6.

CONSOLIDATED FINANCIAL STATEMENTS

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6.1 Statutory auditor's report

on the consolidated financial statements
Year ended december 31, 2011

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, 2011, 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.

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 as at December 31, 2011, and of the results of its operations for the year then ended in accordance with IFRS as adopted by the European Union.

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 abovementioned 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 €3,768 million is carried 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 €1,020 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.

SPECIFIC VERIFICATION

In accordance with professional standards applicable in France, we have also verified the specific information required by law and given 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, April 10, 2012		Paris La Défense, April 10, 2012	
PricewaterhouseCoopers Audit		KPMG Audit Division of KPMG S.A.	
Serge Villepelet *Partner*	Edouard Sattler *Partner*	Jean-Luc Decornoy *Partner*	Jacques Pierre *Partner*

6.2 Consolidated income statement

in millions of euros	Note	2009		2010		2011	
		Amount	%	Amount	%	Amount	%
Revenues	*3*	**8,371**	**100**	**8,697**	**100**	**9,693**	**100**
Cost of services rendered	*4*	(6,366)	(76.1)	(6,631)	(76.2)	(7,425)	(76.6)
Selling expenses	*4*	(629)	(7.5)	(680)	(7.8)	(746)	(7.7)
General and administrative expenses	*4*	(781)	(9.3)	(799)	(9.2)	(809)	(8.3)
Operating margin		**595**	**7.1**	**587**	**6.8**	**713**	**7.4**
Other operating income	*5*	7	0.1	6	0.1	-	-
Other operating expenses	*5*	(269)	(3.2)	(104)	(1.3)	(118)	(1.3)
Operating profit		**333**	**4.0**	**489**	**5.6**	**595**	**6.1**
Income from cash equivalents and cash management assets	*6*	22	0.3	20	0.3	23	0.2
Gross finance costs	*6*	(65)	(0.8)	(74)	(0.9)	(88)	(0.9)
Net finance costs	*6*	(43)	(0.5)	(54)	(0.6)	(65)	(0.7)
Other financial income	*6*	75	0.9	22	0.2	64	0.7
Other financial expense	*6*	(125)	(1.6)	(55)	(0.6)	(104)	(1.1)
Net financial expense		**(93)**	**(1.2)**	**(87)**	**(1.0)**	**(105)**	**(1.1)**
Income tax expense	*7*	**(61)**	**(0.7)**	**(124)**	**(1.4)**	**(101)**	**(1.0)**
Share of profit of associates		**(1)**	-	-	-	-	-
PROFIT FOR THE YEAR		**178**	**2.1**	**278**	**3.2**	**389**	**4.0**
Attributable to: Owners of the Company		*178*	*2.1*	*280*	3.2	404	4.2
Non-controlling interests		-	-	*(2)*	-	(15)	(0.2)

EARNINGS PER SHARE (in euros)	Note	2009	2010	2011
Basic earnings per share	*8*	1.23	1.83	2.63
Diluted earnings per share	*8*	1.22	1.74	2.49

6.3 Statement of income and expense recognized in equity

in millions of euros		Note	2009	2010	2011
Exchange differences		*9*	42	158	9
Remeasurement of hedging derivatives, net of deferred tax		*19*	27	9	(41)
Actuarial gains and losses on defined benefit pension plans, net of deferred tax		*20*	(120)	(101)	(224)
Other income			-	1	-
TOTAL INCOME AND EXPENSE RECOGNIZED IN EQUITY			**(51)**	**67**	**(256)**
Profit for the year (reminder)			**178**	**278**	**389**
If this income and expense recognized in equity had been recognized in profit or loss, profit for the year would have been as follows			127	345	133
Attributable to:	*Owners of the Company*		-	*347*	*149*
	Non-controlling interests		-	*(2)*	*(16)*

6.4 Consolidated statement of financial position

in millions of euros	Note	December 31, 2009	December 31, 2010	December 31, 2011
Goodwill	*10*	2,750	3,201	3,768
Intangible assets	*10*	116	169	154
Property, plant and equipment	*11*	421	499	547
Deferred taxes	*13*	887	891	1,020
Other non-current assets	*14*	112	115	119
Total non-current assets		**4,286**	**4,875**	**5,608**
Accounts and notes receivable	*15*	2,067	2,371	2,685
Current tax assets		54	40	55
Other current receivables	*16*	203	306	370
Cash management assets	*17*	-	71	73
Cash and cash equivalents	*17*	2,603	2,305	2,223
Total current assets		**4,927**	**5,093**	**5,406**
TOTAL ASSETS		**9,213**	**9,968**	**11,014**

in millions of euros	Note	December 31, 2009	December 31, 2010	December 31, 2011
Share capital		1,233	1,246	1,246
Additional paid-in capital		2,842	2,875	2,875
Retained earnings and other reserves		(40)	(87)	(269)
Profit for the year		178	280	404
Equity (attributable to owners of the Company)	*9*	**4,213**	**4,314**	**4,256**
Non-controlling interests		-	(7)	27
Total equity		**4,213**	**4,307**	**4,283**
Long-term borrowings	*17*	1,057	1,102	1,135
Deferred taxes	*13*	153	178	183
Provisions for pensions and other post-employment benefits	*20*	680	804	1,099
Non-current provisions	*21*	21	13	15
Other non-current liabilities	*22*	95	279	322
Total non-current liabilities		**2,006**	**2,376**	**2,754**
Short-term borrowings and bank overdrafts	*17*	278	210	702
Accounts and notes payable	*23*	2,026	2,305	2,340
Advances from customers and billed in advance	*15*	567	576	661
Current provisions	*21*	28	53	48
Current tax liabilities		52	61	89
Other current payables	*24*	43	80	137
Total current liabilities		**2,994**	**3,285**	**3,977**
TOTAL EQUITY AND LIABILITIES		**9,213**	**9,968**	**11,014**

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6.5 Consolidated statement of cash flows

in millions of euros	Note	2009	2010	2011
Profit for the year attributable to owners of the Company		**178**	**280**	**404**
Non-controlling interests		-	(2)	(15)
Impairment of goodwill	*12*	12	-	-
Depreciation, amortization and impairment of fixed assets	*10 -11*	164	176	188
Net charges to provisions		(54)	(2)	(33)
Losses on disposals of assets		4	5	13
Expenses relating to share subscriptions, share grants and stock options	*5*	19	16	17
Net finance costs	*6*	43	54	65
Income tax expense	*7*	61	124	101
Unrealized gains and losses on changes in fair value and other		18	(23)	3
Cash flows from operations before net finance costs and income tax		**445**	**628**	**743**
Income tax paid (B)		**(56)**	**(52)**	**(104)**
Change in accounts and notes receivable and advances from customers and amounts billed in advance		309	(85)	(140)
Change in capitalized costs on projects		(15)	(16)	5
Change in accounts and notes payable		(73)	3	(81)
Change in other receivables/payables		(115)	25	(74)
Change in operating working capital (C)		**106**	**(73)**	**(290)**
NET CASH FROM (USED IN) OPERATING ACTIVITIES (D=A+B+C)		**495**	**503**	**349**
Acquisitions of property, plant and equipment and intangible assets	*10 -11*	(119)	(144)	(158)
Proceeds from disposals of property, plant and equipment and intangible assets		24	11	3
		(95)	**(133)**	**(155)**
Cash outflows on business combinations net of cash and cash equivalents acquired	*2*	(11)	(218)	(554)
Net proceeds on disposals of companies and operations		3	1	-
Net proceeds/payments relating to deposits and long-term investments		(5)	(13)	11
Cash outflows on cash management assets		-	(71)	(2)
Dividends received from associates		-	1	1
		(13)	**(300)**	**(544)**
NET CASH FROM (USED IN) INVESTING ACTIVITIES (E)		**(108)**	**(433)**	**(699)**
Proceeds from issues of share capital		225	46	-
Proceeds from issues of share capital subscribed by non-controlling interests		-	-	34
Dividends paid		(143)	(122)	(154)
Net proceeds/payments relating to treasury share transactions		8	(1)	(7)
Proceeds from borrowings	*17*	569	10	817
Repayments of borrowings	*17*	(310)	(367)	(381)
Interest paid	*6*	(26)	(32)	(53)
Interest received	*6*	22	21	23
NET CASH FROM (USED IN) FINANCING ACTIVITIES (F)		**345**	**(445)**	**279**
NET INCOME (DECREASE) IN CASH AND CASH EQUIVALENTS (G=D+E+F)		**732**	**(375)**	**(71)**
Effect of exchange rate movements on cash and cash equivalents (h)		60	85	(12)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (I)	*17*	**1,805**	**2,597**	**2,307**
CASH AND CASH EQUIVALENTS AT END OF YEAR (G+H+I)	*17*	**2,597**	**2,307**	**2,224**

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

6.6 Consolidated statement of changes in equity

							Total income and expense recognized in equity				
in millions of euros	Note	Number of shares	Share capital	Additional paid-in capital	Treasury shares	Consolidated retained earnings and other reserves	Translation adjustments	Other	Equity (attributable to owners of the Company)	Non-controlling interests [1]	Total equity
At January 1, 2009		**145,844,938**	**1,167**	**2,689**	**(84)**	**628**	**(277)**	**(184)**	**3,939**	**-**	**3,939**
Dividends paid out for 2008		-	-	-	-	(143)	-	-	(143)	-	(143)
OCEANE bonds	*17*	-	-	-	-	39	-	-	39	-	39
Incentive instruments and employee share ownership	*9*	8,332,458	66	153	-	25	-	-	244	-	244
Treasury shares	*9*	-	-	-	5	2	-	-	7	-	7
Transactions with shareholders		**8,332,458**	**66**	**153**	**5**	**(77)**	**-**	**-**	**147**	**-**	**147**
Income and expense recognized in equity		**-**	**-**	**-**	**-**	**-**	**42**	**(93)**	**(51)**	**-**	**(51)**
Profit for the year		**-**	**-**	**-**	**-**	**178**	**-**	**-**	**178**	**-**	**178**
At December 31, 2009		**154,177,396**	**1,233**	**2,842**	**(79)**	**729**	**(235)**	**(277)**	**4,213**	**-**	**4,213**
Dividends paid out for 2009		-	-	-	-	(122)	-	-	(122)	-	(122)
Incentive instruments and employee share ownership	*9*	1,592,966	13	33	-	15	-	-	61	-	61
Put option granted to CPM Braxis minority shareholders (43.94%)	*2*	-	-	-	-	(185)	-	-	(185)	(5)	(190)
Treasury shares	*9*	-	-	-	(2)	2	-	-	-	-	-
Transactions with shareholders		**-**	**13**	**33**	**(2)**	**(290)**	**-**	**-**	**(246)**	**(5)**	**(251)**
Income and expense recognized in equity		**-**	**-**	**-**	**-**	**-**	**158**	**(91)**	**67**	**-**	**67**
Profit for the year		**-**	**-**	**-**	**-**	**280**	**-**	**-**	**280**	**(2)**	**278**
At December 31, 2010		**155,770,362**	**1,246**	**2,875**	**(81)**	**719**	**(77)**	**(368)**	**4,314**	**(7)**	**4,307**
Dividends paid out for 2010		-	-	-	-	(154)	-	-	(154)	-	(154)
Incentive instruments and employee share ownership	*9*	-	-	-	-	17	-	-	17	-	17
Adjustments to the put option granted to CPM Braxis minority shareholders and changes in percentage interest	*2*	-	-	-	-	(64)	-	-	(64)	50	(14)
Treasury shares	*9*	-	-	-	(3)	(3)	-	-	(6)	-	(6)
Transactions with shareholders		**-**	**-**	**-**	**(3)**	**(204)**	**-**	**-**	**(207)**	**50**	**(157)**
Income and expense recognized in equity		**-**	**-**	**-**	**-**	**-**	**10**	**(265)**	**(255)**	**(1)**	**(256)**
Profit for the year		**-**	**-**	**-**	**-**	**404**	**-**	**-**	**404**	**(15)**	**389**
At December 31, 2011		**155,770,362**	**1,246**	**2,875**	**(84)**	**919**	**(67)**	**(633)**	**4,256**	**27**	**4,283**

(1) In 2009, non-controlling interests were negligible. The main movements in 2010 and 2011 concern non–controlling interests in CPM Braxis, acquired on October 6, 2010. See Note 2 – Changes in Group structure.

6.7 Notes to the consolidated financial statements

for the year ended december 31, 2011

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NOTE 1 – ACCOUNTING POLICIES

The consolidated financial statements for the year ended December 31, 2011 and the notes thereto were approved by the Board of Directors on February 15, 2012. The consolidated financial statements become definitive after their approval by the Combined Shareholders' Meeting, scheduled for May 24, 2012.

Accounting basis

IFRS standards-base

Pursuant to European Commission Regulation No.1606/2002 of July 19, 2002, the 2011 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, 2011 and published in the Official Journal of the European Union.
The Group also takes account of the positions adopted by Syntec Informatique, an organization representing major consulting and computer services companies in France, regarding the application of certain IFRSs.

New standards and interpretations applicable in 2011

New standards, amendments and interpretations of mandatory application (published by the IASB, endorsed by the EU, entered into effect on January 1, 2011)
The accounting policies applied by the Group are unchanged on those applied for the preparation of the 2010 consolidated financial statements, with the exception of new standards, amendments and interpretations which entered into effect on January 1, 2011.
These standards, amendments and interpretations of mandatory effect did not impact the Group financial statements.

New standards, amendments and interpretations not adopted early (published by the IASB, endorsed by the EU, not yet in effect at January 1, 2011)
During fiscal year 2011, no new standard, amendment or interpretation was published by the IASB, endorsed by the European Union and entered into effect at January 1, 2011.

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, 2011)
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, 2011 or in effect at January 1, 2011.

In June 2011, the IASB published amendments to IAS 19, Employee Benefits, which include, in particular, the requirement to measure the expected return on plan assets on a standardized base (through the discount rate used to measure the obligation), which will impact the net financial expense. In addition, the impact of past services costs will be recognized in profit or loss in the year of the plan amendment and/or the arrival of new participants.
The suppression of the "corridor" method by the amendment will not impact the Group financial statements, as net actuarial gains and losses of the period are already recorded in the amount of the provision for pensions through an adjustment to equity.

The early adoption of the other standards, amendments and interpretations would not have had a material impact on the 2011 consolidated financial statements.

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 Cap Gemini S.A. are fully consolidated. Cap Gemini S.A. 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 companies which Cap Gemini S.A. directly or indirectly controls jointly with a limited number of other shareholders are accounted for by the method of proportionate consolidation. This method consists of consolidating the income and expenses and assets and liabilities of jointly-controlled companies on a line-by-line basis, based on the Group's percentage interest in their capital.

