



# THE LETTER

## 46<sup>th</sup> GENERAL MEETING OF SHAREHOLDERS TO THE SHAREHOLDERS

Dear Shareholders, Ladies and Gentlemen,

The goal I established in 2010, namely to enter the inner circle of players in the IT industry, has now been met. To achieve this goal, we boosted our sales system and launched new global offers in the many key areas that concern our clients: changeover to and orchestration of cloud computing, digitalization of the customer experience and processing of

business data flows. I also wanted to sharpen our partnership strategy by focusing more on the most innovative technology players in high-growth fields (cloud computing, big data, mobility and social networks). We have strengthened the expertise specific to our clients' sectors of activity. We have also reinforced our global reach with

50,000 team members in India, a leading position in the Brazilian financial services market and the role of key player in the US market.

What better proof of these dynamics than our robust 2013 results, demonstrating the Group's resilience in a mixed economic climate from one continent to the other: €10.1 billion revenues, 8.5% operating margin and €442 million profit for the year, up by 25% compared with 2012. For further details, I recommend the 2013 Annual Report, available on our website, where you will find Group highlights, interviews with our large clients Daimler and State of Texas and meetings with external leading figures from different disciplines.

Of course Capgemini does not intend to rest on its laurels but to "convert the try." I have therefore established some ambitious objectives for 2014: 2% to 4% organic growth of Group revenues, 8.8% to 9% operating margin and more than €500 million "organic free cash flow." Although demand is gradually rising, there is no shortage of challenges! However, I am convinced that Capgemini is now well equipped to meet these challenges with considerable investment in its portfolio of offers, competitiveness increased tenfold and the capability of innovating usefully that is firmly rooted throughout the company. Naturally, you can count on my full personal commitment and that of our 131,000 employees.

The support of our shareholders is also essential for the future of Capgemini: 150 of you (together holding 9.5% of the share capital) attended our 46<sup>th</sup> General Shareholders' Meeting in Paris on May 7, 2014. The quorum was reached with 60.78%, a slightly higher figure than an already record-breaking 2013. This meeting was held for the very first time in the absence of Serge Kampf, founder of the Group, although he was strongly involved in its preparation and the production of the Annual Report. Following a hip operation, Serge had to be hospitalized in April and is now convalescing, so I wish him a speedy recovery. His directorship was renewed with 96.57% of the votes cast.

All the directors who were running for a new term were re-elected, which is my case and I would like to thank you for this. Moreover, three new directors were appointed: Anne Bouverot, Caroline Watteuw-Carlisle and Xavier Musca. Their recruitment was subject to prior in-depth examination by the Ethics and Governance Committee. The Board of Directors of the Group is now more balanced in terms of gender (one third is composed of women), more independent (seven members out of twelve) and strengthened by new personalities with complementary backgrounds. Today it includes a Lead Independent Director, Daniel Bernard. I would like to express my gratitude to Terry Ozan and Ruud van Ommeren; both of these directors decided not to request renewal of their terms of office but have made outstanding contributions to the work of the Board for many years.

In addition, Kevin Masters, as Secretary of the International Works Council, was invited to attend the meetings of the Board of Directors in a non-voting capacity. He will represent all the employees, now leading Group shareholder with a 6.6% stake in the Group. Two reports have been submitted to this Meeting: one on Group governance and developments, the other on say on pay (a resolution firmly adopted with 96.83% of the votes cast).

Lastly, Serge Kampf and I would like to thank all the shareholders present at the Meeting and, through them, all the Capgemini shareholders for their trust.

Paul HERMELIN

Chairman and Chief Executive Officer of Capgemini





# STRATEGIC INSIGHTS

*“Capgemini is now acknowledged as a true Champions League player.”*

*Paul Hermelin*

## A market governed by competitiveness and innovation.

In 2013, Capgemini strengthened its position within the IT sector. The innovation and competitive edge demonstrated by the Group enabled it to become an established strategic partner to major global companies.

Reducing IT costs is a core item on the agenda of all companies. This is why Capgemini concentrated much of its attention in 2013 on competitiveness, based on two principal themes.

First, the aim was to improve the productivity of its solutions by pooling costs, leveraging new technologies and proposing new methods of work. The group transformed its application management offering, for example.

Next generation Application Management cut costs by some 30%. Through this offer, major deals were won such as that with the Norwegian group Statoil.

The development of offshore activities was the second direction. The Rightshore® model, which combines onshore, nearshore and offshore resources to produce the most cost-effective and appropriate service, is at the heart of this procedure.

Today, the Group has offshore teams in many countries such as India, Morocco, Poland and Guatemala to serve clients all over the world.

In 2013, the workforce in India rose from 41,000 to 47,000, some 18,000 Indian employees now working for European customers.

