenues	10.6	9.3	7.7	7.8	3.5	8.0	5.9	4.1	-	-	7.4
OPERATING PROFIT * **	**186**	**164**	**135**	**67**	**6**	**47**	**29**	**25**	**(59)**	**-**	**600**
						Net financial expense					(123)
						Income tax expense					(98)
						PROFIT FOR THE YEAR					**379**
						Attributable to:	Owners of the company				**394**
							Non-controlling interests				(15)

* Items that have not been allocated correspond to headquarter expenses,

** Effective from January 1, 2013, the operating margin is presented before amortization of intangible assets recognized in business combinations and the reallocation of offshore production centers. Comparative periods have been adjusted to reflect this change in presentation,

*** Figures have been adjusted for the restatements presented in Note 1 – Accounting policies, following the application of IAS 19, revised.

ANALYSIS OF DEPRECIATION, AMORTIZATION AND OTHER EXPENSES WITH NO CASH IMPACT INCLUDED IN THE OPERATING MARGIN

2013 *(in millions of euros)*	North America	France	United Kingdom and Ireland	Benelux	Southern Europe	Nordic countries	Germany and Central Europe	Asia-Pacific and Latin America	Not allocated	**Total**
Depreciation and amortization expense	(28)	(40)	(39)	(19)	(7)	(16)	(15)	(44)	-	(208)
Net charge to provisions	(1)	(1)	(9)	1	2	(1)	(1)	(2)	-	(12)
Total	**(29)**	**(41)**	**(48)**	**(18)**	**(5)**	**(17)**	**(16)**	**(46)**	**-**	**(220)**

2012 *(in millions of euros)*										**Total**
Depreciation and amortization expense	(32)	(43)	(38)	(24)	(7)	(15)	(16)	(53)	-	(228)
Net charge to provisions	(1)	(9)	(6)	(1)	(5)	(1)	(4)	-	-	(27)
Total	**(33)**	**(52)**	**(44)**	**(25)**	**(12)**	**(16)**	**(20)**	**(53)**	**-**	**(255)**

2011 *(in millions of euros)*										**Total**
Depreciation and amortization expense	(33)	(29)	(30)	(21)	(18)	(12)	(15)	(30)	-	(188)
Net charge to provisions	3	7	(11)	2	-	-	(5)	2	-	(2)
Total	**(30)**	**(22)**	**(41)**	**(19)**	**(18)**	**(12)**	**(20)**	**(28)**	**-**	**(190)**

ANALYSIS OF ASSETS AND LIABILITIES BY GEOGRAPHIC AREA

The location of assets corresponds to the location of the Group's clients, except for outsourcing centers such as in India.

At December 31, 2013 *(in millions of euros)*	North America	France	United Kingdom and Ireland	Benelux	Southern Europe	Nordic countries	Germany and Central Europe	Asia-Pacific and Latin America	Not allocated	Eliminations	**Total**
Assets by geographic area											
- external	1,008	2,008	1,203	1,099	297	365	454	798	63	-	7,295
- inter-geographic area	44	128	34	22	7	9	38	101	1	(384)	-
Total assets	**1,052**	**2,136**	**1,237**	**1,121**	**304**	**374**	**492**	**899**	**64**	**(384)**	**7,295**
						Deferred tax assets					1,023
						Current income tax receivable					69
						Cash management assets					77
						Cash and cash equivalents					1,638
						Derivative instruments					74
						TOTAL ASSETS					**10,176**
Liabilities by geographic area											
- external	542	1,027	1,224	300	181	201	250	603	3	-	4,331
- inter-geographic area	62	50	86	40	7	20	16	26	77	(384)	-
Total liabilities	**604**	**1,077**	**1,310**	**340**	**188**	**221**	**266**	**629**	**80**	**(384)**	**4,331**
						Equity					4,491
						Deferred tax liabilities					158
						Current income tax payable					58
						Borrowings and bank overdrafts					1,039
						Derivative instruments					99
						TOTAL EQUITY AND LIABILITIES					**10,176**

