Media relations:
Florence Lièvre
Tel.: +33 1 47 54 50 71
florence.lievre@capgemini.com

Investor relations:
Vincent Biraud
Tel.: +33 1 47 54 50 87
vincent.biraud@capgemini.com

Building on its 2016 performance, Capgemini strengthens its growth strategy in Digital and Cloud

- **Revenues of €12,539 million**
- **Growth of +7.9% at constant exchange rates and +5.2% at current exchange rates**
- **30% of revenues in Digital and Cloud**
- **Operating margin rate of 11.5%, up 90 basis points**
- **Basic EPS of €5.44 and Normalized EPS of €5.62**
- **31% increase in organic free cash flow to €1,071 million**

Paris, February 16, 2017 – The Board of Directors of Cap Gemini S.A., the parent company of the Capgemini Group, chaired by Paul Hermelin, convened in Paris on February 15, 2017 to review and authorize the issue of the accounts[1] of Capgemini Group for the year ended December 31, 2016.

For Paul Hermelin, Chairman and Chief Executive Officer of Capgemini Group: *"Capgemini's strong performance in 2016, and particularly its organic free cash flow generation, attests the success of the transformations carried out in recent years. With more than 193,000 employees worldwide, the Group has the assets to continue on a successful path among industry leaders: a rich portfolio of innovative offerings in which it continues to invest, sector expertise and leading global production capabilities.*

2016 confirmed the rapid development of Capgemini in innovation-driven market segments and its position as a partner of choice for the digital transformation of companies. We launched a "Digital Manufacturing" end-to-end service offering to accompany enterprises in the era of Industry 4.0. Our Digital and Cloud offerings contribute 30% of our revenues.

The successful integration of IGATE delivered higher synergies than expected and contributed to the further improvement in the operating margin in 2016. The combined Group portfolio of offerings – particularly in platforms – are a great success with clients and former IGATE top accounts show sustained growth.

In North America, where we generate 30% of our revenues, we announce two acquisitions that will enable us to accelerate the transition of our services portfolio in this region: Idean, a digital design firm based in Palo Alto, will boost our digital transformation consulting offering while TCube Solutions, specialized in Duck Creek Technologies insurance software, will strengthen our Financial services business.

Finally, in light of its annual objectives, the Group is targeting in 2017, the year of Capgemini's 50th anniversary, a Normalized EPS of around €6.10 per share[2]."*

---

[1] Audit procedures on the consolidated financial statements have been completed. The auditors are in the process of issuing their report.

* The terms and non-GAAP measures marked with an (*) are defined and/or reconciled in the appendix to this press release

[2] Based on an Effective Tax Rate of 28%.

2016 KEY FIGURES

(In millions of euros)	2015	2016	*Change*
Revenues	**11,915**	**12,539**	**+5.2%**
Operating margin*	**1,262**	**1,440**	**+14%**
as a % of revenues	10.6%	11.5%	*+90bp*
Operating profit	**1,022**	**1,148**	**+12%**
as a % of revenues	8.6%	9.2%	*+60bp*
Net profit (Group share)	**1,124**	**921**	**-18%**
Basic earnings per share (€)	6.67	5.44	-18%
Normalized earnings per share (€)*	4.84	5.62	+16%
Net cash and cash equivalents / (Net debt)	(1,767)	(1,413)	
Organic free cash flow*	**815**	**1 071**	**+31%**

The Group generated **revenues** of €12,539 million in 2016, up 5.2% compared with 2015. Growth is 7.9% at constant exchange rates, in line with the 2016 guidance. Growth at constant Group scope and exchange rates stands at 2.6%; the difference arises mainly from the consolidation of IGATE's 12-month revenues in 2016 compared with 6 months in 2015. Q4 growth was 1.9% at constant exchange rates.

Digital and **Cloud** revenues continued to expand rapidly with a growth of 29% at constant exchange rates in 2016, accounting for 30% of Capgemini revenues.

Bookings totaled €13,027 million during the year, compared with €11,538 million in 2015, with a book-to-bill ratio of 1.04. Book-to-bill for Q4 was 1.19.