As for innovation, Capgemini has invested considerably in its portfolio of offers and joined forces with the most innovative technology partners in the market while strengthening its ties with its legacy partners.

In 2013, the Group became a major player in what the market calls SMAC: S for Social, M for Mobility, A for Analytics and C for Cloud. A number of initiatives were taken in these fields:

- **Big Data:** more than 9,000 employees are now dedicated to these technological changes that are profoundly affecting clients' activities.

- **Mobility:** mobility has led to an upsurge of new offers, with an obvious impact on traditional services requiring us to rethink the legacy system architecture, for example.

In February 2014, the Group launched a new offer: the Digital Customer Experience whereby companies can define their digital strategies and transform methods of interacting with their own clients.

- **Cloud:** a tsunami has followed in the wake of cloud computing and soon half of the new servers will be rolled out in a cloud context.

This is a vast source of growth for services with strong added value.

Capgemini has a key role to play in helping large corporations find answers to the many questions they ask and in becoming a **cloud** orchestrator.

Due to these measures, the role of the Human Resources Department was strengthened.

Capgemini has become the global and multicultural group envisaged by Serge Kampf way back at the beginning.

A program to identify new talents was therefore implemented to foster in-house promotion.

In conclusion, we must accelerate to consolidate Capgemini's new position.

*“In 2014: consolidate and accelerate.”*

In 2014, Capgemini has begun to battle for growth. We will accelerate the change in our portfolio of offers to respond to client demands for innovation, gain competitive edge by industrializing our production models and invest in client intimacy. However, achieving a 10% margin and generating more free cash flow remain our obsession.

# EXCERPTS FROM THE GENERAL SHAREHOLDERS' MEETING

The 46<sup>th</sup> General Meeting of the Shareholders of Cap Gemini SA was held on May 7, 2014 at the Pavillon d'Armenonville in Paris. All the resolutions were adopted, notably for say on pay with 96.83% of the votes cast. The shareholders also appointed new directors:



Xavier Musca, Deputy Chief Executive Officer of Crédit Agricole SA and a Director of Banco Espirito Santo, with 97.31% of the total votes.



Anne Bouverot, Chief Executive Officer and member of the Board of Directors of GSM Association, by 98.87% of the total votes.



Caroline Watteeuw-Carlisle, retired, previously Global Chief Technology Officer and Senior Vice President of Business Information Solutions, PEPSICO, with 99.37% of the total votes.



**Olivier Sévillia**  
CEO of Application Services Continental Europe & Group Management Board member



**Daniel Bernard**  
Director

## Report on the Capgemini group governance

*"Governance of the Capgemini group is well balanced..."*

Although the chairmanship of the Group is now consolidated again, with Paul Hermelin serving as Chairman and Chief Executive Officer, the Board of Directors is increasingly independent (seven members out of twelve) and will include a Lead Independent Director.

This Board is now:

- close-knit: with 12 members – instead of 16 in 2012
- to ensure in-depth work;
- younger: with an average duration of 7.2 years in office (fewer than two terms);
- more feminine: a third of Board members are women;
- internationalized: due to the Group's presence in the principal regions of the world.

The composition of the Board is also consistent and complementary, assembling all the talents required. This involves high-tech, international and management expertise.

## Big Data

*"Big Data is a real revolution and the Cap Gemini share is a great channel for betting on this revolution."*

One billion smartphones and tablets were sold in 2013 alone so information is bound to grow exponentially in the next five years.

Faced with the sheer volume of information ahead, the two categories of technology enabling large volumes of information to be processed swiftly have reached maturity.

This will not only overturn the company's value chain but these particular technologies will lead to the emergence of new players.

Capgemini, partnering with the top technology providers, masters these technologies.

The Group has successfully developed the appropriate skills to improve the processes and transform the business models of its clients.

Big Data is, in fact, a source of business for all Group lines: Consulting, Business Process Outsourcing, Technology and Outsourcing in addition to Sogeti for security.

Analytics and Big Data activities have posted 25% growth per year on average since 2009, so Big Data is a major field of development for the Group.



# OUR PERFORMANCE



Revenues increased by 0.9% in 2013 on a like-for-like basis (i.e. at constant Group structure and exchange rates) versus 2012, reaching €10,092 million.

An 8.5% operating margin was achieved, up by 0.4 points compared with the margin recorded in 2012.

Profit for the year was €442 million, up by 25% versus 2012. Lastly, the Group generated €455 million organic free cash flow for the financial year before the exceptional contribution of €235 million to a United Kingdom pension fund.

Accumulated organic free cash flow for 2012 and 2013 totaled €951 million, distinctly higher than the initial objective of €750 to €800 million.