At December 31, 2012 *(in millions of euros)*											
Assets by geographic area											
- external	1,076	1,993	1,138	1,092	300	390	469	895	64	-	7,417
- inter-geographic area	39	128	40	18	6	8	36	119	-	(394)	-
Total assets	**1,115**	**2,121**	**1,178**	**1,110**	**306**	**398**	**505**	**1,014**	**64**	**(394)**	**7,417**
						Deferred tax assets *					1,065
						Current income tax receivable					70
						Cash management assets					75
						Cash and cash equivalents					2,023
						Derivative instruments					6
						TOTAL ASSETS					**10,656**
Liabilities by geographic area											
- external *	615	1,023	1,351	305	191	206	248	655	22	-	4,616
- inter-geographic area	67	56	68	43	11	22	25	39	64	(395)	-
Total liabilities	**682**	**1,079**	**1,419**	**348**	**202**	**228**	**273**	**694**	**86**	**(395)**	**4,616**
						Equity *					4,518
						Deferred tax liabilities					163
						Current income tax payable					95
						Borrowings and bank overdrafts					1,230
						Derivative instruments					34
						TOTAL EQUITY AND LIABILITIES					**10,656**

* Figures have been adjusted for the restatements presented in Note 1 – Accounting policies, following the application of IAS 19, revised.

At December 31, 2011 *(in millions of euros)*	North America	France	United Kingdom and Ireland	Benelux	Southern Europe	Nordic countries	Germany and Central Europe	Asia-Pacific and Latin America	Not allocated	Eliminations	**Total**
Assets by geographic area											
- external	1,154	2,081	1,184	1,146	331	380	464	840	51	-	7,631
- inter-geographic area	38	101	52	23	15	11	36	115	35	(426)	-
Total assets	**1,192**	**2,182**	**1,236**	**1,169**	**346**	**391**	**500**	**955**	**86**	**(426)**	**7,631**
						Deferred tax assets *					1,029
						Current income tax receivable					55
						Cash management assets					73
						Cash and cash equivalents					2,223
						Derivative instruments					12
						TOTAL ASSETS					**11,023**
Liabilities by geographic area											
- external *	607	1,053	1,388	336	200	207	218	540	33	-	4,582
- inter-geographic area	78	84	71	47	9	19	28	51	32	(419)	-
Total liabilities	**685**	**1,137**	**1,459**	**383**	**209**	**226**	**246**	**591**	**65**	**(419)**	**4,582**
						Equity *					4,266
						Deferred tax liabilities					183
						Current income tax payable					89
						Borrowings and bank overdrafts					1,837
						Derivative instruments					66
						TOTAL EQUITY AND LIABILITIES					**11,023**

* Figures have been adjusted for the restatements presented in Note 1 – Accounting policies, following the application of IAS 19, revised.

Analysis of acquisitions of intangible assets and property, plant and equipment

At December 31 *(in millions of euros)*	**2011**	**2012**	**2013**
North America	18	21	17
France	33	32	32
United Kingdom and Ireland	46	33	34
Benelux	13	28	23
Southern Europe *	7	6	5
Nordic countries	20	23	15
Germany and Central Europe	17	18	12
Asia-Pacific and Latin America *	64	70	41
Acquisitions of intangible assets and property, plant and equipment	**218**	**231**	**179**

* Latin America, previously included in the “Southern Europe and Latin America” area, is included in the “Asia-Pacific and Latin America” area with effect from January 1, 2013 (see Note 25, Operating segments).

Total acquisitions of intangible assets and property, plant and equipment reported in the Consolidated Statement of Financial Position is different from the figure provided in the Statement of Cash Flows (€143 million), which excludes acquisitions of assets held under finance leases (€36 million).

SEGMENT REPORTING BY BUSINESS

The Group's services are organized into four businesses:

- "Consulting Services" helps to enhance the performance of organizations based on in-depth knowledge of client industries and processes,
- "Technology Services" plans, designs and develops IT systems and applications,
- "Local Professional Services" provides assistance and support to internal IT teams within client companies,
- "Outsourcing Services" manages all or part of a company's IT or business process needs.