Operating margin amounted to €1,440 million, or 11.5% of revenues, up 14% year-on-year. This 90 basis point improvement in profitability reflects the improvement in gross margin generated by the investments made in the innovation and industrialization of the Group's operations. The 2016 operating margin is at the top end of the target range raised during the publication of the half-year results in July 2016.

Other operating income and expenses total €292 million. The increase compared to the €240 million recorded in 2015 is mainly due to expenses related to the acquisition and integration of IGATE, while restructuring costs at €103 million are in line with the envelope set for the year.

2016 **operating profit** increased to 9.2% of revenues or €1,148 million, compared with 8.6% in 2015.

The **net financial expense** is €146 million, up from €118 million in 2015, mainly due to the recognition of 12 months of interest on the debt raised in July 2015.

The Group recorded a tax expense of € 94 million, compared to a €203 million tax income in 2015. These amounts include a tax income of €476 million in 2015 following the reassessment of deferred tax assets on US tax loss carry-forwards and a tax income (net) of €180 million in 2016 related to goodwill arising from legal reorganizations. Adjusted for these non-recurring non-cash items, the effective tax rate is 27.3% in 2016 and 30.1% in 2015.

Net profit (Group share) is €921 million for 2016, compared with €1,124 million for 2015 and 2016 **basic EPS** (earnings per share) is €5.44. Prior to the recognition of the one-off tax profits, **Normalized EPS** increased 16% year-on-year to €5.62.

The Group generated an **organic free cash-flow** of €1,071 million, up 31% on 2015. In 2016, Capgemini paid a dividend of €229 million and devoted €340 million to the share buyback program.

The Board of Directors has decided to recommend the payment of a **dividend of €1.55 per share** in 2017 at the next Shareholders' Meeting on May 10, 2017, up 20 cents year-on-year. The corresponding payout ratio is 35.9% of the Net profit (Group share) adjusted for the above mentioned non-recurring non-cash tax income.

OUTLOOK

For 2017, the Group forecasts revenue growth at constant exchange rates of 3.0%, an operating margin of 11.7% to 11.9% and organic free cash flow generation in excess of €950 million.

In addition:

- The Group expects the impact of currency movements on revenues to be minimal on a full year basis, with the impact of the pound sterling depreciation against the euro offsetting notably the appreciation of the US dollar and the Brazilian real.
- The Group looks into discontinuing its equipment resale activity in Brazil, which represented approximately €60 million in 2016. In order not to disrupt the analysis of quarterly trends, organic growth and growth at constant exchange rates will be presented after removing this activity from 2016 and 2017 revenues.
- The impact of acquisitions on revenue growth is estimated at this stage to be a few tens of basis points.

OPERATIONS BY BUSINESS

Consulting Services revenues (4% of Group revenues) grew 2.7% at constant exchange rates and is supplemented by the rapid development of Digital consulting services initiated and billed by the other businesses. Overall, the activity volume increased by more than 5.0%. This increase was driven notably by the United Kingdom and the Rest of Europe region. The operating margin stood at 10.7% of revenues compared with 9.1% in 2015.

Technology & Engineering Services (15% of Group revenues, previously known as Local Professional Services) grew 6.9% at constant exchange rates. Growth in the Rest of Europe and North America regions more than offset the slight slowdown persisting in France, and adds to the IGATE impact. The operating margin improved 120 basis points to 12.8%.

Application services (60% of Group revenues) growth was a strong 10.6% at constant exchange rates. In addition to the positive IGATE impact, growth was driven by strong momentum in Europe and Asia and overall by the rapid expansion of services related to Digital and Cloud. The operating margin rate is 12.7%, up 80 basis points on 2015.

Other Managed Services (21% of Group revenues) reported a 2.2% increase in revenues at constant exchange rates in 2016. Excluding changes in Group scope, revenue is down year-on-year despite growth in Business Services (Business Process Outsourcing and platforms). The pressure from the transition to the cloud on traditional infrastructure services was accentuated this year by the decline in the UK public sector, which was anticipated at the beginning of the year, but also by lower equipment resale. The operating margin rate at 10.0% is up 40 basis points on 2015.