## An analysis of results by geography reveals the following:

- North America posts 2.5% revenue growth and 7.9% in the fourth quarter, driven by Financial Services and Sogeti;
- The apparent stability of the United Kingdom conceals a strong increase in private sector business (39% of revenues versus 32% in 2011), compensating for the scheduled withdrawal from the public sector primarily due to compression of a major contract with the British authorities;

- France remains the Group's leading region in terms of revenues with 0.4% growth for the year, and a 2.8% increase in the last quarter of 2013;

- Benelux delivers performance that is fully in line with forecasts (down by 3.3%);

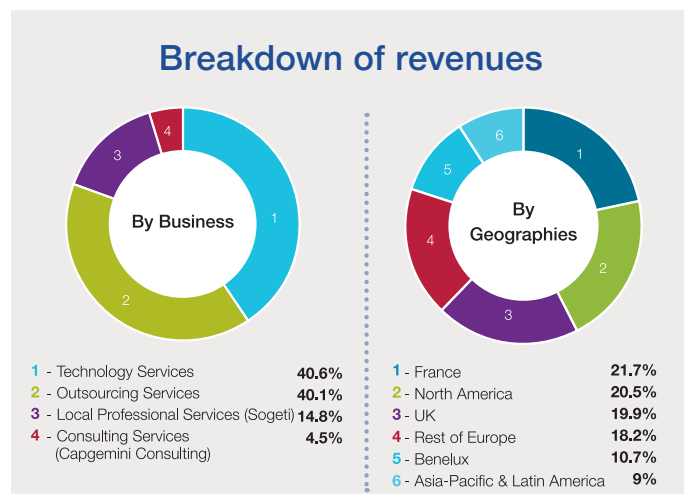
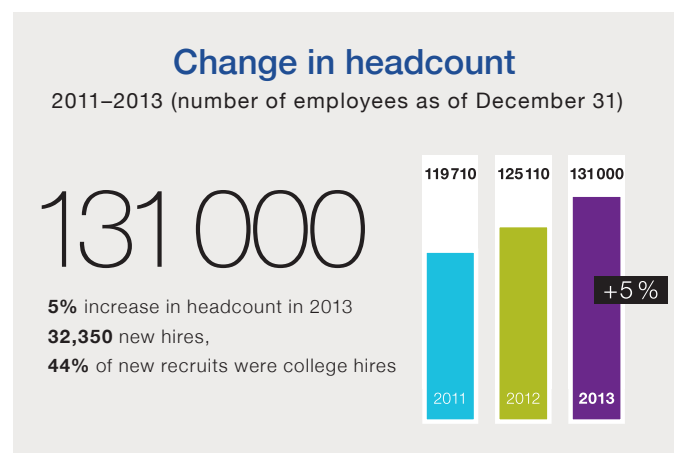
- The rest of Europe declines by 1.4%, a drop mainly attributable to the tough market conditions in Spain;

- Asia Pacific and Latin America post 12% growth thanks to the good sales momentum of Brazil and Financial Services in Asia.

## Growth by business in 2013 was as follows:

Some 1.6% for Technology Services, which continued to rise despite a lackluster economy, and 2% for Outsourcing due to improved competitiveness. However, Consulting declined by 7.5% and Local Professional Services (Sogeti) by 1.3%, these two activities being of a cyclical nature. Operating margins stand at 7.8% for Consulting, 10.6% for Sogeti, 8.7% for Technology and 9.2% for Outsourcing Services.

## In terms of headcount, Capgemini topped 131,000 team members in 2013.



Group profit for the year stands at €442 million, increasing by 25% compared with 2012 due to a strong reduction in restructuring costs, which fell from €168 million in 2012 to €68 million in 2013.

Against a backdrop of gradually improving demand, the Group expects organic revenue growth of 2% to 4% in 2014 and an operating margin of 8.8% to 9.0%. Organic free cash flow is anticipated to exceed €500 million.

**Free cash flow**  
in millions of euros

**455**



# 2013 HIGHLIGHTS



## DIGITAL

### Digital Customer Experience (DCX)

In February 2014, Capgemini launched a new offer that enables companies to deliver a truly digital customer experience at a moment in time when consumers expect a seamless multichannel experience and near real-time responses.

Digital Customer Experience (DCX) brings together Capgemini Consulting's capabilities in digital transformation with the Group's know-how in application services. To build this solution, Capgemini has leveraged its experience on major projects, such as the digital transformation program it successfully delivered for Hydro-Quebec, a leading Canadian utility.

## Outsourcing

### Sogeti signs a major contract with Total

Sogeti France, a wholly-owned subsidiary of Capgemini, signed a major five-year contract with Total, France's leading oil & gas company. It will manage the IT production center of Total Exploration & Production in France and around the world. Sogeti will provide a high level of IT system performance, systems industrialization tools, management capacity, and ensure Total's evolution to cloud computing.