BREAKDOWN OF REVENUES BY BUSINESS

	2011		2012		2013	
in millions of euros	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Consulting Services	515	5	500	5	456	4
Technology Services	4,020	41	4,147	40	4,095	41
Local professional services	1,518	16	1,528	15	1,498	15
Outsourcing services	3,640	38	4,089	40	4,043	40
Revenues	**9,693**	**100**	**10,264**	**100**	**10,092**	**100**

BREAKDOWN OF OPERATING MARGIN BY BUSINESS

	2011 *		2012 *		2013	
in millions of euros	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Consulting Services	62	12.0	56	11.2	35	7.8
Technology Services	284	7.1	341	8.2	358	8.7
Local professional services	167	11.0	164	10.7	159	10.6
Outsourcing services	289	7.9	329	8.0	373	9.2
Not allocated **	(59)	(0.6)	(61)	-	(68)	-
Operating margin * **	**743**	**7.7**	**829**	**8.1**	**857**	**8.5**

* Figures have been adjusted for the restatements presented in Note 1 – Accounting policies, following the application of IAS 19, revised,

** Items that have not been allocated correspond to headquarter expenses,

*** Effective from January 1, 2013, the operating margin is presented before amortization of intangible assets recognized in business combinations. Comparative periods have been adjusted to reflect this change in presentation.

NOTE 26 – NUMBER OF EMPLOYEES

AVERAGE NUMBER OF EMPLOYEES BY GEOGRAPHIC AREA

	2011		2012		2013	
	Employees	%	Employees	%	Employees	%
North America	9,039	8	9,680	8	9,664	7
France	20,614	18	21,503	18	21,616	17
United Kingdom and Ireland	8,700	8	8,988	7	9,123	7
Benelux	10,508	9	9,815	8	8,942	7
Southern Europe *	6,696	6	7,283	6	7,269	6
Nordic countries	4,292	4	4,523	4	4,394	3
Germany and Central Europe	8,375	7	9,278	7	9,885	8
Asia-Pacific and Latin America *	45,959	40	50,593	42	57,075	45
Not allocated	171	-	166	-	158	-
Average number of employees	**114,354**	**100**	**121,829**	**100**	**128,126**	**100**

NUMBER OF EMPLOYEES AT DECEMBER 31 BY GEOGRAPHIC AREA

	2011		2012		2013	
	Employees	%	Employees	%	Employees	%
North America	9,505	8	9,608	8	9,710	7
France	21,571	18	21,574	17	21,705	17
United Kingdom and Ireland	8,977	7	8,964	7	9,130	7
Benelux	10,391	9	9,186	7	8,775	7
Southern Europe *	7,324	6	7,336	6	7,187	5
Nordic countries	4,538	4	4,504	4	4,277	3
Germany and Central Europe	8,962	7	9,581	8	10,095	8
Asia-Pacific and Latin America *	48,272	41	54,193	43	60,394	46
Not allocated	167	-	164	-	157	-
Number of employees at December 31	**119,707**	**100**	**125,110**	**100**	**131,430**	**100**

* Latin America, previously included in the "Southern Europe and Latin America" area, is included in the "Asia-Pacific and Latin America" area with effect from January 1, 2013 (see Note 25, Operating segments).

NOTE 27 – OFF–BALANCE SHEET COMMITMENTS

OFF-BALANCE SHEET COMMITMENTS RELATING TO GROUP OPERATING ACTIVITIES

A) COMMITMENTS GIVEN ON CLIENT CONTRACTS

The Group has provided performance and/or financial guarantees for a number of major contracts. These include the contracts signed with HM Revenue & Customs, Schneider Electric Industries, Euroclear, the Metropolitan Police, Ontario Power Generation Inc., Environment Agency, Renault S.A.S. and the Department of Work and Pensions.

In addition, certain clients enjoy:

- limited financial guarantees issued by the Group and totaling €1,059 million at December 31, 2013 (€1,027 million and €856 million at December 31, 2012 and 2011, respectively),
- bank guarantees borne by the Group and totaling €81 million at December 31, 2013 (€72 million and €81 million at December 31, 2012 and 2011, respectively).

B) COMMITMENTS GIVEN ON NON-CANCELLABLE LEASES

in millions of euros	Computer equipment	Offices	Vehicles and other non-cancellable leases	Total
Y+1	10	172	61	243
Y+2	9	148	43	200
Y+3	7	144	22	173
Y+4	5	75	7	87
Y+5	-	52	-	52
Y+6 and beyond	-	77	-	77
December 31, 2013	**31**	**668**	**133**	**832**
December 31, 2012	**15**	**703**	**152**	**870**
December 31, 2011	**22**	**651**	**145**	**818**

Lease payments recognized in the Income Statement in 2013 totaled €317 million (€320 million and €307 million in 2012 and 2011, respectively).