Investments in associates over whose management Cap Gemini S.A. 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, 2011 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		
	2009	2010	2011	2009	2010	2011
US dollar	0.71958	0.75513	0.71920	0.69745	0.75301	0.77286
Pound sterling	1.12282	1.16610	1.15272	1.10619	1.16252	1.19717
Canadian dollar	0.63110	0.73312	0.72716	0.66494	0.75330	0.75672
Swedish krona	0.09423	0.10485	0.11079	0.09713	0.11095	0.11221
Australian dollar	0.56623	0.69368	0.74193	0.62360	0.76458	0.78598
Norwegian krona	0.11465	0.12492	0.12832	0.12016	0.12789	0.12897
Indian rupee	0.01487	0.01652	0.01544	0.01491	0.01676	0.01455
Polish zloty	0.23133	0.25039	0.24340	0.24243	0.25221	0.22432
Brazilian real	0.36233	0.42919	0.43031	0.40106	0.45082	0.41392

C) Consolidated income statement

Income and expense 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 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.

Operating profit is obtained by deducting other operating income and 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 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 and cash equivalents;
- 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 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 S.A. shares, (iii) redeemable share subscription or purchase warrants and (iv) performance 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

Since January 1, 2010, 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 represents the excess of the acquisition price over the net fair value of the identifiable assets and liabilities assumed of the acquiree (revalued net assets). 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, in force since January 1, 2010) or on the share in revalued net assets effectively acquired only (partial goodwill method).
When a business combination with residual non-controlling interests provides for the grant of a put option to these non-controlling interests, an operating liability is recognized in this respect in the Consolidated Statement of Financial Position 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, are not remeasured.

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 the year incurred in “Other operating expenses”.

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 developed for internal use which has a positive, lasting and quantifiable effect on future results, are capitalized and amortized over three to five years.

The capitalized costs of software developed for internal use represent costs that relate directly to its 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 (costs of replacing and/or bringing assets into compliance) are 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 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 is tested for impairment at least once a year.
The impairment test consists of assessing the value in use 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 assessment is performed using the discounted cash flows method and the recoverable amount of each cash-generating unit is calculated based on various assumptions used in the budget procedure and three-year plan extrapolated over a period of five years, including growth and profitability rates considered reasonable. Standard discount rates (based on the weighted average cost of capital) and standard long-term growth rates for the period beyond five years are applied to all valuations of cash-generating units. These rates are determined based on analyses of the business segments in which the Group operates. 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 S.A. 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) Deferred taxes

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 reserves in the period, depending on the underlying to which they relate;
- measured taking account of known changes in tax rates (and tax regulations) adopted or practically adopted 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 reserves are recognized in the Income Statement, in income and expense recognized in equity or directly in reserves, 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 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 sufficient taxable profit will be available against which to offset all or part of the deferred tax asset to be utilized. Any such reduction is reversed when it becomes probable that sufficient taxable profit will be available.

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.

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 contracts and interest rate swaps.
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 cash flow hedges are eligible for hedge accounting, changes in the fair value of the hedging instruments are recognized firstly in "Income and expense recognized in equity" and subsequently taken to operating profit 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	Note	Classification	Subsequent measurement	Fair value hierarchy	
Shares in non-consolidated companies	14	Available-for-sale assets (fair value through equity)	Fair value (quoted shares)	1	Stock market price
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	19	Fair value through the Income Statement	Fair value	2	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	Note	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	Fair value through the Income Statement	Fair value	2	Present value of future cash flows (ECB fixing)
Trade payables	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)

M) Net cash and cash equivalents

Cash and cash equivalents 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 (see below), less short- and long-term borrowings. Account is also taken of the impact of hedging instruments when these relate to borrowings.

Net cash and cash equivalents includes cash management assets, the characteristics of which do not strictly satisfy the criteria for cash equivalents as defined in IAS 7. These cash management assets are therefore presented separately from cash equivalents in the Statement of Financial Position.

N) Pensions and other post-employment benefits

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 region.

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;
- 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 generally 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, respectively on an as-incurred basis in the period and over the residual vesting period of the relevant rights.

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) 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.

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 S.A. shares over a period of five years, at a strike price set when the options are granted.

Stock options are measured at fair value, corresponding to the value of the benefit granted to the employee at the grant date. This amount is recognized in "Other operating expenses" in the Income Statement on a straight-line basis over the vesting period, with a corresponding adjustment to equity.

The fair value of stock options is calculated using the "Black & Scholes" model, which incorporates assumptions concerning the option strike price and term, implicit share price volatility and the risk-free interest rate. The expense recognized also takes into account staff attrition rates for eligible employee categories which are reviewed each year.

Performance shares

Performance shares were granted to a certain number of Group employees, subject to performance and continued employment conditions, as set out in Note 9 – Equity. 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. This amount is recognized in "Other operating expenses" in the Income Statement on a straight-line basis over the vesting period, with a corresponding adjustment to equity.

The fair value of performance shares 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 external performance conditions (market conditions).

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).

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 S.A. 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

A leveraged employee share ownership plan offering the possibility to subscribe for shares at a discounted preferential rate was 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 Chief Executive Officer pursuant to the powers delegated by the Board of Directors. This subscription price is equal to the average Cap Gemini S.A. share price, adjusted for volume, during the twenty trading days preceding the decision of the 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 benefit reflecting the possibility granted to employees to benefit from market terms and conditions identical to those of the Group.

In those countries where an Employee Savings Mutual Fund (Fonds Commun de Placement Entreprise) cannot be set up or is not relevant, 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) and
- in the geographic areas where the Group is present.

The business analysis enables the transversal management and monitoring of resources and service production in 2011 in the seven strategic business units and therefore the roll-out of uniform expertise and know-how in all countries and regions.

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 the 8 geographic areas grouping together the countries where it is located.

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.

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 using consolidation procedures, such as the elimination of inter-company balances and transactions. However, an intercompany short- or long-term monetary asset (or liability) cannot be eliminated against the corresponding inter-company liability (or asset) without showing the results of currency fluctuations

in the consolidated financial statements. This is because the monetary item represents a commitment to convert one currency into another and exposes the Group to a gain or loss through currency fluctuations. Accordingly, in the consolidated financial statements, these exchange differences continue to be 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.

NOTE 2 – CHANGES IN GROUP STRUCTURE

Acquisitions during fiscal year 2011

Prosodie

On July 29, 2011, the Group acquired 100% of the share capital of the Prosodie group for a cost of €376 million. A Cloud Computing player, the Prosodie group specializes in the management of telecommunication, internet and payment transaction flows for major clients. It operates in France and Europe. The Prosodie group is fully consolidated.

At December 31, 2011, the provisional allocation of the acquisition price can be summarized as follows:

in millions of euros	Historical cost	Fair value adjustments	Fair value
Goodwill	113	(113)	-
Intangible assets	4	-	4
Property, plant and equipment	13	-	13
Deferred taxes	3	-	3
Cash and cash equivalents	6	-	6
Other assets and liabilities	(17)	1	(16)
Net assets at the acquisition date	**122**	**(112)**	**10**
Goodwill			**366**
Acquisition price			**376**
Acquisition-related costs			3.2
Employees at the acquisition date			895

CS Consulting

On February 4, 2011, the Group finalized the acquisition of 100% of the share capital of CS Consulting for a cost of €49 million. Based in Germany, the company specializes in the migration of core banking systems as well as the implementation of business intelligence solutions. CS Consulting is fully consolidated.

At December 31, 2011, the provisional allocation of the acquisition price can be summarized as follows:

in millions of euros	Historical cost	Fair value adjustments	Fair value
Goodwill	23	(23)	-
Intangible assets	-	4	4
Property, plant and equipment	-	-	-
Deferred taxes	-	(1)	(1)
Cash and cash equivalents	5	-	5
Long-term and short-term borrowings	(7)	-	(7)
Other assets and liabilities	9	(2)	7
Net assets at the acquisition date	**30**	**(22)**	**8**
Goodwill			**41**
Acquisition price			**49**
Acquisition-related costs			0.6
Employees at the acquisition date			242

Artésys

On March 30, 2011, the Group acquired 100% of the share capital of Artésys S.A. for a cost of €31 million. A Paris-based IT service provider, Artésys is a French leader in the design of infrastructure solutions. The company is fully consolidated.

At December 31, 2011, the provisional allocation of the acquisition price can be summarized as follows:

in millions of euros	Historical cost	Fair value adjustments	Fair value
Goodwill	4	(4)	-
Intangible assets and Property, plant and equipment	-	-	-
Net cash and cash equivalents	4	-	4
Other assets and liabilities	(4)	-	(4)
Net assets at the acquisition date	**4**	**(4)**	**-**
Goodwill			**31**
Acquisition price			**31**
Acquisition-related costs			0.4
Employees at the acquisition date			131

AIVE Group

The Group acquired 100% of the share capital of AIVE (in Italy) on August 31, 2011 for a total consideration of €40 million. The company is fully consolidated from September 1, 2011.

At December 31, 2011, the provisional allocation of the acquisition price can be summarized as follows:

in millions of euros	Historical cost	Fair value adjustments	Fair value
Goodwill	2	(2)	-
Intangible assets	1	(1)	-
Property, plant and equipment	1	-	1
Deferred taxes	1	-	1
Cash and cash equivalents	-	-	-
Long-term and short-term borrowings	(6)	-	(6)
Other assets and liabilities	7	-	7
Net assets at the acquisition date	**6**	**(3)**	**3**
Goodwill			**37**
Acquisition price (paid in full in cash and cash equivalents)			**40**
Acquisition-related costs			0.9
Employees at the acquisition date			623

Other acquisitions during fiscal year 2011

The Group acquired Avantias, Backelite and Level IP in France, BI Consulting Group in the United States, Praxis in China and the activities of Vengroff Williams Associates Inc. (primarily located in the United States), representing a total headcount of 729 employees. The total cost of these acquisitions was €78 million. Acquisition-related costs in respect of these transactions totaled €2 million. These entities are fully consolidated and generated provisional goodwill of €72 million.

Contribution of acquisitions during fiscal year 2011

The companies acquired in 2011 contributed €162 million to Group revenues, including €83 million for Prosodie (estimated at €309 million if the companies had been acquired on January 1, 2011, including €161 million for Prosodie).
Their contribution to Group operating margin in 2011 was €19 million, including €12 million for Prosodie (estimated at €28 million if the companies had been acquired on January 1, 2011, including €18 million for Prosodie).
Their contribution to Group net profit in 2011 was €9 million, including €5 million for Prosodie (estimated at €8 million if the companies had been acquired on January 1, 2011, including €4 million for Prosodie).

Overview of major acquisitions in previous fiscal years

CPM Braxis

On October 6, 2010, the Group acquired 56.06% of the share capital of the number one IT service provider in Brazil, CPM Braxis S.A. which is fully consolidated since this date. The future acquisition of the residual 43.94% of share capital is covered by a put option granted to minority shareholders. This put option, which may be exercised between October 2013 and October 2015, was recognized in liabilities through a reduction in reserves (attributable to owners of the Company).
The put option was partially hedged in fiscal year 2011 to limit the Group's exposure to fluctuations in the Brazilian real exchange rate up to its exercise date.
At the end of the acquisition price allocation period, the acquisition price was BRL 489 million (€202 million at December 31, 2011), compared to BRL 519 million (€224 million at the acquisition date). The goodwill recognized on initial consolidation nonetheless remains unchanged at BRL 525 million (€226 million at the acquisition date).

On December 27, 2011, the Group, through the intermediary of its subsidiary Capgemini do Brasil Consultoria e Participações Ltda, participated in the share capital increase performed by CPM Braxis S.A. subscribing for ordinary shares with a total value of BRL 250 million. The minority shareholder, Uñiao Participações Ltda, a subsidiary of the Brazilian bank, Banco Bradesco S.A., also subscribed for new shares under this share capital increase in the amount of BRL 80 million, increasing its investment to 10.81%. Following completion of this transaction, the Group's investment in CPM Braxis S.A. increased from 56.06% to 61.10%. The new shares subscribed during this share capital increase by the minority shareholder, Uñiao Participações Ltda, a subsidiary of the Brazilian bank Banco Bradesco S.A, are covered by a put option that may be exercised between October 2013 and October 2015, and were recognized in liabilities in the amount of €33 million through a reduction in reserves (attributable to owners of the Company).

NOTE 3 – REVENUES

in millions of euros	2009 Amount	2009 %	2010 Amount	2010 %	2011 Amount	2011 %
North America	1,590	19	1,665	19	1,805	19
France	1,949	23	1,931	22	2,138	22
United Kingdom and Ireland	1,852	22	1,912	22	1,945	20
Benelux	1,397	17	1,314	16	1,266	13
Southern Europe and Latin America	434	5	599	7	1,000	10
Nordic countries	488	6	543	6	635	7
Germany and Central Europe	531	6	534	6	626	6
Asia-Pacific	130	2	199	2	278	3
REVENUES	**8,371**	**100**	**8,697**	**100**	**9,693**	**100**

The year-on-year increase in revenues in 2011 was 11.40%, based on the year-end Group structure and exchange rates, compared to 5.6% on a like-for-like basis (constant Group structure and exchange rates).

NOTE 4 – OPERATING EXPENSES BY NATURE

in millions of euros	2009 Amount	2009 % of revenues	2010 Amount	2010 % of revenues	2011 Amount	2011 % of revenues
Personnel costs	4,851	58.0	5,193	59.7	5,816	60.0
Travel expenses	330	3.9	370	4.2	391	4.0
	5,181	**61.9**	**5,563**	**63.9**	**6,207**	**64.0**
Purchases and sub-contracting expenses	2,082	24.9	2,042	23.5	2,231	23.0
Rent and local taxes	304	3.6	282	3.2	324	3.3
Depreciation, amortization and provisions and proceeds from asset disposals	209	2.5	223	2.6	218	2.3
OPERATING EXPENSES	**7,776**	**92.9**	**8,110**	**93.2**	**8,980**	**92.6**

In 2011, Research Tax Credit income deducted from operating expenses (purchases and sub-contracting expenses) totaled €42 million (€26 million in 2010) including €27 million in respect of projects costs expensed in prior years (€14 million in 2010).