OPERATIONS BY MAJOR REGION

North America (30% of Group revenues) reported revenue growth of 14.5% at constant exchange rates. This growth reflects the impact of the consolidation of IGATE. Excluding IGATE, the year 2016 was marked by the severe contraction in the Energy & Utilities sector, which fully offset the 3.3% organic growth recorded in other sectors, notably in Financial services and Manufacturing. Operating margin for the region rose 50 basis points year-on-year to 15.4% of revenues.

United Kingdom and Ireland (16% of Group revenues) reported revenue growth of 4.1% at constant exchange rates. Local momentum was fueled by the private sector (now accounting for 57% of the region’s revenues) which grew organically at around 10% while public sector revenues were down as anticipated. The Brexit vote did not materially affect the activity in the region in 2016, however, the depreciation of the pound sterling against the euro led to a 7.3% decline in consolidated revenues and has lowered by 2 points to 16% the region’s weight in the Group. The operating margin rate is 14.6%, up 120 basis points on 2015.

France (20% of Group revenues) posted a 5.0% year-on-year increase in revenues, driven by strong growth in the Retail & Consumer goods, Financial services and the Manufacturing & Automotive sectors. By business, growth was particularly strong in Application services. The operating margin improved 100 basis points to 9.1%.

The **Rest of Europe** region (which includes Benelux since January 2016 and now represents 26% of Group revenues) grew 5.3% at constant exchange rates. Retail & Consumer goods, Manufacturing & Automotive as well as the Public Sector were among the most dynamic sectors this year. Germany and Scandinavia recorded the strongest growth in the region, while activity in the Benelux remained stable. The operating margin rate at 10.5% is up 30 basis points year-on-year.

The **Asia-Pacific and Latin American** region (8% of Group revenues) reported growth of 8.2% at constant exchange rates in 2016, with this year again contrasting trends. Growth in the Asia-Pacific region, supported by the development of Financial services, remains very strong. The situation in Brazil continued to weigh on the performance of Latin America, which recorded a further contraction in revenues. Operating margin rate improved significantly for the region as a whole, increasing to 6.6% from 4.2% in 2015.

Q4 TRENDS

In Q4 revenue growth was 1.9% at constant exchange rates and 1.6% at constant exchange rates and perimeter.

By business, the slight slowdown recorded in the last quarter of the year was due to the weakness in Other Managed Services, down 5.3% year-on-year at constant exchange rates. Application Services (60% of Group revenues) sustained a good dynamic, accelerating to 4.9% year-on-year, fueled by the strong growth of Digital.

Europe maintained its solid revenue momentum driven notably by France, up 5.9% year-on-year at constant exchange rates. North America experienced a slowdown with a contraction in revenues of 3.1% year-on-year at constant exchange rates. Excluding the Energy & Utilities sector, whose revenues have stabilized sequentially, the region's growth is 1.1%. Lastly, the Asia-Pacific and Latin America region growth accelerated to 11.7% at constant exchange rates.

It should also be noted that the Financial Services sector maintained solid growth of more than 7% at constant exchange rates in Q4.

HEADCOUNT

At December 31, 2016, the Group's total headcount exceeded 193,000, an increase of 7% year-on-year, with over 108,000 employees in offshore centers (56% of the total headcount compared with 54% last year).

BALANCE SHEET

Overall, the balance sheet structure remained broadly unchanged in 2016.

At December 31, 2016 the Group had €1,870 million in cash and cash equivalents (net of bank overdrafts), compared with €1,948 million a year earlier. After accounting for borrowings of €3,403 million, cash management assets and derivative instruments, Group net debt* is €1,413 million at the end of 2016, down on €1,767 million at December 31, 2015.

CONFERENCE CALL

Paul Hermelin, Chairman and Chief Executive Officer, Aiman Ezzat, Chief Financial Officer, and Srikanth Iyengar, Global Sales Officer, will present this press release during a conference call in English to be held **today at 8 a.m. Paris time (CET)**. You can follow this conference call live via webcast at the following link: listen. A replay will also be available for a period of one year.

All documents relating to this publication will be placed online on the Capgemini investor website at https://www.capgemini.com/results.