C) OTHER COMMITMENTS GIVEN

Other commitments given total €91 million at December 31, 2013 (€110 million and €121 million in 2012 and 2011, respectively) and comprise:

- bank guarantees given to the tax authorities in connection with tax disputes in India, Brazil and Spain,
- firm purchase commitments relating to goods or services in France and India.

COMMITMENTS RECEIVED ON CLIENT CONTRACTS

Pursuant to a contract signed in 2010, Capgemini Group received a limited financial guarantee of €63 million from the client.

OFF-BALANCE SHEET COMMITMENTS RELATING TO GROUP FINANCING

A) BONDS

With regard to the 2011 bond issue and the "ORNANE 2013" bonds detailed in Note 17 – Net cash and cash equivalents, Cap Gemini has committed to standard obligations and particularly to maintain pari passu status with all other negotiable bonds that may be issued by the Company.

B) SYNDICATED CREDIT FACILITY OBTAINED BY CAP GEMINI AND NOT DRAWN TO DATE

Cap Gemini has agreed to comply with the following financial ratios (as defined in IFRS) in respect of the credit facility disclosed in Note 17 – Net cash and cash equivalents:

- the consolidated net debt to consolidated equity ratio must be less than 1 at all times,
- the interest coverage ratio (the extent to which consolidated net finance costs are covered by consolidated operating margin after amortization of intangible assets recognized in business combinations) 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, 2011, 2012 and 2013, the Group complied with these financial ratios.
The credit facility agreement includes covenants restricting the Company's ability to carry out certain operations. These covenants also apply to Group subsidiaries. They include restrictions primarily relating to pledging assets as collateral, asset sales, mergers and similar transactions. Cap Gemini also committed to standard obligations, including an agreement to maintain pari passu status.

C) BORROWINGS SECURED BY ASSETS

Some borrowings are secured by assets recorded in the Consolidated Statement of Financial Position. At December 31, 2013, these related to finance leases for an amount of €107 million.

OTHER COMMITMENTS

During the third quarter of 2013, engaged in the search for a strategic partner for its IT services subsidiary Euriware, AREVA decided to enter into exclusive negotiations with Capgemini for its acquisition.

CONTINGENT LIABILITIES

During 2013 and in previous fiscal years, some Group companies underwent tax audits leading in some cases to tax reassessments. A number of these reassessments have been challenged and some litigation proceedings were in progress at the period end. In general, no provisions have been set aside for these disputes in the consolidated financial statements.

NOTE 28 – RELATED–PARTY TRANSACTIONS

ASSOCIATES

Associates are equity-accounted companies over which the Group exercises significant influence. At December 31, 2013, O2C Pro LLC is the only company equity-accounted by the Group since its acquisition in 2011. Transactions with this equity associate during 2013 were performed at arm's length and were of immaterial volume.

OTHER RELATED-PARTIES

In 2013, no material transactions were carried out with:

- shareholders holding significant voting rights in the share capital of Cap Gemini,
- members of management, including Directors,
- entities controlled or jointly controlled by a member of key management personnel, or over which he/she has significant influence or holds significant voting rights.

Moreover, it is worth noting that the minority shareholders, Bradesco S.A. and Caixa Participacões, are also the main clients of CPM Braxis accounting for 48.8% of its revenues.

GROUP MANAGEMENT COMPENSATION

The table below provides a breakdown of the 2013 compensation of members of management bodies, encompassing the Group operating management structure, present at each year-end (20 members in 2013, 21 members in 2012 and 20 members in 2011) and the compensation and attendance fees paid to Directors and non-voting Directors.

in thousands of euros	2011	2012	2013
Short-term benefits excluding employer payroll taxes [1]	16,253	18,242	17,445
O/w attendance fees to salaried Directors	-	*28*	*51*
O/w attendance fees to non-salaried Directors and non-voting Directors [2] [3]	*722*	*683*	*485*
Short-term benefits: employer payroll taxes [4]	3,640	5,013	6,288
Post-employment benefits [5]	623	748	586
Share-based payment [6]	2,456	2,105	3,846

[1] Includes gross wages and salaries, bonuses, profit-sharing, attendance fees and benefits in kind;
[2] Note that Serge Kampf and Paul Hermelin waived receipt of their attendance fees in 2011, 2012 and 2013;
[3] 13 in 2011, 14 in 2012 and 12 in 2013. There are no non-voting directors since the 2012 Combined Shareholders' Meeting;
[4] This amount includes the 30% contribution due in respect of the granting of performance shares as well as the contribution paid on high executive compensation;
[5] Primarily contractual retirement termination payments;s
[6] Representing the annual expense relating to the granting of stock options and performance shares.