Breakdown of personnel costs

in millions of euros	Note	2009	2010	2011
Wages and salaries		3,871	4,138	4,583
Payroll taxes		945	1,008	1,183
Pension costs related to defined benefit pension plans and other post-employment benefit expenses	*20*	35	47	50
PERSONNEL COSTS		**4,851**	**5,193**	**5,816**

NOTE 5 – OTHER OPERATING INCOME AND EXPENSE

in millions of euros	Note	2009	2010	2011
Restructuring costs		(213)	(71)	(81)
o/w Workforce reduction		*(151)*	*(44)*	*(74)*
o/w Real estate assets streamlining		*(52)*	*(19)*	*(4)*
o/w Rightshoring		*(10)*	*(8)*	*(3)*
Integration cost relating to acquired companies		(16)	(11)	(9)
Acquisition-related costs	*2*	n/a	(4)	(7)
Expenses relating to share subscriptions, share grants and stock options	*9*	(19)	(16)	(17)
Impairment of goodwill	*12*	(12)	-	-
Other operating income		7	6	-
Other operating expenses		(9)	(2)	(4)
OTHER OPERATING INCOME AND EXPENSE		**(262)**	**(98)**	**(118)**

Restructuring costs

2011 restructuring costs primarily concern workforce reduction measures and the streamlining of real estate assets, particularly in the Netherlands.

Integration cost relating to acquired companies

In 2011, these costs relate to the integration of the activities of CPM Braxis acquired at the end of 2010 and integration costs relating to acquisitions of the period.

NOTE 6 – NET FINANCIAL EXPENSE

in millions of euros	Note	2009	2010	2011
Income from cash equivalents and cash management assets		22	20	23
Interest on borrowings		(31)	(42)	(54)
Finance costs at the nominal interest rate		**(9)**	**(22)**	**(31)**
Impact of amortized cost on borrowings		(34)	(32)	(34)
Finance costs at the effective interest rate		**(43)**	**(54)**	**(65)**
Net interest cost on defined benefit pension plans	*20*	(42)	(28)	(25)
Exchange gains (losses) on financial transactions	*19*	(66)	2	2
Currency derivative instruments on financial transactions	*19*	63	(2)	(4)
Interest rate derivative instruments	*19*	(2)	-	-
Other		(3)	(5)	(13)
Other financial income and expense		**(50)**	**(33)**	**(40)**
o/w financial expense		*(125)*	*(55)*	*(104)*
o/w financial income		*75*	*22*	*64*
NET FINANCIAL EXPENSE		**(93)**	**(87)**	**(105)**

Net finance costs mainly comprise:

- the coupons on OCEANE bonds convertible/exchangeable into new or existing Cap Gemini S.A. shares issued on June 16, 2005 (OCEANE 2005) and April 20, 2009 (OCEANE 2009) of €24 million, plus an amortized cost accounting impact of €34 million,
- the coupons on the new bond issue issued on November 29, 2011 of €2 million,
- interest on finance leases of €8 million (primarily in the United Kingdom, France and the United States);
- interest on CPM Braxis group bank loans of €16 million,
- income from cash and cash equivalents of €23 million, the increase in which is due to improved returns on short-term investments.

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

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

Other net financial expenses are primarily borne by the CPM Braxis group in the amount of €11 million and mainly comprise bank and factoring commission.

NOTE 7 – INCOME TAX EXPENSE

in millions of euros	Note	2009	2010	2011
Current income taxes		(24)	(71)	(129)
Deferred taxes	*13*	(37)	(53)	28
INCOME TAX EXPENSE		**(61)**	**(124)**	**(101)**

In 2011, the current income tax expense includes in France:
- the Corporate Value-Added Contribution (Cotisation sur la Valeur Ajoutée des Entreprises, CVAE), a tax introduced by the 2010 Finance Act, in the amount of €29 million (compared to €25 million in 2010);
- an income tax charge of €15 million on tax group profits, following application of the 60% cap on the offset of tax losses introduced by the second 2011 Supplementary Finance Act.

The deferred tax income recognized in 2011 includes in particular the utilization of US deferred tax assets in the amount of USD 72 million (€52 million) and the remeasurement of the same US deferred tax in the amount of USD 177 million (€127 million) (see Note 13 – Deferred taxes). This remeasurement accounts for the majority of the decrease in the effective tax rate presented below.

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

	2009		2010		2011	
in millions of euros	Amount	%	Amount	%	Amount	%
Profit before tax	**240**		**402**		**490**	
Standard tax rate in France (%)	**34.4**		**34.4**		**36.1**	
Tax expense at the standard rate	**(83)**	**34.4**	**(138)**	**34.4**	**(177)**	**36.1**
Difference in tax rates between countries	**7**	**(2.9)**	**9**	**(2.3)**	**16**	**(3.3)**
Impact of:						
Deferred tax assets not recognized on temporary differences and tax loss carry-forwards arising in the period	1	(0.6)	(9)	2.3	2	(0.3)
Net recognition of deferred tax assets on temporary differences and tax loss carry-forwards arising prior to January 1	16	(6.5)	24	(6.1)	67	(13.6)
Utilization of previously unrecognized tax loss carry-forwards	3	(1.3)	6	(1.5)	(1)	0.1
Adjustments to prior years	29	(12.1)	9	(2.3)	-	-
Minimum income tax charge	(13)	5.1	(38)	9.3	(45)	9.2
Permanent differences and other items	(21)	9.4	13	(2.9)	37	(7.5)
ACTUAL TAX EXPENSE	**(61)**	**25.5**	**(124)**	**30.9**	**(101)**	**20.6**
Effective rate of income tax (%)	**25.5**		**30.9**		**20.6**	

The fourth 2011 Supplementary Finance Act, published in the Official Journal on December 29, 2011, introduced an additional income tax contribution in respect of fiscal years ending from December 31, 2011 to December 30, 2013.

This exceptional contribution is limited in time and should only concern, for companies whose fiscal year is aligned with the calendar year, fiscal years 2011 and 2012. It is equal to 5% of the income tax charge and is payable by companies reporting revenues in excess of €250 million. In the case of a tax group election, the revenues of all member companies of the tax group are added together when assessing whether the group is liable for this contribution.
Consequently, the standard tax rate applicable to the Group for fiscal year 2011 is 36.10% compared to 34.43% previously.

NOTE 8 – EARNINGS PER SHARE

Basic earnings per share

	2009	2010	2011
Profit for the year (in millions of euros)	178	280	404
Weighted average number of ordinary shares	145,153,387	152,979,307	153,595,650
BASIC EARNINGS PER SHARE (IN EUROS)	**1.23**	**1.83**	**2.63**

The marginal year-on-year increase in the average number of shares between 2010 and 2011 reflects in reality the near stability in the number of shares since December 31, 20.

Diluted earnings per share

Diluted earnings per share are calculated by assuming conversion into ordinary shares of all dilutive instruments outstanding at the period end. The average share price in 2011 was €33.95.

At December 31, 2011, instruments considered dilutive for the purpose of calculating diluted earnings per share include:

- shares falling within the scope of the 2009 and 2010 performance share plans and not subject to any performance conditions;
- performance shares subject to market performance conditions contained in the 2010 plan. As the performance of the Cap Gemini S.A. share since the grant date, at December 31, 2011, is between 90% and 91% of the performance of the reference basket, 493,560 performance shares would have been granted at December 31 if the performance measurement period ended at that date;
- the performance shares subject to internal performance conditions contained in the 2010 plan. At December 31, 2011, as the increase in the operating margin of Capgemini Group in 2011 at constant Group structure and exchange rates, was greater than 15%, 401,850 performance shares could have been granted at December 31 if the performance measurement period ended at that date;
- the 16,911,765 "OCEANE 2009" convertible bonds issued on April 20, 2009, as the €23 million interest expense recorded (net of taxes) on the bonds is lower per bond than basic earnings per share. These bonds are convertible at any time until the seventh business day preceding January 1, 2014, when they will be redeemable at par.

Conversely, the following financial instruments are not considered dilutive:

- employee stock options, as the average price of ordinary shares during the period is inferior to the strike price of the options;
- the Redeemable Share Subscription or Purchase Warrants, as the aggregate of the €34 strike price and €3.22 issue premium is higher than the average market price of the Cap Gemini share in 2011;
- the "OCEANE 2005" convertible bonds issued on June 16, 2005, not converted and as such redeemed in full on January 2, 2012 (see Note 17 – Net cash and cash equivalents).

in millions of euros	2009	2010	2011
Profit for the year attributable to owners of the Company	**178**	**280**	**404**
Finance cost savings linked to the conversion of debt instruments, net of tax [(1)]	14	37	23
Diluted profit for the year attributable to owners of the Company	**192**	**317**	**427**
Weighted average number of ordinary shares (diluted)			
Weighted average number of ordinary shares	145,153,387	152,979,307	153,595,650
Adjusted for:			
“OCEANE 2005” convertible/exchangeable bonds (weighted average)	11,810,809	11,810,809	-
“OCEANE 2009” convertible/exchangeable bonds (weighted average)	-	16,911,765	16,911,765
Employee stock options	36,428	-	-
Performance shares that can be granted	64,750	537,320	1,207,035
Weighted average number of ordinary shares (diluted)	**157,065,374**	**182,239,201**	**171,714,450**
Diluted earnings per share (in euros)	**1.22**	**1.74**	**2.49**

(1) Only OCEANE 2009 convertibles bonds are taken into account as they are the only bonds considered dilutive.

NOTE 9 – EQUITY

Incentive instruments and employee share ownership

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 Group has no contractual or constructive obligations to purchase or settle the options in cash.

In the event of a notice of authorization of a takeover bid for some or all of the Company’s shares published by Euronext, option holders would be entitled, if they so wish, to exercise all of their remaining unexercised options immediately.

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

	2005 Plan
Date of Combined Shareholders’ Meeting	May 12, 2005
Maximum number of shares to be issued on exercise of options	6,000,000
Date options first granted under the plan	October 1, 2005
Deadline for exercising stock options after their grant date (based on progressive tranches)	5 years
Strike 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 various stock option grants	
Low	*40.50*
High	*55.00*
Maximum number of shares to be issued on exercise of outstanding options at December 31, 2010	3,482,500
Number of new stock options granted during the year	Plan expired [(1)]
Number of options forfeited or cancelled in 2011	1,767,000
Number of options exercised in 2011	- [(2)]
Maximum number of shares to be issued on exercise of outstanding options at December 31, 2011	1,715,500 [(3)]
Residual weighted average life (in years)	0.77

(1) Last stock options granted on June 1, 2008 at a price of €40.50.
(2) No options were granted in fiscal year 2011.
(3) Representing 144,000 shares at a price of €55, 1,413,000 shares at €44 and 158,500 shares at €40.50.

Summary	2005 Plan				
Grant dates	October 1, 2005	October 1, 2006	April 1, 2007	October 1, 2007	June 1, 2008
Number of shares initially granted	1,915,500	2,067,000	400,000	1,932,500	219,000
Of which granted to executive corporate officers	*50,000*	*50,000*	-	-	-
Subscription price (per share and in euros) of the various stock option grants	30	43	55	44	40.5
Share price at the grant date	32.59	41.84	57.00	42.98	43.37
Number of shares subscribed at December 31, 2011	1,295,306	1,100	-	-	-
Principal market conditions at the grant date:					
Volatility	*27.4-29.4%*	*32.4-35.9%*	*31.7-32.7%*	*34.8-35.7%*	*41.2-42.3%*
Average length of the option exercise period (in years)	*3-4.25*	*3-4.25*	*3-4.25*	*3-4.25*	*3-4.25*
Risk-free interest rate	*2.3-2.7%*	*3.55-3.58%*	*4.14-4.15%*	*4.09-4.14%*	*4.26-4.35%*
Expected dividend rate	*1%*	*1%*	*1.5%*	*1.5%*	*2.3%*
Non-market conditions:					
Employee presence within the Group at the exercise date	*yes*	*yes*	*yes*	*yes*	*yes*
Other	*no*	*no*	*no*	*no*	*no*
Pricing model used to calculate stock option fair values	Black & Scholes				
Range of fair values in euros	7.6-9.4	10.7-11.7	14.5-17.1	10.6-12.6	13.5-15.3
Maximum number of shares to be issued on exercise of outstanding options at December 31, 2011	-	-	144,000	1,413,000	158,500

Impact on the financial statements

An expense of €0.3 million was recognized in 2011 in “Other operating expenses”. The residual amount to be amortized between 2012 and 2013 in respect of active option grants is €0.6 million.

Performance share plan

The Combined Shareholders’ Meetings of April 17, 2008 and April 30, 2009, 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 and 18 months, respectively, subject to certain performance and presence conditions within the Group. On March 5, 2009 and then on September 15, 2010, the Board of Directors approved the terms and conditions and the list of beneficiaries of the first and second plans.

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

Summary	2009 Plan	Of which corporate officers	2010 Plan	Of which corporate officers
Date of Combined Shareholders' Meeting	April 17, 2008		April 30, 2009	
Total 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	
Total number of shares granted	1,148,250 (1)		1,555,000 (3)	
Date of the Board of Directors' decision	March 5, 2009		October 1, 2010	
Performance assessment dates	At the end of the first and second 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)		Two years as from the grant date (France) or four years 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		Two years, or five years in the event of departure from the Group during the two years following the vesting date	
Number of shares subject to performance and presence conditions granted during the year	-	-	-	- (5)
Number of options forfeited or canceled during the year	534,125	25,000	94,000	
Number of shares definitively allocated at December 31, 2011	200,250	25,000		
Number of shares at December 31, 2011 that may be definitively allocated under this plan in respect of shares previously granted, subject to performance and presence conditions	311,625 (2)	-	1,458,000 (4)	
Share price at the grant date (in euros)	23.30		37.16	
Main market conditions at the grant date:				
Volatility *Risk-free interest rate* *Expected dividend rate*	*42.7%* *1.4%* *3.0%*		*42.8%* *1.67%* *3.0%*	
Other conditions:				
Performance conditions *Employee presence within the Group at the vesting date*	*Yes (see below)* *Yes*		*Yes (see below)* *Yes*	
Pricing model used to calculate the fair values of shares	- Monte Carlo for performance shares- Black& Scholes for bonus shares		- Monte Carlo for performance shares with external (market) conditions - Black& Scholes for shares granted without conditions or with internal performance conditions	
Range of fair values in euros:				
Bonus shares (per share and in euros) *Performance shares (per share and in euros)*	*20.7 - 21.9* *16.51 - 17.53*	*17.53*	*32.32 - 32.96* *21.54 - 21.97*	n/a

(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 allocated 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) Of which 118,500 shares granted without performance conditions.
(5) No performance shares were granted in 2011.