CALENDAR

April 26, 2017	Publication of 2017 Q1 revenues
May 10, 2017	Combined Shareholders' Meeting

The following dividend payment schedule will be presented to the Shareholders' Meeting for approval:

May 22, 2017	Ex-dividend date on Euronext Paris
May 24, 2017	Payment of the dividend

DISCLAIMER

This press release may contain forward-looking statements. Such statements may include projections, estimates, assumptions, statements regarding plans, objectives, intentions and/or expectations with respect to future financial results, events, operations and services and product development, as well as statements, regarding future performance or events. Forward-looking statements are generally identified by the words “expects”, “anticipates”, “believes”, “intends”, “estimates”, “plans”, “projects”, “may”, “would” “should” or the negatives of these terms and similar expressions. Although Capgemini’s management currently believes that the expectations reflected in such forward-looking statements are reasonable, investors are cautioned that forward-looking statements are subject to various risks and uncertainties (including without limitation risks identified in Capgemini’s Registration Document available on Capgemini’s website), because they relate to future events and depend on future circumstances that may or may not occur and may be different from those anticipated, many of which are difficult to predict and generally beyond the control of Capgemini. Actual results and developments may differ materially from those expressed in, implied by or projected by forward-looking statements. Forward-looking statements are not intended to and do not give any assurances or comfort as to future events or results. Other than as required by applicable law, Capgemini does not undertake any obligation to update or revise any forward-looking statement.

This press release does not contain or constitute an offer of securities for sale or an invitation or inducement to invest in securities in France, the United States or any other jurisdiction.

In this disclaimer, the term “Capgemini” refers to Cap Gemini SA, its affiliates and their respective directors, managers and employees.

ABOUT CAPGEMINI

With more than 190,000 people, Capgemini is present in over 40 countries and celebrates its 50th Anniversary year in 2017. A global leader in consulting, technology and outsourcing services, the Group reported 2016 revenues of EUR 12.5 billion. Together with its clients, Capgemini creates and delivers business, technology and digital solutions that fit their needs, enabling them to achieve innovation and competitiveness. A deeply multicultural organization, Capgemini has developed its own way of working, the Collaborative Business Experience™, and draws on Rightshore® its worldwide delivery model.
Learn more about us at www.capgemini.com.

Rightshore® is a trademark belonging to Capgemini

APPENDIX

Organic growth, or like-for-like growth, in revenues is the growth rate calculated at constant Group scope and exchange rates. The Group scope and exchange rates used are those for the published fiscal year. Exchange rates for the published fiscal year are also used to calculate **growth at constant exchange rates**.

Operating margin is one of the Group's key performance indicators. It is defined as the difference between revenues and operating costs. It is calculated before "other operating income and expense" which include amortization of intangible assets recognized in business combinations, the charge resulting from the deferred recognition of the fair value of shares granted to employees (including social security contributions and employer contributions), and non-recurring revenues and expenses, notably impairment of goodwill, badwill, 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, including earn-outs subject to a presence condition, and the effects of curtailments, settlements and transfers of defined benefit pension plans.

Normalized net profit is equal to profit for the year (Group share) adjusted for the impact of items recognized in "Other operating income and expense", net of tax calculated using the effective tax rate. **Normalized earnings per share** is computed like the basic earnings per share, i.e. excluding dilution.

Organic free cash flow is equal to cash flow from operations less acquisitions of property, plant, equipment and intangible assets (net of disposals) and adjusted for cash out relating to net interest cost.

RESULTS BY REGION

	Revenues	Year-on-year growth		Operating margin rate	
	2016 *(In millions of euros)*	**Published**	**At constant exchange rates**	**2015**	**2016**
North America	3,800	+14.3%	+14.5%	14.9%	15.4%
United Kingdom and Ireland	1,993	-7.3%	+4.1%	13.4%	14.6%
France	2,567	+5.0%	+5.0%	8.1%	9.1%
Rest of Europe	3,214	+4.9%	+5.3%	10.2%	10.5%
Asia Pacific and Latin America	965	+3.7%	+8.2%	4.2%	6.6%
TOTAL	**12,539**	**+5.2%**	**+7.9%**	**10.6%**	**11.5%**

