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Capgemini performs better than expected in 2013

- **Revenues of €10.1 billion, organic growth of 0.9%**
- **Operating margin rate of 8.5%, up 0.4 points**
- **Profit for the year attributable to shareholders of €442 million, up 25%**
- **Cumulative organic free cash flow for the period 2012-2013 of €951 million**

***Paris, February 20, 2014* –** The Board of Directors of Cap Gemini chaired by Paul Hermelin, convened in Paris on February 19, 2014 to review and authorize the issue of the accounts[1] of Capgemini Group for the year ended December 31, 2013. The key figures are as follows:

(in millions of euros)	FY 2012 IAS 19R*	H2 2013	**FY 2013**
Revenues	10,264	5,059	**10,092**
Operating margin[2]	829	490	**857**
as a % of revenues	*8.1%*	*9.7%*	***8.5%***
Operating profit	606	418	**720**
as a % of revenues	*5.9%*	*8.3%*	***7.1%***
Profit of the year attributable to shareholders	353	266	**442**
as a % of revenues	*3.4%*	*5.3%*	***4.4%***
Net cash and cash equivalents	872		**678**
Organic Free Cash Flow[3]	496**		**455*** **

* *2012 figures have been adjusted for the application of IAS 19 revised.*
** *Includes €100 million of anticipated payments from clients.*
*** *Before an exceptional contribution of €235 million to a pension fund in the UK.*

After an activity slowdown towards the end of 2012, in 2013 the Group enjoyed, as expected, an improvement in organic growth each quarter to reach +3.9% in Q4. Overall, the Group reports 2013 revenues of €10,092 million, up 0.9% on a like-for-like basis (i.e. at constant Group structure and exchange rates).

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

[2] 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 amortization of intangible assets recognized in business combinations, the charges associated with shares or options allocated to employees, as well as other non-recurring income and expenses such as goodwill impairment, capital gains or losses on disposals, restructuring costs, the cost of acquiring and integrating acquired companies, as well as the impacts of the curtailment and/or settlement of defined benefit pension plans.

[3] 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 flows relating to the net interest cost and taxes.

Revenues fell 1.7% compared to 2012 published figures (i.e. at current Group structure and exchange rates), due to unfavorable movements in certain currencies, in particular the US dollar, the British pound and the Brazilian real.

Bookings during the year totaled €9,651 million, slightly down compared to 2012. The book-to-bill ratio stands at 1.05 for the year and 1.13 for the fourth quarter for Technology Services, Local Professional Services (Sogeti) and Consulting Services together, confirming the dynamism of these businesses at the end of the year.

Despite a sluggish economic environment and unfavorable currency movements, Capgemini confirms its ability to improve its profitability. The **operating margin** amounted to €857 million, 8.5% of 2013 consolidated revenues, representing an increase of 0.4 points compared to 2012, slightly exceeding the guidance set at the beginning of 2013. The majority of Group regions improved their profitability compared to 2012.

Confirming its ability to reduce restructuring charges (€68 million in 2013 against €168 million in 2012), the Group reports in 2013 an **operating profit** of €720 million up 19% over 2012, bringing the operating profit rate to 7.1% compared to 5.9% in 2012.

Profit for the year attributable to shareholders reached €442 million after an income tax charge of €182 million (compared to €135 million in 2012) and a net financial expense of €102 million (against €127 million in 2012).

Net cash and cash equivalents total €678 million on December 31, 2013. **Organic free cash flow** amounts to €455 million for 2013 before an exceptional contribution of €235 million to a pension fund in the UK. As a reminder, 2012 organic free cash flow included anticipated payments from some clients of around €100 million. Cumulative organic free cash flow for the period 2012-2013 amounts to €951 million well above the initial guidance of €750-800 million.

The Board of Directors has decided to recommend the payment of a **dividend** of €1.10 per share[4] at the next Ordinary Shareholders' Meeting, compared to €1 in 2013. This represents a distribution of 40% of the profit for the year attributable to shareholders.