Performance conditions of the 2009 plan

The exact number of shares vesting at the end of the vesting period will be 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 S.A. share, measured over the first two years, compared to 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 definitive allocation depends on the relative performance of the Cap Gemini S.A. share in relation to the basket of comparable securities. In each period, the number of shares that ultimately vested:

- was equal to 60% of the number of shares initially allocated if the performance of the Cap Gemini S.A. share was equal to 90% of the basket;
- varied 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 S.A. share was between 90% and 110% of the basket;
- was equal to 100% of the number of shares initially allocated if the performance of the Cap Gemini S.A. share was higher than or equal to 110% of the basket.

The definitive calculation led to the grant of only 50% of performance shares initially allocated, which after adding shares granted subject to conditions of presence, represents a maximum of 534,750 shares granted. This includes 200,250 shares for grant to members of the French plan which are definitively vested and delivered subject to a 2-year lock-in period and 334,500 shares for grant to members of the foreign plan, of which only 311,625 shares remain, which will be delivered on March 5, 2013 subject to compliance with conditions of presence at this date.

Performance conditions of the 2010 plan

In accordance with the AMF recommendation of December 8, 2009 regarding the inclusion of internal and external performance conditions 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 to the first plan. As such:

- no shares will be granted if the performance of the Cap Gemini S.A. 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 will ultimately vest:
  - will be equal to 40% of the number of shares initially allocated if the performance of the Cap Gemini S.A. share is at least equal to 90% of the basket;
  - will be equal to 60% of the number of shares initially allocated if the performance of the Cap Gemini S.A. share is equal to 100% of the basket;
  - will vary on a straight-line basis between 40% and 60% and between 60% and 100% of the initial allocation, based on a predefined schedule, where the performance of the Cap Gemini S.A. share is between 90% and 100% of the basket in the first case and 100% and 110% of the basket in the second case;
  - will be equal to 100% of the number of shares initially allocated if the relative performance of the Cap Gemini S.A. share is higher than or equal to 110% of the basket.

Under these conditions, if the performance of the Cap Gemini S.A. share is in line with that of the basket of comparable shares, only 60% of the initial allocation will be granted compared to 80% under the first plan.

The external performance condition accounts for 70% of the grant calculation.

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 will be performed once the 2011 accounts have been approved, by comparing the percentage increase in the 2011 audited and published operating margin of Capgemini Group compared 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 will be granted in respect of the internal performance condition if the increase in the operating margin thus calculated is less than 12%;
- the number of shares that will ultimately vest:
  - will be equal to 40% of the number of shares initially allocated if the increase is between 12% and 13.5%;
  - will be equal to 60% of the number of shares initially allocated if the increase is between 13.5% and 15%;
  - will be equal to 100% of the number of shares initially allocated if the increase is greater than or equal to 15%.

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

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.

The fair value of shares subject to internal performance conditions is taken into account assuming 100% realization, to which an adjustment may be applied depending on the effective realization or not of this performance condition, and together with a discount for non-transferability for the shares granted in France.

Impact on the financial statements

An expense of €15.7 million was recognized in 2011 in "Other operating expenses" in respect of performance shares (including employer contributions). The residual amount to be amortized between 2012 and 2015 in respect of these two plans is €24.5 million.

Redeemable share subscription or purchase warrants (bons de souscription et / ou d'acquisition d'actions remboursables – bsaar) (reminder 2009)

During 2009, 2,999,000 warrants were subscribed by employees and corporate officers of the Group (at a price of €3.22 per warrant), generating income net of issue costs of €9 million. 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 warrants will be listed on July 23, 2013. Between July 23, 2009 and the date the warrants are admitted to trading on Euronext Paris, they may not be exercised or transferred except under the conditions specified in the issue agreement (namely in the event of a takeover bid for Cap Gemini S.A. shares). The issue was disclosed in a prospectus approved by the AMF on May 14, 2009 under reference number 09-140.

Employee share ownership plan – @ESOP (recap 2009)

In the second half of 2009, the Group set-up an employee share ownership plan (@ESOP). On December 16, 2009, the Group issued 5,999,999 new shares reserved for employees with a par value of €8, representing a share capital increase of €164 million.

The total cost of this employee share ownership plan in 2009 was €1 million and was the result of a mechanism granting employees entitlement to capital gains on shares in countries where the set-up of an Employees Savings Mutual Fund (FCPE) was not possible or appropriate.

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. However, at December 31, 2011, under the share buyback program Cap Gemini S.A. holds:

- 403,500 treasury shares following the implementation of a liquidity agreement (the associated liquidity line amounts to €10 million), pursuant to the related share buyback program described in a prospectus published on May 12, 2011;
- 1,799,750 treasury shares representing 1.2% of the share capital at December 31, 2011, purchased between January 17 and 25, 2008, at an average price of €34.48, representing a decrease of 200,250 in the number of shares available.

At December 31, 2011, the value of these treasury shares was deducted from consolidated equity in the amount of €84 million.

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 have no impact on 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, 2009, 2010 and 2011, the Group had a positive net cash position. In order to preserve and control the structure of its capital, the Group can issue new shares, buy back its own shares or adjust the dividend paid to shareholders.

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, as a substantial proportion of the Group's consolidated revenues are generated in the UK and the US (20% and 16% respectively in 2011), fluctuations in the pound sterling and the US dollar against the euro may have an impact on the consolidated financial statements. The positive impact on translation reserves is mainly due to the appreciation of the US dollar against the euro during 2011.

For example, a 10% fluctuation in the pound sterling-euro exchange rate would trigger a corresponding 2% change in revenues and 2% change in operating margin. Similarly, a 10% fluctuation in the US dollar-euro exchange rate would trigger a corresponding 1.6% change in revenues and a 1.7% change in operating margin.

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	Note	Goodwill	Customer relationships	Licenses and software	Other intangible assets	Total
GROSS						
At January 1, 2009		**2,771**	**140**	**129**	**158**	**3,198**
Translation adjustments	9	27	1	4	1	33
Acquisitions / Increase		-	-	16	4	20
Internal developments		-	-	-	6	6
Disposals / Decrease		-	(5)	(15)	(6)	(26)
Business combinations	2	11	3		(1)	13
Other movements		(9)	(8)	(9)	-	(26)
At December 31, 2009		**2,800**	**131**	**125**	**162**	**3,218**
Translation adjustments	9	122	9	7	3	141
Acquisitions / Increase		-	-	16	4	20
Internal developments		-	-	-	7	7
Disposals / Decrease		-	(28)	(4)	(10)	(42)
Business combinations	2	330	52	31	16	429
Other movements		(1)		(2)	-	(3)
At December 31, 2010		**3,251**	**164**	**173**	**182**	**3,770**
Translation adjustments	9	25	(2)	(3)	-	20
Acquisitions / Increase		-	-	22	-	22
Internal developments		-	-	-	6	6
Disposals / Decrease		-	-	(15)	(4)	(19)
Business combinations	2	547	9	22	5	583
Other movements		(4)	2	-	3	1
At December 31, 2011		**3,819**	**173**	**199**	**192**	**4,383**
ACCUMULATED AMORTIZATION						
At January 1, 2009			**53**	**101**	**124**	**278**
Translation adjustments	9		-	4	-	4
Charge			17	17	8	42
Disposals			(5)	(14)	(6)	(25)
Business combinations	2		-	-	1	1
Other movements			-	(8)	-	(8)
At December 31, 2009			**65**	**100**	**127**	**292**
Translation adjustments	9		3	6	2	11
Charge			20	18	10	48
Disposals			(28)	(4)	(8)	(40)
Business combinations	2		-	20	9	29
Other movements			-	(1)	-	(1)
At December 31, 2010			**60**	**139**	**140**	**339**
Translation adjustments	9		1	(2)	-	(1)
Charge			25	21	9	55
Disposals			-	(14)	(4)	(18)
Business combinations	2		-	18	2	20
Other movements			-	-	1	1
At December 31, 2011			**86**	**162**	**148**	**396**
IMPAIRMENT						
At January 1, 2009		**45**	**-**	**1**	**8**	**54**
Translation adjustments	9	1	-	-	-	1
Charge		12	-	-	1	13
Disposals		-	-	-	-	-
Business combinations	2	-	-	-	-	-
Other movements		(8)	-	-	-	(8)
At December 31, 2009		**50**	**-**	**1**	**9**	**60**
Translation adjustments	9	-	-	-	-	-
Charge		-	-	-	-	-
Disposals		-	-	-	-	-
Business combinations	2	-	-	-	1	1
Other movements		-	-	-	-	-
At December 31, 2010		**50**	**-**	**1**	**10**	**61**
Translation adjustments	9	-	-	-	-	-
Charge		-	-	-	-	-
Disposals		-	-	-	-	-
Business combinations	2	-	-	-	-	-
Other movements		1	-	-	3	4
At December 31, 2011		**51**	**-**	**1**	**13**	**65**
NET						
AT DECEMBER 31, 2009		**2,750**	**66**	**24**	**26**	**2,866**
AT DECEMBER 31, 2010		**3,201**	**104**	**33**	**32**	**3,370**
AT DECEMBER 31, 2011		**3,768**	**87**	**36**	**31**	**3,922**

The substantial increase in goodwill and customer relationships is attributable to the various acquisitions performed during the period and presented in Note 2 – Changes in Group structure (€556 million) and translation adjustments (€23 million).

NOTE 11 – PROPERTY, PLANT AND EQUIPMENT

in millions of euros	Note	Land, buildings, fixtures and fittings	Computer equipment	Other intangible assets	Total
GROSS					
At January 1, 2009		**430**	**393**	**129**	**952**
Translation adjustments	*9*	7	12	3	22
Acquisitions / Increase		41	85	13	139
Disposals / Decrease		(21)	(98)	(7)	(126)
Business combinations	*2*	-	-	1	1
Other movements		2	31	(7)	26
At December 31, 2009		**459**	**423**	**132**	**1,014**
Translation adjustments	*9*	14	22	10	46
Acquisitions / Increase		66	80	23	169
Disposals / Decrease		(16)	(105)	(4)	(125)
Business combinations	*2*	34	89	15	138
Other movements		(23)	(5)	12	(16)
At December 31, 2010		**534**	**504**	**188**	**1,226**
Translation adjustments	*9*	(6)	(10)	(10)	(26)
Acquisitions / Increase		53	111	26	190
Disposals / Decrease		(10)	(44)	(5)	(59)
Business combinations	*2*	25	38	8	71
Other movements		(3)	5	(10)	(8)
At December 31, 2011		**593**	**604**	**197**	**1394**
ACCUMULATED DEPRECIATION AND IMPAIRMENT					
At January 1, 2009		**178**	**261**	**91**	**530**
Translation adjustments	*9*	4	8	2	14
Charge		35	75	11	121
Disposals		(17)	(77)	(5)	(99)
Business combinations	*2*	-	-	1	1
Other movements		-	28	(2)	26
At December 31, 2009		**200**	**295**	**98**	**593**
Translation adjustments	*9*	5	16	5	26
Charge		41	74	14	129
Disposals		(14)	(94)	(4)	(112)
Business combinations	*2*	12	82	7	101
Other movements		(14)	(3)	7	(10)
At December 31, 2010		**230**	**370**	**127**	**727**
Translation adjustments	*9*	-	(9)	(5)	(14)
Charge		44	72	17	133
Disposals		(8)	(42)	(4)	(54)
Business combinations	*2*	19	30	5	54
Other movements		(1)	1	1	1
At December 31, 2011		**284**	**422**	**141**	**847**
NET					
AT DECEMBER 31, 2009		**259**	**128**	**34**	**421**
AT DECEMBER 31, 2010		**304**	**134**	**61**	**499**
AT DECEMBER 31, 2011		**309**	**182**	**56**	**547**

Property, plant and equipment purchased under finance lease

Net *(in millions of euros)*	**Note**	**2009**	**2010**	**2011**
AT JANUARY 1		**140**	**153**	**157**
Translation adjustments	*9*	3	3	1
Acquisitions / Increase		42	49	60
Disposals / Decrease		(1)	(6)	(1)
Depreciation and impairment		(38)	(45)	(39)
Business combinations	*2*	-	4	6
Other movements		7	(1)	(1)
AT DECEMBER 31		**153**	**157**	**183**

NOTE 12 – ASSET IMPAIRMENT TESTS

Goodwill was tested for impairment at December 31, 2011 in line with the Group procedure for verifying the value of such assets. Based primarily on the discounted cash flows method, this procedure consists of assessing the recoverable amount of each cash-generating unit (CGU) within the Group.

The main assumptions used to value cash-generating units are as follows:

- basis for CGU valuation: value in use
- 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: 2.1% (2.3% in 2010) and 4% for Brazil;
- discount rate: 9.5% for the Group, 8.04% for North America, 8.14% for the United Kingdom (respectively 9.6%, 9.2% and 9.3% in 2010) and 13% for Brazil.

Group long-term growth and discount rates are based on the average of a representative sample of projections by financial analysts who use these indicators to value the Group. In 2011, the Group used estimates produced by 11 financial analysts, 10 of whom were already included in the group of 12 financial analysts called on in 2010. 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 S.A. share price in relation to changes in its listed market ("beta").

No impairment losses were recognized at December 31, 2011 as a result of these impairment tests. An analysis of the calculation's sensitivity to a combined change in the key parameters (operating margin, discount rate and long-term growth rate) based on reasonably probable assumptions, did not identify any probable scenario where the recoverable amount of one of the CGUs would fall below its carrying amount.