NOTE 29 – SUBSEQUENT EVENTS

At the Combined Shareholders' Meeting, the Board of Directors will recommend a dividend payout to Cap Gemini shareholders of €1.10 per share in respect of 2013. A dividend of €1 per share was paid in respect of fiscal years 2012 and 2011.

NOTE 30 – LIST OF THE MAIN CONSOLIDATED COMPANIES BY COUNTRY

FC = Full consolidation
EM = Equity method

Country	List of the main consolidated companies at December 31, 2013	% interest	Consolidation Method
ARGENTINA	Capgemini Argentina S.A.	100.00%	FC
AUSTRALIA	Capgemini Australia Pty Ltd.	100.00%	FC
	Capgemini Business Services Australia Pty Ltd.	100.00%	FC
	Capgemini Financial Services Australia Pty Ltd.	100.00%	FC
AUSTRIA	Capgemini Consulting Österreich AG	100.00%	FC
BELGIUM	Capgemini Belgium N.V./S.A.	100.00%	FC
	Sogeti Belgium S.A.	100.00%	FC
BRAZIL	Capgemini Business Services Brasil – Assessoria Empresarial Ltda.	100.00%	FC
	Consultoria de Gestao Gemini Ltda.	100.00%	FC
	CPM Braxis Tecnologia Ltda.	53.92%	FC
	CPM Braxis S.A.	53.92%	FC
CANADA	Capgemini Canada Inc.	100.00%	FC
	Capgemini Financial Services Canada Inc.	100.00%	FC
	Gestion Cap Gemini Québec Inc.	100.00%	FC
	Inergi LP	100.00%	FC
	New Horizon System Solutions LP	100.00%	FC
	Société en Commandite Capgemini Québec	100.00%	FC
CHILE	Capgemini Business Services Chile Ltda.	100.00%	FC
CHINA	Capgemini (China) Co. Ltd.	100.00%	FC
	Capgemini (Hangzhou) Co. Ltd.	100.00%	FC
	Capgemini Business Services (Asia) Ltd.	100.00%	FC
	Capgemini Business Services (China) Ltd.	100.00%	FC
	Capgemini Hong Kong Ltd.	100.00%	FC
	Capgemini Kun Shan Co. Ltd.	100.00%	FC
	Praxis (Beijing) Technology Co. Ltd.	100.00%	FC
COLOMBIA	Capgemini Colombia SAS	100.00%	FC
CZECH REPUBLIC	Capgemini Czech Republic s.r.o.	100.00%	FC
DENMARK	Capgemini Sogeti Danmark AS	100.00%	FC
	IBX Danmark AS	100.00%	FC
	Sogeti Danmark AS	100.00%	FC
FINLAND	Capgemini Finland Oy	100.00%	FC
	IBX Finland Oy	100.00%	FC
	Sogeti Finland Oy	100.00%	FC
FRANCE	Cap Gemini S.A.	Parent company	-
	Sogeti Corporate Services S.A.S.	100.00%	FC
	Backélite S.A.S.	100.00%	FC
	Capgemini Consulting S.A.S.	100.00%	FC
	Capgemini France S.A.S.	100.00%	FC
	Capgemini Gouvieux S.A.S.	100.00%	FC
	Capgemini OS Electric S.A.S.	100.00%	FC
	Capgemini Outsourcing Services S.A.S.	100.00%	FC
	Capgemini Service S.A.S.	100.00%	FC
	Capgemini Technology Services S.A.S.	100.00%	FC
	Capgemini Université S.A.S.	100.00%	FC
	Immobilière Les Fontaines S.A.R.L.	100.00%	FC
	Prosodie S.A.S.	100.00%	FC
	SCI Paris Etoile	100.00%	FC
	Sogeti France S.A.S.	100.00%	FC
	Sogeti High Tech S.A.S.	100.00%	FC
	Sogeti S.A.S.	100.00%	FC
GERMANY	Capgemini Deutschland GmbH	100.00%	FC
	Capgemini Deutschland Holding GmbH	100.00%	FC
	Capgemini Outsourcing Services GmbH	100.00%	FC
	Sogeti Deutschland GmbH	100.00%	FC
	Sogeti High Tech GmbH	100.00%	FC