OPERATIONS BY BUSINESS

	Revenues	Year-on-year growth		Operating margin rate	
	2016 *(In millions of euros)*	**Published**	**At constant exchange rates**	**2015**	**2016**
Consulting services	506	+5.5%	+2.7%	9.1%	10.7%
Technology & Engineering Services	1,873	+7.4%	+6.9%	11.6%	12.8%
Application services	7,557	+8.0%	+10.6%	11.9%	12.7%
Other managed services	2,603	-3.4%	+2.2%	9.6%	10.0%
TOTAL	**12,539**	**+5.2%**	**+7.9%**	**10.6%**	**11.5%**

SUMMARY INCOME STATEMENT AND OPERATING MARGIN

(In millions of euros)	2015	2016	*Change*
Revenues	**11,915**	**12,539**	**+5.2%**
Operating expenses	(10,653)	(11,099)	
Operating margin*	**1,262**	**1,440**	**+14%**
as a % of revenues	10.6%	11.5%	*+90bp*
Other operating income and expense	(240)	(292)	
Operating profit	**1,022**	**1,148**	**+12%**
as a % of revenues	8.6%	9.2%	*+60bp*
Net financial expense	(118)	(146)	
Income tax (expense) / income	203	(94)	
(-) Non-controlling interests	17	13	
Profit for the year, Group share	**1,124**	**921**	**-18%**

NORMALIZED EARNINGS PER SHARE

(In millions of euros)	2015	2016	*Change*
Profit for the year, Group share	**1,124**	**921**	**-18%**
(-) Exceptional tax income [a]	(476)	(180)	
Profit for the year, Group share - excluding exceptional income	**648**	**741**	**+14%**
Effective tax rate, excluding exceptional tax income	30.1%	27.3%	
(-) Other operating income and expenses, net of tax [b]	167	212	
Normalized profit for the year	**815**	**953**	
Average number of shares outstanding	168,452,917	169,450,721	
Normalized earnings per share (in euros)	**4.84**	**5.62**	**+16%**

[a] in 2015: recognition of a non-cash exceptional income of €476 million following the reassessment of deferred tax assets on US tax loss carry-forwards
in 2016: recognition of a non-cash exceptional income (net) of €180 million in respect goodwill arising on legal restructurings
[b] calculated at the effective tax rate excluding the exceptional tax income

(In millions of euros)	2015	2016	*Change*
Profit for the year, Group share	**1,124**	**921**	**-18%**
Average number of shares outstanding	168,452,917	169,450,721	
Basic earnings per share (in euros)	**6.67**	**5.44**	**-18%**
Diluted average number of shares outstanding	178,581,519	179,080,780	
Diluted earnings per share (in euros)	**6.33**	**5.25**	**-17%**

CHANGE IN CASH AND CASH EQUIVALENTS AND ORGANIC FREE CASH FLOW

(In millions of euros)	2015	2016
Cash flow from operations	**1,004**	**1,319**
Acquisitions of property, plant and equipment and intangible assets, net of disposals	(179)	(176)
Net interest cost	(10)	(72)
Organic Free Cash Flow	**815**	**1, 071**
Other cash flows from (used in) investing and financing activities	(1,033)	(1,118)
Increase (decrease) in cash and cash equivalents	**(218)**	**(47)**
Effect of exchange rate fluctuations	26	(31)
Opening cash and cash equivalents, net of bank overdraft	**2,140**	**1,948**
Closing cash and cash equivalents, net of bank overdraft	**1,948**	**1,870**

NET DEBT

(In millions of euros)	12/31/2015	12/31/2016
Cash and cash equivalents	1,950	1,879
Bank overdrafts	(2)	(9)
Cash and cash equivalents, net of bank overdraft	**1,948**	**1,870**
Cash management assets	**116**	**157**
Long-term borrowings	(3,161)	(3,287)
Short-term borrowings and bank overdrafts	(652)	(125)
(-) Bank overdrafts	2	9
Borrowings, excluding bank overdrafts	**(3,811)**	**(3,403)**
Derivative instruments	**(20)**	**(37)**
NET CASH AND CASH EQUIVALENTS / (NET DEBT)	**(1,767)**	**(1,413)**