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.

in millions of euros	December 31, 2009			December 31, 2010			December 31, 2011		
	Gross value	Impair-ment	Net carrying amount	Gross value	Impair-ment	Net carrying amount	Gross value	Impair-ment	Net carrying amount
North America	528	(6)	522	599	(6)	593	636	(6)	630
Benelux	781	(12)	769	796	(12)	784	800	(12)	788
France	644	(1)	643	658	(1)	657	1,086	(2)	1,084
United Kingdom and Ireland	453	-	453	515	-	515	533	-	533
Southern Europe and Latin America	33	-	33	270	-	270	289	-	289
Nordic countries	130	-	130	158	-	158	162	-	162
Germany and Central Europe	206	(31)	175	214	(31)	183	258	(31)	227
Asia-Pacific	25	-	25	41	-	41	55	-	55
GOODWILL	**2,800**	**(50)**	**2,750**	**3,251**	**(50)**	**3,201**	**3,819**	**(51)**	**3,768**

NOTE 13 – DEFERRED TAXES

Recognized deferred taxes

Change in deferred tax assets

in millions of euros	Note	Tax loss carry-forwards excl. the United-States	US amortizable goodwill and tax losses	Provisions for pensions and other post-employment benefits	Other deductible temporary differences	Total deferred tax assets
AT JANUARY 1, 2009		**591**	**115**	**98**	**59**	**863**
Business combinations		-	-	-	23	23
Translation adjustments	*9*	1	-	8	3	12
Deferred tax expense recognized in the Income Statement	*7*	(55)	-	(4)	11	(48)
Deferred tax expense recognized in equity		-	-	39	(2)	37
AT DECEMBER 31, 2009		**537**	**115**	**141**	**94**	**887**
Business combinations		7	-	-	1	8
Translation adjustments	*9*	3	8	8	4	23
Deferred tax expense recognized in the Income Statement	*7*	(45)	-	(9)	2	(52)
Deferred tax expense recognized in equity		-	-	26	(1)	25
AT DECEMBER 31, 2010		**502**	**123**	**166**	**100**	**891**
Business combinations		1	-	1	-	2
Translation adjustments	*9*	-	9	5	(2)	12
Deferred tax expense recognized in the Income Statement	*7*	(34)	76	(3)	(8)	31
Deferred tax expense recognized in equity		-	-	70	14	84
AT DECEMBER 31, 2011		**469**	**208**	**239**	**104**	**1,020**

Change in deferred tax liabilities

in millions of euros	Note	Tax-deductible goodwill amortization	Customer relationships resulting from business combinations	Amortized cost of bonds	Other taxable temporary differences	Total deferred tax liabilities
AT JANUARY 1, 2009		**45**	**25**	**11**	**57**	**138**
Business combinations		-	4	-	-	4
Translation adjustments	*9*	-	-	-	2	2
Deferred tax expense recognized in the Income Statement	*7*	4	(9)	(11)	5	(11)
Deferred tax expense recognized in equity		-	-	20	-	20
AT DECEMBER 31, 2009		**49**	**20**	**20**	**64**	**153**
Business combinations		-	17	-	1	18
Translation adjustments	*9*	2	1	-	4	7
Deferred tax expense recognized in the Income Statement	*7*	-	(5)	(9)	15	1
Deferred tax expense recognized in equity		-	-	-	(1)	(1)
AT DECEMBER 31, 2010		**51**	**33**	**11**	**83**	**178**
Business combinations		-	1	-	-	1
Translation adjustments	*9*	1	-	-	(1)	-
Deferred tax expense recognized in the Income Statement	*7*	(2)	(8)	(1)	14	3
Deferred tax expense recognized in equity		-	-	-	1	1
AT DECEMBER 31, 2011		**50**	**26**	**10**	**97**	**183**

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

Recognized tax loss carry-forwards (excluding the United States) total €469 million at December 31, 2011. They include tax losses of €423 million attributable to the France tax group. These tax loss carry-forwards are recognized in the accounts based on future taxable profits estimated assuming growth and profitability rates and a timeframe considered reasonable.

US deferred tax assets arising from amortizable goodwill and tax losses

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 was deducted from US tax profits and the resulting tax loss was carried forward for a period of 20 years.

At December 31, 2011, the cumulative amount of US tax losses, including the amortization charges referred to above, totaled USD 3,346 million (€2,586 million).

These tax loss carry-forwards do not include future amortization charges deductible for tax purposes in respect of the Ernst & Young consulting business goodwill of USD 867 million (€670 million).

After the utilization of USD 72 million in 2011, the value of recognized deferred tax assets was remeasured in the amount of USD 177 million (see Note 7 – Income tax expense), representing a net increase of USD 105 million, to USD 269 million (€208 million) at December 31, 2011. This remeasurement was based on an estimate of future taxable profits of the Group's North American operations, using growth and profitability rates and a timeframe considered reasonable.

Consequently, unrecognized deferred tax assets as at 31st December 2011, amount to USD 1,375 million (€1,063 million) comprising of:

- deferred tax on all potential tax loss carried forward as at 31st December 2011 which represents a base amount of USD 3,346 million at tax rate of 39%,
- deferred tax on all potential future amortization charges deductible for tax purpose in respect of goodwill mentioned above, which represents a base amount of USD 867 million at tax rate of 39%,
- reduced by the recognized deferred tax assets as at 31st December 2011, representing USD 269 million.

Unrecognized deferred tax assets

At December 31 *(in millions of euros)*	2009	2010	2011
Tax loss carry-forwards, excluding the United States	233	318	196
US deferred tax on amortizable goodwill and tax loss carry-forwards	971	1,053	1,063
Deferred tax on other temporary differences	146	135	133
UNRECOGNIZED DEFERRED TAX ASSETS	**1,350**	**1,506**	**1,392**

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

	2009		2010		2011	
At December 31 *(in millions of euros)*	Amount	%	Amount	%	Amount	%
Y+1	9	-	11	-	12	-
Y+2	14	1	11	-	11	-
Y+3	7	-	5	-	1	-
Y+4	5	-	7	-	9	-
Y+5	10	-	30	1	13	1
Beyond 5 years	4,086	99	4,544	99	4,601	99
TAX LOSS CARRY-FORWARDS (TAXABLE BASE)	**4,131**	**100**	**4,608**	**100**	**4,647**	**100**

NOTE 14 – OTHER NON-CURRENT ASSETS

At December 31 *(in millions of euros)*	Note	2009	2010	2011
Shares in associates		16	-	-
Shares in non-consolidated companies		1	1	4
Deposits, receivables and other long-term investments		58	88	74
Derivative instruments	*19*	3	5	-
Pension plans with funding surpluses	*20*	21	3	-
Other		13	18	41
OTHER NON-CURRENT ASSETS		**112**	**115**	**119**

In 2009, shares in associates concerned Strategic Systems Solutions (SSS) Holdings Corporation Ltd. The remaining 51.17% of the share capital of this company was purchased on June 15, 2010, enabling the full consolidation of this company from 2010.

In 2011, shares in non-consolidated companies primarily comprise shares in O2C Pro LLC (€3 million) acquired by Capgemini Technologies LLC as part of the acquisition of the activities of Vengroff, Williams and Associates.

Deposits and other long-term investments consist mainly of security deposits and guarantees relating to leases and “aides à la construction” (building aid program) loans in France, as well as at December 31, 2011, legal deposits guaranteeing tax and employee-related disputes in CPM Braxis of €19 million.

NOTE 15 – ACCOUNTS AND NOTES RECEIVABLE

At December 31 *(in millions of euros)*	2009	2010	2011
Accounts receivable	1,326	1,447	1,710
Provisions for doubtful accounts	(30)	(14)	(11)
Accrued income	677	821	871
Accounts and notes receivable excluding capitalized costs on projects	**1,973**	**2,254**	**2,570**
Capitalized costs on projects	94	117	115
ACCOUNTS AND NOTES RECEIVABLE	**2,067**	**2,371**	**2,685**

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)*	2009	2010	2011
Accounts and notes receivable excluding capitalized costs on projects	1,973	2,254	2,570
Advances from customers and billed in advance	(567)	(576)	(661)
TOTAL ACCOUNTS RECEIVABLE NET OF ADVANCES FROM CUSTOMERS AND BILLED IN ADVANCE	**1,406**	**1,678**	**1,909**
In number of days' annual revenues [1]	60	66	70

(1) In 2010 and 2011, this ratio is adjusted to take into account the impact of entries into the scope of consolidation.

Aged analysis of accounts receivable

The low bad debt ratio (1% at December 31, 2011) reflects the fact that most invoices are only issued after the client has validated the services provided.

At end-2011, past due balances totaled €482 million, representing 28.4% 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	**268**	**140**	**74**
As a % of accounts and notes receivable, net of provisions for doubtful accounts	15.8%	8.3%	4.3%

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

On December 27, 2011, Capgemini Technology Services S.A.S assigned to a financial institution, without recourse, receivables maturing on January 31, 2012 in the total amount of €25 million. 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, 2011.

Credit risk

The Group's largest client, a major British public body, contributes around 9% of Group revenues (10% in 2010 and 11% in 2009), while the second-largest client accounts for just 2%. The top 10 clients collectively account for 22% of Group revenues, and the top 30 represent 36%. 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)*	Note	2009	2010	2011
Social security and tax-related receivables, other than income tax		79	126	171
Prepaid expenses		106	119	154
Derivative instruments	*19*	7	22	12
Other		11	39	33
OTHER CURRENT RECEIVABLES		**203**	**306**	**370**

At December 31, 2011, "Social security and tax-related receivables, other than income tax" include research tax credit receivables in the amount of €53 million (€26 million at December 31, 2010, deducted from amounts due to employees).

NOTE 17 – NET CASH AND CASH EQUIVALENTS

At December 31 *(in millions of euros)*	Note	2009	2010	2011
Cash management assets		-	**71**	**73**
Short-term investments		2,109	1,912	1,877
Cash at bank		494	393	346
Asset/liability derivative instruments on cash items	*19*	1	8	10
Bank overdrafts (liability)		(7)	(6)	(9)
Cash and cash equivalents	*18*	**2,597**	**2,307**	**2,224**
Bonds		(969)	(1,001)	(1,036)
Obligations under finance leases		(87)	(88)	(96)
Draw-downs on bank and similar facilities		-	(8)	(2)
Other borrowings		(1)	(5)	(1)
Long-term borrowings		**(1,057)**	**(1,102)**	**(1,135)**
Bonds		(211)	(24)	(422)
Obligations under finance leases		(42)	(51)	(51)
Draw-downs on bank and similar facilities		(8)	(85)	(209)
Other borrowings	*19*	(10)	(44)	(11)
Short-term borrowings		**(271)**	**(204)**	**(693)**
Borrowings		**(1,328)**	**(1,306)**	**(1,828)**
Derivative instruments on borrowings		-	(9)	(15)
NET CASH AND CASH EQUIVALENTS		**1,269**	**1,063**	**454**

Cash management assets

In 2010, Cap Gemini S.A. invested in capitalization contracts as part of the active management of its cash and cash equivalents. These contracts are presented in "Cash management assets" (see Note 1-M – Accounting policies: Net Cash and cash equivalents) and may be cancelled by the Company at any time without penalty.

Cash and cash equivalents

At December 31, 2011, cash equivalents mainly consist of money market mutual funds (FCP and SICAV), certificates of deposit, commercial paper and term bank deposits.
Derivative instruments on cash items represent a receivable of €10 million at December 31, 2011, corresponding to the fair value of hedging instruments taken out in connection with inter-company financing transactions at Cap Gemini S.A. This receivable is classified under "Other current receivables" in the Consolidated Statement of Financial Position (compared to a receivable of €8 million at December 31, 2010).

Borrowings

Bonds

2011 Bond issue
On November 18, 2011, Cap Gemini S.A. performed a euro bond issue maturing on November 29, 2016 (2011 Bond issue). 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.A.'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 11-546.
The Bond issue is redeemable in full on November 29, 2016.

Summary of the main terms and conditions of the 2011 bond issue
Redemption at maturity
The bonds are redeemable in full on November 29, 2016.

Early redemption at the Company's option
The bonds are redeemable at the Company's option under certain conditions set out in the issue prospectus and particularly concerning the minimum redemption price.

Early redemption at the option of bondholders
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
At the initiative of a majority of bondholders, particularly in the event of a failure to pay sums due 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.A.'s credit rating would not constitute an early redemption event.

Pari passu status
Cap Gemini S.A. has undertaken that the bonds will rank pari passu with all other bonds issued by the Company.

OCEANE 2009" convertible bonds
On April 8, 2009, Cap Gemini S.A. issued bonds convertible/exchangeable into new or existing Cap Gemini S.A. 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 to 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 09-084.

OCEANE 2005" convertible bonds and partial redemption
On June 16, 2005, Cap Gemini S.A. issued bonds convertible/exchangeable into new or existing Cap Gemini S.A. shares, maturing on January 1, 2012 ("OCEANE 2005"). Bondholders enjoy all rights from June 24, 2005.
The total amount of the issue was €437 million, comprising 11,810,810 bonds with a nominal value of €37 each. The bonds bear interest at 1% per year. They may be converted at any time commencing June 24, 2005 and are redeemable at a price of €41.90 per bond, representing approximately 113.2% of their nominal unit value, on January 1, 2012 if not converted. The terms and conditions of this issue were set out in the prospectus approved by the AMF on June 16, 2005 under reference number 05-564.

In November 2011, Cap Gemini S.A. redeemed a total of 2,350,000 bonds in a number of transactions for an amount of €99 million, at an average price of €42.18 per bond. Redeemed bonds were cancelled pursuant to the provisions set-out in the prospectus. At December 31, 2011, 9,460,810 OCEANE 2005 bonds remained outstanding, representing 80.1% of the number of bonds initially issued. The remaining bonds were redeemed in full on January 2, 2012.

Impact of bonds on the financial statements

		2009			2010		2011		
At December 31 *(in millions of euros)*	Note	"OCEANE 2003" bonds	"OCEANE 2005" bonds	"OCEANE 2009" bonds	"OCEANE 2005" bonds	"OCEANE 2009" bonds	"OCEANE 2005" bonds	"OCEANE 2009" bonds	2011 Bond Issue
Equity component		52	40	64	40	64	40	64	n/a
Debt component at amortized cost		192	464	524	480	545	400	561	497
Effective interest rate		5.1%	4.8%	6.8%	4.8%	6.8%	4.8%	6.8%	5.5%
Interest expense recognized in the Income Statement for the period	*6*	14	21	24	21	35	22	36	2
Nominal interest rate		2.5%	1%	3.5%	1%	3.5%	1%	3.5%	5.3%
Nominal interest expense (coupon)		7	4	14	4	20	4	20	2

Fair value of bonds

	2009			2010		2011		
At December 31 *(in millions of euros)*	"OCEANE 2003" bonds	"OCEANE 2005" bonds	"OCEANE 2009" bonds	"OCEANE 2005" bonds	"OCEANE 2009" bonds	"OCEANE 2005" bonds	"OCEANE 2009" bonds	2011 Bond Issue
Fair value	202	481	580	488	582	400	578	511
Market rate	n/a	2.3%	3.3%	2.2%	3.1%	n/a	3.2%	4.7%

Obligations under finance leases

in millions of euros	Earliest date of leases	Latest expiry date	Effective interest rate	December 31, 2011
Buildings (Universite Capgemini Les Fontaines)	October 2002	July 2014	3-month Euribor +0.75%	26
Computer equipment	July 2003	February 2017	5.97%	118
Other fixed assets	January 2004	June 2015	-	3
OBLIGATIONS UNDER FINANCE LEASES				**147**

Draw-downs on banks and similar facilities

At December 31, 2011, draw-downs on banks and similar facilities primarily consist of commercial paper issued during the period by Cap Gemini S.A. in the amount of €90 million and CPM Braxis S.A. bank loans in the amount of €109 million.