FC = Full consolidation

EM = Equity method

Country	List of the main consolidated companies at December 31, 2013	% interest	Consolidation Method
GUATEMALA	Capgemini Business Services Guatemala S.A.	100.00%	FC
HUNGARY	Capgemini Magyarorszag Kft.	100.00%	FC
INDIA	Capgemini Business Services (India) Ltd.	100.00%	FC
	Capgemini India Pvt Ltd.	100.00%	FC
IRELAND	Sogeti Ireland Ltd.	100.00%	FC
ITALY	Capgemini BS S.p.A.	100.00%	FC
	Capgemini BST S.p.A.	100.00%	FC
	Capgemini Italia S.p.A.	100.00%	FC
JAPAN	Capgemini Japan KK	100.00%	FC
LUXEMBOURG	Capgemini Reinsurance International S.A.	100.00%	FC
	Sogeti Luxembourg S.A.	100.00%	FC
MALAYSIA	Capgemini Services Malaysia Sdn Bhd	100.00%	FC
MEXICO	Capgemini Mexico S. de R.L. de C.V.	100.00%	FC
MOROCCO	Capgemini Technology Services Maroc S.A.	100.00%	FC
NETHERLANDS	Capgemini Educational Services B.V.	100.00%	FC
	Dunit B.V.	100.00%	FC
	Capgemini N.V.	100.00%	FC
	Capgemini Nederland B.V.	100.00%	FC
	Sogeti Nederland B.V.	100.00%	FC
NORWAY	Capgemini Norge AS	100.00%	FC
	IBX Norge AS	100.00%	FC
	Sogeti Norge AS	100.00%	FC
PHILIPPINES	Capgemini Phillipines SBOS	100.00%	FC
POLAND	Capgemini Polska Sp z.o.o.	100.00%	FC
PORTUGAL	Capgemini Portugal, Serviços de Consultoria e Informatica S.A.	100.00%	FC
ROMANIA	Capgemini Services Romania s.r.l.	100.00%	FC
	IBX Software Development s.r.l.	100.00%	FC
SAUDI ARABIA	Capgemini Saudi Ltd.	100.00%	FC
SINGAPORE	Capgemini Singapore Pte Ltd.	100.00%	FC
SLOVAKIA	Capgemini Slovensko, s.r.o.	100.00%	FC
SPAIN	Capgemini España, S.L.	100.00%	FC
	Prosodie Ibérica	100.00%	FC
	Sogeti España, S.L.	100.00%	FC
SWEDEN	Capgemini AB (Sweden)	100.00%	FC
	Capgemini Sverige AB	100.00%	FC
	IBX Group AB	100.00%	FC
	Skvader Systems AB	100.00%	FC
	Sogeti Sverige AB	100.00%	FC
	Sogeti Sverige Mitt AB	100.00%	FC
SWITZERLAND	Capgemini Suisse S.A.	100.00%	FC
	Sogeti Suisse S.A.	100.00%	FC
UNITED ARAB EMIRATES	Capgemini Middle East FZ LLC	100.00%	FC
	Thesys Technologies LLC	49.00%	FC
	Thesys Technologies Middle East FZE	100.00%	FC
UNITED KINGDOM	Capgemini Financial Services UK Ltd.	100.00%	FC
	Capgemini UK Plc.	100.00%	FC
	Sogeti UK Ltd.	100.00%	FC
	Strategic Systems Solutions Ltd.	100.00%	FC

FC = Full consolidation

EM = Equity method

Country	List of the main consolidated companies at December 31, 2013	% interest	Consolidation Method
UNITED STATES	Capgemini America Inc.	100.00%	FC
	Capgemini Business Services USA LLC	100.00%	FC
	Capgemini Financial Services Europe Inc.	100.00%	FC
	Capgemini Financial Services International Inc.	100.00%	FC
	Capgemini Financial Services USA Inc.	100.00%	FC
	Capgemini Government Solutions LLC	100.00%	FC
	Capgemini North America Inc.	100.00%	FC
	Capgemini Technologies LLC	100.00%	FC
	Capgemini US LLC	100.00%	FC
	O2C Pro. LLC	49.00%	EM
	Sogeti USA LLC	100.00%	FC
VIETNAM	Capgemini Vietnam Co. Ltd.	100.00%	FC