## CLOUD

### Next-generation Cloud Orchestration Service

**Capgemini is positioning itself as a cloud services orchestrator.** The Group enables companies of all sizes to unlock the advantages of cloud computing at their own speed using private, public or hybrid environments.

One example is the partnership between Microsoft, Capgemini and its subsidiary Sogeti that has created SkySight, the first platform ever built for managing, acquiring, and developing cloud-based services. It gives customers access to a vast portfolio of ready-to-use cloud orchestration services. Tangible benefits include speed to market, integration of existing services, data sovereignty assurance, business productivity and cost efficiency thanks to a pay-as-you-go payment structure.

## Brazil

### Expansion in Latin America

Capgemini is helping its customers expand in Latin America by accelerating its development in the region. Thanks to the acquisition of CPM Braxis three years ago, the Group has become a leader in the Brazilian financial services market. It has built strong ties with major customers such as Caixa and Bradesco, two of the country's largest banks. In 2013, the partnership with Caixa continued to grow and the headcount dedicated to this client grew six-fold. Thanks to this positive dynamic, Capgemini has chosen Brazil as the hub for future expansion into other countries in the region, including Mexico, Argentina, Colombia, Peru and Chile.

# SHAREHOLDER INFORMATION

## Capgemini stays close to its shareholders

On the strength of a communication strategy to meet its individual shareholders regularly, Capgemini attended shareholder meetings in the French provinces: after Strasbourg, Rennes and Aix-en-Provence in 2013, Capgemini will be in Nantes in 2014.

For the very first time, Capgemini also hosted a lunch in Dijon with a few individual shareholders, on April 10, 2014. On these occasions, Capgemini presents its businesses, strategy and financial results.

## Dividend proposed for financial year 2013

The dividend proposed for financial year 2013, at the General Meeting of Shareholders held on May 7, 2014, is €1.10 per share. This is 10% higher than the 2012 dividend and corresponds to a 40% pay-out rate.

Historically, the Capgemini dividend policy was to distribute 33% of consolidated profit. The pay-out rate since 2009 has far exceeded this percentage.

## Cap Gemini share

Listed on the **Eurolist of Euronext Paris** (Compartment A)

**Eligible for the Deferred Settlement System** (SRD: Service de Règlement Différé) on the Paris stock market

ISIN code: FR0000125338

Indices: **CAC 40, Euronext 100, Dow Jones Stoxx and Dow Jones Euro Stoxx**

## Shareholder's diary

**June 5, 2014:** Shareholders meeting in Nantes

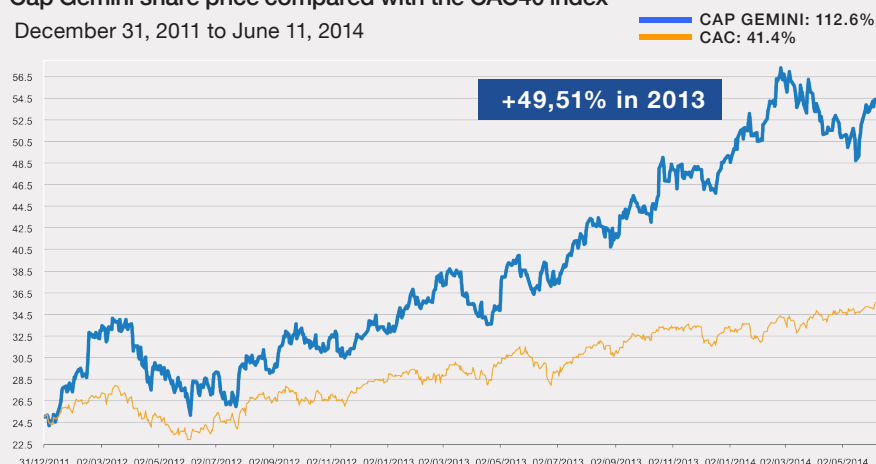
**July 31, 2014:** 2014 Half Year Results

**November 6, 2014:** 2014 Third Quarter Revenues

**February 19, 2015:** 2014 Full Year Results

## Changes in Cap Gemini share price

Cap Gemini share price compared with the CAC40 index  
December 31, 2011 to June 11, 2014



## Key figures

Dividend proposed  
for financial year 2013

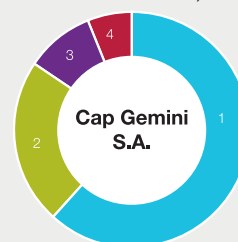
€ 1.10 per share

+10% compared with the 2012 dividend

Pay-out rate

40%

Breakdown of share capital  
at December 30, 2013



1 - Non-French institutional investors	61.8%
2 - French institutional investors	22.8%
3 - Group directors and employees	9.4%
4 - Individual shareholders	6.0%

Number of shares  
in circulation on May 19, 2014

159,063,915

## SHAREHOLDER Contact

### Shareholder Relations

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