Syndicated credit facility obtained by Cap Gemini S.A.

On November 14, 2005, Cap Gemini S.A. signed a €500 million multi-currency credit facility with a bank syndicate maturing on November 14, 2011 at the latest.

On January 13, 2011, Cap Gemini S.A. refinanced its multi-currency credit facility with a syndicate of 18 banks for the same amount as previously financed (€500 million), maturing on January 13, 2016.
The initial margin on this new credit facility is 0.90%, compared to 0.40% previously. This margin may be adjusted according to the credit rating of Cap Gemini S.A. The facility is also subject to a fee on undrawn amounts equal to 35% of the margin (i.e. 0.315%), compared to 30% of the margin previously (i.e. 0.12%), that may be increased to 40% (35% previously) if Cap Gemini S.A.'s rating falls.
An upgrade or downgrade in Cap Gemini S.A.'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, remain unchanged. (see Note 27 – Off balance sheet commitments).

At December 31, 2011, this credit facility has not yet been drawn.

Effective interest rate (EIR)

In 2011, the effective interest rate on the Group's average outstanding borrowings was 6.5% (5.6% in 2010). At December 31, 2011, 92% of the Group's borrowings are at fixed rates (compared to 91% at end-2010) and the remainder is at floating rates. The stable percentage of fixed-rate borrowings is due to the new bond issue performed in 2011, refinancing the OCEANE 2005 bonds maturing at the beginning of January 2012.

At December 31, 2011

	Euro		US dollar		Pound sterling		Other	Total
	EIR %	Amount M€	EIR %	Amount M€	EIR %	Amount M€	Amount M€	Amount M€
"OCEANE 2005" bonds	4.8%	400	-	-	-	-	-	400
"OCEANE 2009" bonds	6.8%	561	-	-	-	-	-	561
2011 Bond issue	5.5%	497	-	-	-	-	-	497
Draw-downs on bank and similar facilities	1.8%	90	-	-	-	-	121	211
Obligations under finance leases	4.1%	49	5.9%	16	6.2%	61	21	147
Other borrowings	-	-	n/a	1	-	-	11	12
BORROWINGS		**1,597**		**17**		**61**	**153**	**1,828**

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 "OCEANE 2005" and "OCEANE 2009" bonds and the 2011 bond issue were estimated based on contractual nominal interest rates (1%, 3.5% and 5.25%, 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.

At December 31, 2011

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
Cash management assets	2012	**73**	**73**	**73**	-	-	-
Cash and cash equivalents	2012	2,223	2,223	2,223	n/a	n/a	n/a
Bank overdrafts	2012	(9)	(9)	(9)	n/a	n/a	n/a
Derivative instruments on cash items	2012	10	10	10	n/a	n/a	n/a
Cash and cash equivalents		**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 à 2017	(147)	(153)	(56)	(45)	(52)	-
Draw-downs on bank and similar facilities	2012 à 2014	(211)	(211)	(209)	(1)	(1)	-
Other borrowings	2012 à 2014	(12)	(12)	(11)	(1)	-	-
Borrowings		**(1,828)**	**(2,042)**	**(698)**	**(93)**	**(1,251)**	-
Derivative instruments on borrowings	n/a	(15)	n/a	n/a	n/a	n/a	n/a
NET CASH AND CASH EQUIVALENTS		**454**	**255**	**1,599**	**(93)**	**(1,251)**	**n/a**

At December 31, 2010

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
Cash management assets	2011	**71**	**71**	**71**	-	-	-
Cash and cash equivalents	2011	2,305	2,305	2,305	n/a	n/a	n/a
Bank overdrafts	2011	(6)	(6)	(6)	n/a	n/a	n/a
Derivative instruments on cash items	2011	8	8	8	n/a	n/a	n/a
Cash and cash equivalents		**2,307**	**2,307**	**2,307**	**n/a**	**n/a**	**n/a**
“OCEANE 2005” bonds	2012	(480)	(504)	(4)	(500)	-	-
“OCEANE 2009” bonds	2014	(545)	(656)	(20)	(20)	(616)	-
Obligations under finance leases	2011 à 2015	(139)	(149)	(55)	(40)	(54)	-
Draw-downs on bank and similar facilities	2011 à 2012	(93)	(93)	(85)	(8)	-	-
Other borrowings	2011 à 2015	(49)	(49)	(44)	(4)	(1)	-
Borrowings		**(1,306)**	**(1,451)**	**(208)**	**(572)**	**(671)**	**-**
Derivative instruments on borrowings	n/a	(9)	n/a	n/a	n/a	n/a	n/a
NET CASH AND CASH EQUIVALENTS		**1,063**	**927**	**2,170**	**(572)**	**(671)**	**n/a**

At December 31, 2009

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
Cash and cash equivalents	2010	2,603	2,603	2,603	n/a	n/a	n/a
Bank overdrafts	2010	(7)	(7)	(7)	n/a	n/a	n/a
Derivative instruments on cash items	2010	1	1	1	n/a	n/a	n/a
Cash and cash equivalents		**2,597**	**2,597**	**2,597**	**n/a**	**n/a**	**n/a**
“OCEANE 2003” bonds	2010	(192)	(192)	(192)	-	-	-
“OCEANE 2005” bonds	2012	(464)	(508)	(4)	(4)	(500)	-
“OCEANE 2009” bonds	2014	(524)	(670)	(14)	(20)	(636)	-
Obligations under finance leases	2010 à 2014	(129)	(129)	(43)	(37)	(49)	-
Other borrowings	2010 à 2015	(19)	(19)	(18)	-	-	(1)
Borrowings		**(1,328)**	**(1,518)**	**(271)**	**(61)**	**(1,185)**	**(1)**
Derivative instruments on borrowings	n/a	-	n/a	n/a	n/a	n/a	n/a
NET CASH AND CASH EQUIVALENTS		**1,269**	**1,079**	**2,326**	**(61)**	**(1,185)**	**(1)**

Net cash and cash equivalents and liquidity risk

The financial liabilities whose repayability could expose the Group to liquidity risk are mainly the two convertible bonds ("OCEANE 2005" and "OCEANE 2009") and the new 2011 bond issue. However, the OCEANE 2005 bond was definitively redeemed on January 2, 2012.

To manage the liquidity risk that may arise on repayability of financial liabilities, 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 (€2,297 million at December 31, 2011), 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 consists 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 and commercial paper), (ii) deposits and accounts, (iii) capitalization contracts or (iv) short-term money market mutual funds, subject to minimum credit rating and diversification rules.
At December 31, 2011, short-term investments totaled €1,877 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 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, 2011, cash and cash equivalents totaled €2,224 million (see Note 17 – Net cash and cash equivalents), down €83 million on December 31, 2010 (€2,307 million). Excluding the impact of exchange rate fluctuations on cash and cash equivalents (€12 million), this decrease is €71 million. Cash flow impacts are shown in the Consolidated Statement of Cash Flows.

Net cash from (used in) operating activities

In 2011, net cash from operating activities totaled €349 million (compared to €503 million in 2010) and resulted from:

- cash flows from operations before net finance costs and income tax in the amount of €743 million,
- payment of income taxes in the amount of €104 million,
- an increase in working capital requirements, generating a negative cash impact of €290 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)						Items with no cash impact			Statement of Cash Flows items
in millions of euros	Note	December 31, 2010	December 31, 2011	Net impact	Non-WCR items [1]	Impact of WCR items	Income impact	Foreign exchange impact	Reclassification and changes in Group structure [2]	Amount
Accounts and notes receivable	*15*	2,371	2,685	(314)	-	(314)	-	14	100	(200)
Advances from customers and billed in advance	*15*	(576)	(661)	85	-	85	-	(9)	(11)	65
Change in accounts and notes receivable and advances from customers and amounts billed in advance				**(229)**	**-**	**(229)**	**-**	**5**	**89**	**(135)**
Accounts and notes payable (Accounts payable)	*23*	(957)	(944)	(13)	-	(13)	-	(1)	(67)	(81)
Change in accounts and notes payable				**(13)**	**-**	**(13)**	**-**	**(1)**	**(67)**	**(81)**
Other non-current assets	*14*	115	119	(4)	(14)	(18)	(1)	0	(3)	(22)
Other current receivables	*16*	306	370	(64)	4	(60)	1	(5)	36	(28)
Other non-current liabilities	*22*	(279)	(322)	43	(30)	13	(1)	2	(13)	1
Accounts and notes payable (excluding accounts payable)	*23*	(1,348)	(1,396)	48	-	48	-	5	(55)	(2)
Other current payables	*24*	(80)	(137)	57	(14)	43	(3)	4	(67)	(23)
Change in other receivables/payables				**80**	**(54)**	**26**	**(4)**	**6**	**(102)**	**(74)**
CHANGE IN OPERATING WORKING CAPITAL						**(216)**	**(4)**	**10**	**(80)**	**(290)**

(1) 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.
(2) The Reclassifications heading mainly includes changes relating to the current and non-current reclassification of certain accounts and notes receivable and payable, changes in the position of certain tax and employee-related receivables and payables in assets or liabilities.

Net cash from (used in) investing activities

The main components of net cash used in investing activities of €699 million (compared to €433 million in 2010) reflect:

- cash outflows of €554 million on business combinations, net of cash and cash equivalents acquired, including primarily the acquisition of Prosodie for €366 million (acquisition price of €376 million, cash and cash equivalents acquired of €6 million and an earn-out of €4 million), CS consulting (€44 million), AIVE Group (€40 million) and Artésys (€27 million). Acquisition-related costs disbursed in the year totaled €7 million;
- cash outflows of €28 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 (see Note 10 – Goodwill and intangible assets);
- cash outflows of €127 million relating to acquisitions of property, plant and equipment, net of disposals, mainly involving computer purchases for projects or relating to the partial renewal of IT installations and the renovation, extension and refurbishment of office space (see Note 11 – Property, plant and equipment).

Net cash from (used in) financing activities

Net cash inflows as a result of financing activities totaled €279 million (compared to an outflow €445 million in 2010) and mainly comprised:

- payment of the 2010 dividend of €154 million;
- a cash inflow of €495 million following the new bond issue performed in November 2011;
- a cash outflow of €99 million for the partial redemption of OCEANE 2005 bonds in November 2011;
- a cash inflow of €90 million in respect of issues of commercial paper;
- a cash outflow of €54 million in respect of repayments of obligations under finance leases;
- the receipt of €34 million from CPM Braxis non-controlling interests following their subscription of the December 2011 share capital issue in the amount of BRL 80 million;
- interest paid net of interest received of €30 million.

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

Currency risk management

Currency risk management policy

Currency risk and hedging operating transactions

The growing use of offshore production centers located in India, but also in Poland and Latin America, exposes the Group to currency risk with respect to some of its production costs.
The Group has therefore implemented a policy aimed at minimizing and managing these currency risks, mainly due to internal flows with India. The hedging policy is defined by the Group based on periodic reports and implemented primarily through forward foreign exchange contracts.
These transaction are recognized in accordance with accounting rules applicable to cash flow hedges.

Currency risk and hedging financial transactions

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

- inter-company financing transactions, mainly within Cap Gemini S.A.: as inter-company lending and borrowing is systematically hedged (in particular using forward foreign exchange contracts), the impact of changes in exchange rates on the Income Statement is negligible.
- fees paid to Cap Gemini S.A. 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 significant.

Currency risk and hedging of other non-current liabilities

During the fiscal year, the Group hedged part of its exposure to currency risk on the call-put option held respectively by Capgemini Group and the other shareholders of CPM Braxis over the share capital not yet held by the Group.

The sensitivity of translation reserves to currency risk is analyzed in Note 9 - Equity.

Exposure to currency risk

Amounts hedged at December 31, 2011 and detailed below mainly concern Cap Gemini S.A. for inter-company financing transactions, and the subsidiary Capgemini India Private Ltd. for sub-contracting activities performed for other Group regions. As Capgemini India Private Ltd. invoices its services to Group ordering entities in US dollar, pound sterling and euro, the currency risk in respect of production incurred in Indian rupee is reflected by exposure to these three currencies.

in millions of euros	December 31, 2011						
	Euro	US dollar	Pound sterling	Australian dollar	Swedish krona	Canadian dollar	Other [1]
Total assets	101	388	161	13	72	2	11
Total liabilities	(70)	(84)	(383)	(1)	(47)	(127)	(4)
Exposure to currency risks before hedging	31	304	(222)	12	25	(125)	7
Amounts hedged	(27)	(212)	225	(11)	(23)	126	(1)
Exposure to currency risks after hedging	4	92	3	1	2	1	6

(1) Other currencies essentially include the Polish zloty, Swiss franc, Singapore dollar and Norwegian krona.

At December 31, 2011, the euro-equivalent value of forward foreign exchange contracts breaks down by transaction type and maturity as follows:

in millions of euros	Less than 6 months	More than 6 months and less than 12 months	More than 12 months	Total
Operating transactions	225	185	162	**572**
Financial transactions	574	5	17	**596**
Transactions on other non-current liabilities	-	-	105	**105**
TOTAL	**799**	**190**	**284**	**1,273**

Hedges contracted in respect of operating transactions in India mainly comprise forward contracts to sell foreign currency maturing between 2012 and 2013 with an aggregate equivalent value of €505 million (€532 million at December 31, 2010). The hedges were chiefly taken out in respect of transactions in US dollars ($376 million), euros (€149 million) and pounds sterling (£55 million). The maturities of the hedges range from 2 months to nearly 2 years.
The Group has also entered into forward contracts to sell foreign currency (mainly pounds sterling, US dollar and Swedish krona) in Poland, France and the United States. These contracts mature between 2012 and 2016 and have an equivalent value of €43 million.

Hedges contracted in respect of financial transactions primarily concern Cap Gemini S.A. At December 31, 2011, hedged inter-company loans totaled €570 million (€440 million at December 31, 2010) and comprised loans denominated in pound sterling, Australian dollar, Swedish krona, US dollar and Canadian dollar.

Hedges contracted in respect of other non-current liabilities mainly comprise forward foreign exchange contracts with a nominal value of BRL 253 million (€105 million), maturing in October 2013.