Outlook for 2014

In a context of gradually improving demand, the Group forecasts for 2014 an organic revenue growth of 2% to 4% and an operating margin rate between 8.8% and 9.0%. Organic free cash flow is expected to exceed €500 million.

For Paul Hermelin, Chairman and Chief Executive Officer of the Capgemini Group: "*In 2013, Capgemini confirmed its ability to improve profitability in a sluggish economic environment and gain market share. The Group also further strengthened its status as a global leader: Capgemini is positioned on growing market segments such as cloud computing and digital, with the recently launched global service line "Digital Customer Experience"; its offshore platforms allow it to combine quality and competitiveness; finally, the Group now generates 30% of its revenues outside Europe and saw its activities accelerate in Latin America."*

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[4] Subject to the approval of shareholders at the Ordinary Shareholders' Meeting to be held on Wednesday May 7, 2014, and in compliance with NYSE Euronext regulations, the ex-dividend date will be May 16 and the dividend will be paid from May 21.

Appendix to the press release issued February 20, 2014

Operations by major region (at constant Group structure and exchange rates):

- **France** – which remains the largest region in the Group – recorded an increase in revenues of 0.4% year-on-year, a net improvement compared to the decline in 2012. Growth reached 3.1% in the second half, confirming the Group's ability to gain market share. The operating margin in the region is 9.3%, up 0.5 points compared to 2012.

- **North America** – the Group's second region – grew by 2.5% in 2013, driven by Technology Services in the financial services sector and by the infrastructure services business. Revenue surged in the 4^{th} quarter with a growth of 7.9%. North America remains the most profitable region in the Group with an operating margin rate of 12.3% (up 0.5 points compared to 2012).

- The **United Kingdom & Ireland** region contracted 0.3% in 2013, but expanded 1.8% in the second half. Excluding the scheduled decrease in revenues on a major Group contract, all businesses are growing. The profitability of the region reached 8.7 %, up 0.1 percentage points compared to 2012.

- **Benelux** still shows a 3.3% decline for the full year, but returned as expected to growth in the fourth quarter (+1.2%); the measures taken in the second half of 2012 led to a gradual improvement in activity throughout 2013. Its operating margin was 9.8 % of revenues, a 1.9 points improvement compared to 2012.

- The "**Rest of Europe**" region contracted 1.4% as a whole but this is the result of contrasting situations: activity was stable in Central Europe and the Nordic countries; it progressed in Italy and Portugal but significantly declined in Spain. The operating margin of the region reached 7.7% (up 0.5 points compared to 2012).

- The **Asia-Pacific and Latin America** region continued to enjoy a strong growth (+12.0%), marked by a sustained activity in Brazil, the dynamism of the local Indian market and the development of financial services in Asia-Pacific. The operating margin of the region is 4.9%.

Operations by business (at constant Group structure and exchange rates):

- **Technology services** (40.6% of Group revenues) reports growth of 1.6%, driven by the good performance of the financial services sector. The operating margin rate reaches 8.7%, up 0.5 points compared to 2012.

- **Outsourcing Services** (40.1% of Group revenues) reports revenue growth of 2.0% and an operating margin rate of 9.2%, up significantly year-on-year (8.0% in 2012).

- **Sogeti** (14.8% of Group revenues) reports a slight decline in revenues (-1.3%) in 2013, but with a growth of 1.3% in the second half. Its operating margin rate is 10.6%, virtually unchanged from 2012.

- **Consulting Services** (4.5% of Group revenues) suffered a 7.5% drop in activity, reflecting the difficulties encountered by this business globally and particularly in Continental Europe. Profitability is reduced: 7.8% compared with 11.2% in 2012.

Headcount:

On December 31, 2013, the total headcount of the Group was 131,000 employees compared with 125,000 employees at the end of the prior year. Offshore employees totaled 58,000 (including 47,000 in India), representing 44% of the total Group headcount compared with 40% last year. The Group recruited over 32,000 new employees in 2013, 45% of whom were young graduates.