Fair value of hedging derivatives

At December 31 *(in millions of euros)*	**Note**	**2009**	**2010**	**2011**
Other non-current assets	*14*	3	5	-
Other current receivables	*16*	7	22	12
Other non-current liabilities	*22*	(3)	(2)	(15)
Other current payables	*24*	(4)	(10)	(51)
Fair value of hedging derivatives		**3**	**15**	**(54)**
relating to: - operating transactions		*3*	*16*	*(49)*
- financial transactions		*-*	*(1)*	*(5)*
Hedging derivative counterparty recognized in equity at December 31 (on operating transactions)		**2**	**11**	**(44)**
Change in the period in hedging derivatives recognized in equity		**29**	**9**	**(55)**
o/w amounts released to operating profit in respect of transactions performed		*19*	*(15)*	*3*
o/w fair value of hedging derivatives relating to future transactions		*10*	*24*	*(58)*

The fair value of hedging derivatives and the hedging derivative counterparty recognized in equity primarily concern hedges of inter-company flows between India and other Group entities. The change in these items between December 31, 2010 and December 31, 2011 is attributable to the depreciation of the Indian rupee against the euro, US dollar and pound sterling.

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 this latter in 2003 for a residual notional amount of €26 million. 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.

Interest rate risk management

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, 2011, the Group had €2,296 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 €1,837 million in gross indebtedness principally at fixed rates (92%) (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.

Exposure to Interest rate risk: sensitivity analysis

Based on average levels of cash and cash equivalents and borrowings in 2011, a 100-basis point rise in interest rates would have a positive impact of around €17 million on the Group's net finance costs (€17 million in 2010 and 2009). Conversely, a 100-basis point fall in interest rates would have an estimated €17 million negative impact on the Group's net finance costs for 2011 (€17 million in 2010 and 2009).

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, 2011, the Group's main counterparties in respect of managing currency and interest rate risk are Barclays, BNP Paribas, CA CIB, Citibank, Itau, HSBC, 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	Note	2009	2010	2011
Present value of the obligation at January 1		**1,616**	**2,112**	**2,548**
Business combinations		-	-	8
Service cost		30	39	43
Past service cost		14	6	3
Interest cost		113	131	136
Effect of curtailments and settlements		(4)	(2)	-
Contributions paid by employees		5	6	6
Benefits paid to employees		(48)	(76)	(71)
Changes in actuarial gains and losses (1)		249	198	280
Translation adjustments		133	133	72
Other movements		4	1	2
Present value of the obligation at December 31		**2,112**	**2,548**	**3,027**
Fair value of plan assets at January 1		**(1,090)**	**(1,417)**	**(1,713)**
Expected return on plan assets		(71)	(103)	(111)
Effect of curtailments and settlements		3	2	-
Contributions paid by employees		(5)	(6)	(6)
Benefits paid to employees		41	68	66
Contributions paid		(100)	(84)	(93)
Changes in actuarial gains and losses (1)		(90)	(71)	13
Translation adjustments		(100)	(97)	(45)
Other movements		(5)	(5)	(9)
Fair value of plan assets at December 31		**(1,417)**	**(1,713)**	**(1,898)**
Total net funding shortfall		695	835	1,129
Unrecognized past service costs		(36)	(34)	(30)
Net provision in the Consolidated Statement of Financial Position at December 31		**659**	**801**	**1,099**
Funding surplus recognized in assets	*14*	(21)	(3)	-
Provisions recognized in liabilities		**680**	**804**	**1,099**
Expense for the period recognized in the Income Statement				
Service cost	*4*	(30)	(39)	(43)
Past service cost	*4*	(5)	(8)	(8)
Interest cost	*6*	(113)	(131)	(136)
Expected return on plan assets	*6*	71	103	111
Effect of curtailments and settlements	*5*	1	-	-
TOTAL EXPENSE FOR THE PERIOD		**(76)**	**(75)**	**(76)**

(1) The change in actuarial gains and losses is recorded in "Income and expense recognized in equity".

Breakdown of the change by main beneficiary country

in millions of euros	United Kingdom	Canada	Other	Total
At December 31, 2009				
Present value of obligations under funded plans	1,525	305	130	1,960
Fair value of plan assets	(1,024)	(289)	(104)	(1,417)
Funding shortfall under funded plans	501	16	26	543
o/w actuarial gains and losses recognized in equity [1]	*297*	*56*	*8*	*361*
Funding shortfall under unfunded plans	-	37	115	152
o/w actuarial gains and losses recognized in equity [1]	-	*(5)*	*18*	*13*
Total net funding shortfall	**501**	**53**	**141**	**695**
Unrecognized past service costs	-	-	(36)	(36)
Net provision in the Consolidated Statement of Financial Position	**501**	**53**	**105**	**659**
Funding surplus recognized in assets	-	(5)	(16)	(21)
Provisions recognized in liabilities	501	58	121	680
At December 31, 2010				
Present value of obligations under funded plans	1,827	368	167	2,362
Fair value of plan assets	(1,251)	(341)	(121)	(1,713)
Funding shortfall under funded plans	576	27	46	649
o/w actuarial gains and losses recognized in equity [1]	*398*	*75*	*13*	*486*
Funding shortfall under unfunded plans	-	58	128	186
o/w actuarial gains and losses recognized in equity [1]	-	*6*	*25*	*31*
Total net funding shortfall	**576**	**85**	**174**	**835**
Unrecognized past service costs	-	-	(34)	(34)
Net provision in the Consolidated Statement of Financial Position	**576**	**85**	**140**	**801**
Funding surplus recognized in assets	-	-	(3)	(3)
Provisions recognized in liabilities	576	85	143	804
At December 31, 2011				
Present value of obligations under funded plans	2,187	425	180	2,792
Fair value of plan assets	(1,428)	(345)	(125)	(1,898)
Funding shortfall under funded plans	759	80	55	894
o/w actuarial gains and losses recognized in equity [1]	*619*	*141*	*20*	*780*
Funding shortfall under unfunded plans		85	150	235
o/w actuarial gains and losses recognized in equity [1]		*27*	*28*	*55*
Total net funding shortfall	**759**	**165**	**205**	**1,129**
Unrecognized past service costs	-	-	(30)	(30)
Net provision in the Consolidated Statement of Financial Position	**759**	**165**	**175**	**1,099**
Funding surplus recognized in assets	-	-	-	-
Provisions recognized in liabilities	759	165	175	1,099

(1) Actuarial gains and losses are recorded in “Income and expense recognized in equity.

The countries included in the “Other” column are the United States, Sweden, Norway, France, Germany, Austria, Switzerland, the Netherlands, Italy and India. These countries represent 16% of net provisions in the Consolidated Statement of Financial Position.

Principal actuarial assumptions

Discount rate and salary inflation rate

	2009	2010	2011		
%			United Kingdom	Canada	Other
Discount rate	3.3 - 8.3	2.4 - 8.4	4.7	5.2	2.9 - 8.8
Salary inflation rate	1.0 - 7.0	1.0 - 7.0	3.9	3.3	1.5 - 10.0

In 2011, the benchmark indexes used to calculate discount rates were identical to those used in previous years.

Plan assets and the expected and actual return on plan assets

			Expected return			Actual return		
in millions of euros	Amount	%	United Kingdom	Canada	Other	United Kingdom	Canada	Other
At December 31, 2009								
Shares	841	59	8.0	8.5	6.3 - 8.3	17.6 - 26.6	11.6 - 12.2	(2.5) - 32.2
Bonds	509	36	5.9	4.0	2.1 - 4.7	7.0 - 9.2	7.1	(2.5) - 23.3
Real estate assets	14	1	6.5	-	3.9	(6.1)	-	(2.5) - 9.8
Cash and cash equivalents	31	2	3.8	1.0	3.9	0.8	(1.5) - (1.1)	0.2
Other	22	2	-	-	(6.6) - 12.2	-	-	(12.3) - 9.8
TOTAL	**1,417**	**100**						
At December 31, 2010								
Shares	1,015	59	8.0	8.5	3.0 - 8.7	12.8 - 16.3	8.6 - 8.8	0.9 - 13.5
Bonds	595	35	5.5	4.0	1.5 - 4.5	9.4 - 11.0	9.0 - 9.2	0.9 - 8.5
Real estate assets	3	-	-	-	3.0 - 3.9	-	-	0.9 - 8.5
Cash and cash equivalents	71	4	3.8	1.0	0.8 - 3.0	1.3	(1.4) - (1.3)	0.1 - 8.5
Other	29	2	-	-	3.8 - 5.9	-	-	0.9 - 24.3
TOTAL	**1,713**	**100**						
At December 31, 2011								
Shares	1,068	56	8.0	7.5	4.3 - 10.1	(5.7) - (4.8)	(4.1) - (4.0)	1.5 - 3.3
Bonds	752	40	4.7	4.0	2.0 - 4.6	15.3 - 15.8	10.8	1.5 - 6.2
Real estate assets	3	-	6.5	-	3.0 - 4.0	-	-	1.5 - 3.0
Cash and cash equivalents	44	2	3.8	1.0	0.5 - 4.0	0.5	(1.2) - (0.8)	-
Other	31	2	-	-	(2.3) - 9.4	-	-	0.9 - 9.4
TOTAL	**1,898**	**100**						

In the United Kingdom, expected rates of returns are validated by experts. For shares, the expected rate of return is based on a study of a selection of leading companies in the United Kingdom which takes account of the maturity of obligations hedged and forecast expected returns based on past trends. The expected rate of return on bonds is determined based on the discount rate used for the obligation, that is, the expected rate of return on corporate bonds rated AA.

In Canada, expected rates of return are determined in accordance with a model based on economic data observable in financial markets (assumptions on the profitability of shares and bonds, validated by expert analyses).

Employees covered by pension plans

	2009	2010	2011			
At December 31	Total	Total	United Kingdom	Canada	Other	Total
Current employees – accruing pensionable service	44,626	54,284	1,160	2,697	57,581	61,438
Former and current employees – not accruing pensionable service	12,101	12,014	8,607	225	3,047	11,879
Retirees	2,288	2,538	1,843	639	338	2,820
TOTAL	**59,015**	**68,836**	**11,610**	**3,561**	**60,966**	**76,137**

The increase in employees in 2011 is chiefly attributable to the expansion of Group operations in India. At December 31, 2011, a total of 35,932 employees were eligible for these pension plans in India, versus 30,621 employees at December 31, 2010.

Analysis of the change in provisions for pensions and other post-employment benefits

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.

Impact on the Income Statement: change in the service cost and the interest cost

In 2011, the expense recognized in operating margin in respect of the service cost and the past service cost is €51 million and mainly concerns France (€16 million), Canada (€14 million) and the United Kingdom (€12 million). The increase in the service cost in 2011 compared to 2010 (€4 million) was mainly due to the decrease in discount rates between 2009 and 2010 in the majority of regions and particularly Canada.

The net impact of the interest cost (discounting of the obligation) and the expected return on plan assets was a financial expense of €25 million (mainly concerning the United Kingdom for €15 million). The decrease in this financial expense in 2011 compared to 2010 (€3 million) was due to:

- the increase in the fair value of plan assets as a result of the rise in contributions paid by the Group, as well as the positive impact of the slight increase in the expected average rate of return for the main pension regime in the United Kingdom. The overall impact was a decrease in the net financial expense of €8 million,
- the favorable impact tied to the fall in interest rates in the majority of regions was nonetheless more than offset by the increase in the net present value of obligations, particularly in the United Kingdom, resulting in an increase in the net financial expense of €5 million.

Impact on equity: change in actuarial gains and losses

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.

	2009	2010	2011			
At December 31	Total	Total	United Kingdom	Canada	Other	Total
Impact of changes in actuarial assumptions	257	186	240	61	5	306
Experience adjustments, o/w:	(98)	(59)	(39)	22	4	(13)
Adjustment on liabilities (1)	*(8)*	*12*	*(29)*	*2*	*1*	*(26)*
Adjustment on assets (2)	*(90)*	*(71)*	*(10)*	*20*	*3*	*13*
IMPACT ON INCOME AND EXPENSE RECOGNIZED IN EQUITY	**159**	**127**	**201**	**83**	**9**	**293**

(1) +: increase in liabilities / -: decrease in liabilities
(2) -: increase in assets / +: decrease in assets

Impact of changes in actuarial assumptions
Changes in actuarial assumptions (essentially the discount rate and the expected rate of return on plan assets) generated an actuarial loss in 2011 of €293 million. This loss is attributable to changes in actuarial assumptions between 2010 and 2011, particularly in the United Kingdom and Canada where discount rates dropped by 83 and 45 basis points, respectively.

Experience adjustments
Experience adjustments result from differences between projected actuarial assumptions and what has actually occurred during the fiscal year. The impact of experiences adjustments on the value of plan assets was an actuarial loss of €13 million, primarily due to an actuarial loss of €20 million in Canada (as actual rates of return were lower than expected rates of return) partially offset by an actuarial gain of €10 million in the UK (as actual rates of return were higher than expected rates of return).

Other impacts on the statement of financial position: contributions, benefits and translation adjustments

Contributions paid by the Group totaled €93 million in 2011, including €61 million in the United Kingdom and €24 million in Canada.
The benefits paid to employees of €71 million mainly involved the United Kingdom (€30 million) and Canada (€26 million).
The €27 million increase in provisions for pensions for translation adjustments, was due to the appreciation, in particular, of the pound sterling (€23 million) and the Canadian dollar (€3 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 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 up to July 2018.

Sensitivity analysis

Analysis of the sensitivity of the present value of the obligation in the United Kingdom

The impact of a change of 50 basis points in the discount rate and the inflation rate on the present value of the obligation in the United Kingdom, which represents 72% of the total Group obligation at December 31, 2011, is presented below:

in millions of euros	Impact	Present value of obligation
Present value of the obligation at December 31, 2011		**2,187**
Increase of 50 basis points in the discount rate	(204)	1,983
Decrease of 50 basis points in the discount rate	236	2,423
Increase of 50 basis points in the inflation rate	194	2,381
Decrease of 50 basis points in the inflation rate	(200)	1,987

Analysis of the sensitivity of healthcare assistance costs

Healthcare assistance costs exclusively concern Canada. For 2009, 2010 and 2011, a 1% change in healthcare assistance costs would have an impact of plus or minus €2 million in the Consolidated Income Statement (service cost and interest cost). The impact of this 1% change would range from negative €13 million to positive €16 million in the Consolidated Statement of Financial Position at December 31, 2011.

NOTE 21 – CURRENT AND NON-CURRENT PROVISIONS

in millions of euros	2009	2010	2011
At January 1	**65**	**49**	**66**
Charge	24	42	34
Reversals (utilization of provisions)	(10)	(8)	(13)
Reversals (surplus provisions)	(37)	(19)	(31)
Other	7	2	7
AT DECEMBER 31	**49**	**66**	**63**

At December 31, 2011, current provisions (€48 million) and non-current provisions (€15 million) mainly concern risks relating to projects and contracts amounting to €46 million (€46 million at December 31, 2010) and risks relating to tax and labor disputes amounting to €17 million (€20 million at December 31, 2010).

Additions to provisions mainly concern outsourcing and technology services projects and tax and labor disputes. Reversals for the period mainly reflect the favorable outcome of customer disputes.

NOTE 22 – OTHER NON-CURRENT LIABILITIES

At December 31 *(in millions of euros)*	Note	2009	2010	2011
Special employee profit-sharing reserve		66	68	61
Derivative instruments	*19*	3	2	15
Liabilities related to acquisitions of consolidated companies	*2*	6	189	219
Other		20	20	27
OTHER NON-CURRENT LIABILITIES		**95**	**279**	**322**

At December 31, 2011, Liabilities related to acquisitions of consolidated companies consist of earn-outs granted at the time of certain acquisitions and put options granted to minority shareholders in CPM Braxis in the amount of BRL 479 million (€198 million at December 31, 2011). The change in put options is due to the inclusion of price adjustments, the impact of the unwinding of the discount on the initial put option and the recognition of an additional put option in the amount of €34 million (see Note 2 – Changes in Group structure).

At December 31, 2011, the "Other" line includes €11 million in respect of a CPM Braxis social security liability. In 2011, a definitive agreement for the payment of this liability over 15 years was signed with the Brazilian tax authorities, as part of the "REFIS" voluntary program for the settlement and recovery of tax liabilities launched in April 2000.

NOTE 23 – ACCOUNTS AND NOTES PAYABLE

At December 31 *(in millions of euros)*	2009	2010	2011
Accounts payable	812	957	944
Accrued taxes other than on income	327	405	378
Personnel costs	853	924	1,002
Other	34	19	16
ACCOUNTS AND NOTES PAYABLE	**2,026**	**2,305**	**2,340**

NOTE 24 – OTHER CURRENT PAYABLES

At December 31 *(in millions of euros)*	Note	2009	2010	2011
Special employee profit-sharing reserve		10	21	18
Derivative instruments	*19*	4	10	51
Liabilities related to acquisitions of consolidated companies	*2*	5	6	14
Other		24	43	54
OTHER CURRENT PAYABLES		**43**	**80**	**137**

At December 31, 2011, the “Other” line includes €29 million in respect of employee–related disputes in the Brazilian subsidiary, CPM Braxis S.A. These disputes are covered for the part not provided at the acquisition date by a warranty clause included in the acquisition contract.

NOTE 25 – OPERATING SEGMENTS

As indicated in Note 1-R – Accounting policies: Operating segments, segment information is provided for the geographic areas presented below (Section I – Segment reporting by geographic area) and complemented in Section II by information on revenues and operating margin for each of the Group’s four businesses.

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 and Latin America	Argentina, Brazil, Chile, Guatemala, Italy, Mexico, Portugal, Spain
Nordic countries	Denmark, Finland, Norway, Sweden
Germany and Central Europe	Austria, Czech Republic, Germany, Hungary, Poland, Romania, Slovakia, Switzerland
Asia-Pacific	Australia, China, India, Philippines, Singapore, United Arab Emirates, Vietnam

Analysis of the Income Statement by geographic area

Fiscal year 2011

in millions of euros	North America	France	United Kingdom and Ireland	Benelux	Southern Europe and Latin America	Nordic countries	Germany and Central Europe	Asia-Pacific	Not allocated (1)	Eliminations	Total
REVENUES											
- external (2)	1,805	2,138	1,945	1,266	1,000	635	626	278	-	-	9,693
- inter-geographic area	78	162	125	52	41	26	132	537	-	(1,153)	-
TOTAL REVENUES	**1,883**	**2,300**	**2,070**	**1,318**	**1,041**	**661**	**758**	**815**	**-**	**(1,153)**	**9,693**
Operating margin (2)	**159**	**187**	**139**	**94**	**30**	**46**	**43**	**83**	**(68)**	**-**	**713**
% of revenues	*8.8*	*8.7*	*7.1*	*7.4*	*3.0*	*7.2*	*6.9*	*n/a*			*7.4*
OPERATING PROFIT	**153**	**153**	**124**	**62**	**11**	**42**	**36**	**82**	**(68)**		**595**

Net finance costs	(65)
Other financial income	64
Other financial expense	(104)
Income tax expense	(101)
Share of profit of associates	-
PROFIT FOR THE YEAR	**389**
Non-controlling interests	15
PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY	**404**

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

Fiscal year 2010

in millions of euros	North America	France	United Kingdom and Ireland	Benelux	Southern Europe and Latin America	Nordic countries	Germany and Central Europe	Asia-Pacific	Not allocated (1)	Eliminations	Total
REVENUES											
- external (2)	1,665	1,931	1,912	1,314	599	543	534	199	-	-	8,697
- inter-geographic area	58	117	83	43	42	21	117	456	-	(937)	-
TOTAL REVENUES	**1,723**	**2,048**	**1,995**	**1,357**	**641**	**564**	**651**	**655**	**-**	**(937)**	**8,697**
Operating margin (2)	**86**	**127**	**150**	**127**	**19**	**36**	**48**	**61**	**(67)**	**-**	**587**
% of revenues	*5.2*	*6.6*	*7.9*	*9.7*	*3.1*	*6.6*	*9.0*	*n/a*	-	-	*6.8*
OPERATING PROFIT	**76**	**106**	**132**	**106**	**6**	**30**	**40**	**60**	**(67)**	**-**	**489**

Net finance costs	(54)
Other financial income	22
Other financial expense	(55)
Income tax expense	(124)
Share of profit of associates	-
PROFIT FOR THE YEAR	**278**
Non-controlling interests	2
PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY	**280**

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

Fiscal year 2009 *in millions of euros*	North America	France	United Kingdom and Ireland	Benelux	Southern Europe and Latin America	Nordic countries	Germany and Central Europe	Asia-Pacific	Not allocated (1)	Eliminations	Total
REVENUES											
- external (2)	1,590	1,949	1,852	1,397	434	488	531	130	-	-	8,371
- inter-geographic area	39	98	64	33	33	12	93	358	-	(730)	-
TOTAL REVENUES	**1,629**	**2,047**	**1,916**	**1,430**	**467**	**500**	**624**	**488**	**-**	**(730)**	**8,371**
Operating margin (2)	**77**	**121**	**165**	**122**	**10**	**35**	**51**	**69**	**(55)**	**-**	**595**
% of revenues	*4.9*	*6.2*	*8.9*	*8.7*	*2.3*	*7.3*	*9.7*	*n/a*	*-*	*-*	*7.1*
OPERATING PROFIT	**55**	**65**	**137**	**30**	**(9)**	**21**	**27**	**63**	**(56)**	**-**	**333**
Net finance costs											(43)
Other financial income											75
Other financial expense											(125)
Income tax expense											(61)
Share of profit of associates											(1)
PROFIT FOR THE YEAR											**178**
PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY											**178**

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

Analysis of depreciation, amortization and other expenses with no cash impact included in the operating margin

Fiscal year 2011 *in millions of euros*	North America	France	United Kingdom and Ireland	Benelux	Southern Europe and Latin America	Nordic countries	Germany and Central Europe	Asia-Pacific	Not allocated (1)	Total
Depreciation and amortization expense	(33)	(29)	(30)	(21)	(22)	(12)	(15)	(26)	-	(188)
Net charge to provisions (1)	3	7	(11)	2	(3)	-	(5)	5	-	(2)
TOTAL	**(30)**	**(22)**	**(41)**	**(19)**	**(25)**	**(12)**	**(20)**	**(21)**	**-**	**(190)**

(1) This item includes net movements in provisions for doubtful accounts and current and non-current provisions.

Fiscal year 2010 *in millions of euros*	North America	France	United Kingdom and Ireland	Benelux	Southern Europe and Latin America	Nordic countries	Germany and Central Europe	Asia-Pacific	Not allocated (1)	Total
Depreciation and amortization expense	(35)	(27)	(28)	(29)	(11)	(11)	(13)	(20)	-	(174)
Net charge to provisions (1)	10	(7)	(11)	6	(1)	(1)	(5)	(3)	-	(12)
TOTAL	**(25)**	**(34)**	**(39)**	**(23)**	**(12)**	**(12)**	**(18)**	**(23)**		**(186)**

(1) This item includes net movements in provisions for doubtful accounts and current and non-current provisions.

Fiscal year 2009 *in millions of euros*	North America	France	United Kingdom and Ireland	Benelux	Southern Europe and Latin America	Nordic countries	Germany and Central Europe	Asia-Pacific	Not allocated (1)	Total
Depreciation and amortization expense	(36)	(26)	(26)	(28)	(6)	(6)	(18)	(18)	-	(164)
Net charge to provisions (1)	(6)	-	(4)	(4)	(1)	1	(1)	3	-	(12)
TOTAL	**(42)**	**(26)**	**(30)**	**(32)**	**(7)**	**(5)**	**(19)**	**(15)**	**-**	**(176)**

(1) This item includes net movements in provisions for doubtful accounts and current and non-current provisions.

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, 2011 *in millions of euros*	North America	France	United Kingdom and Ireland	Benelux	Southern Europe and Latin America	Nordic countries	Germany and Central Europe	Asia-Pacific	Not allocated	Elimina-tions	Total
Assets by geographic area:											
- external	1,154	2,081	1,184	1,146	857	380	464	314	51	-	7,631
- inter-geographic area	38	101	52	23	24	11	36	106	35	(426)	-
TOTAL ASSETS BY GEOGRAPHIC AREA	**1,192**	**2,182**	**1,236**	**1,169**	**881**	**391**	**500**	**420**	**86**	**(426)**	**7,631**
Deferred tax assets											1,020
Current income tax receivable											55
Cash management assets											73
Cash and cash equivalents											2,223
Derivative instruments											12
TOTAL ASSETS											**11,014**
Liabilities by geographic area:											
- external	607	1,053	1,388	336	554	207	218	186	7		4,556
- inter-geographic area	78	84	71	47	18	19	28	42	32	(419)	-
TOTAL EQUITY AND LIABILITIES BY GEOGRAPHIC AREA	**685**	**1,137**	**1,459**	**383**	**572**	**226**	**246**	**228**	**39**	**(419)**	**4,556**
Total equity											4,283
Deferred tax liabilities											183
Current income tax payable											89
Borrowings and bank overdrafts											1,837
Derivative instruments											66
TOTAL EQUITY AND LIABILITIES											**11,014**

At December 31, 2010 *in millions of euros*	North America	France	United Kingdom and Ireland	Benelux	Southern Europe and Latin America	Nordic countries	Germany and Central Europe	Asia-Pacific	Not allocated	Elimina-tions	Total
Assets by geographic area:											
- external	1,035	1,560	990	1,195	805	340	400	274	35	-	6,634
- inter-geographic area	41	69	47	22	15	7	26	77	22	(326)	-
TOTAL ASSETS BY GEOGRAPHIC AREA	**1,076**	**1,629**	**1,037**	**1,217**	**820**	**347**	**426**	**351**	**57**	**(326)**	**6,634**
Deferred tax assets											891
Current income tax receivable											40
Cash management assets											71
Cash and cash equivalents											2,305
Derivative instruments											27
TOTAL ASSETS											**9,968**
Liabilities by geographic area:											
- external	497	968	1,198	340	526	179	205	174	11	-	4,098
- inter-geographic area	81	72	43	45	17	21	20	21	6	(326)	-
TOTAL EQUITY AND LIABILITIES BY GEOGRAPHIC AREA	**578**	**1,040**	**1,241**	**385**	**543**	**200**	**225**	**195**	**17**	**(326)**	**4,098**
Total equity											4,307
Deferred tax liabilities											178
Current income tax payable											61
Borrowings and bank overdrafts											1,312
Derivative instruments											12
TOTAL EQUITY AND LIABILITIES											**9,968**

At December 31, 2009 *in millions of euros*	North America	France	United Kingdom and Ireland	Benelux	Southern Europe and Latin America	Nordic countries	Germany and Central Europe	Asia-Pacific	Not allocated	Eliminations	Total
Assets by geographic area:											
- external	931	1,493	899	1,203	242	278	372	203	38	-	5,659
- inter-geographic area	37	61	29	21	10	7	24	47	10	(246)	-
TOTAL ASSETS BY GEOGRAPHIC AREA	**968**	**1,554**	**928**	**1,224**	**252**	**285**	**396**	**250**	**48**	**(246)**	**5,659**
					Deferred tax assets						887
					Current income tax receivable						54
					Cash and cash equivalents						2,603
					Derivative instruments						10
					TOTAL ASSETS						**9,213**
Liabilities by geographic area:											
- external	472	931	1,087	358	163	148	167	121	6	-	3,453
- inter-geographic area	54	53	30	36	13	18	20	14	8	(246)	-
TOTAL EQUITY AND LIABILITIES BY GEOGRAPHIC AREA	**526**	**984**	**1,117**	**394**	**176**	**166**	**187**	**135**	**14**	**(246)**	**3,453**
					Total equity						4,213
					Deferred tax liabilities						153
					Current income tax payable						52
					Borrowings and bank overdrafts						1,335
					Derivative instruments						7
					TOTAL EQUITY AND LIABILITIES						**9,213**

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

At December 31 *(in millions of euros)*	2009	2010	2011
North America	36	31	18
France	37	22	33
United Kingdom and Ireland	23	50	46
Benelux	26	13	13
Southern Europe and Latin America	8	14	29
Nordic countries	3	14	20
Germany and Central Europe	11	15	17
Asia-Pacific	17	37	42
ACQUISITIONS OF INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT	**161**	**196**	**218**

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 (€158 million), which excludes acquisitions of assets held under finance leases (€60 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

	2009		2010		2011	
in millions of euros	Amount	%	Amount	%	Amount	%
Consulting Services	558	7	511	6	515	5
Technology Services	3,345	40	3,610	42	4,020	41
Local Professional Services	1,419	17	1,418	16	1,518	16
Outsourcing Services	3,049	36	3,158	36	3,640	38
REVENUES	**8,371**	**100**	**8,697**	**100**	**9,693**	**100**

Breakdown of operating margin by business

	2009		2010		2011	
in millions of euros	Amount	%	Amount	%	Amount	%
Consulting Services	64	11.4	56	10.9	62	12.0
Technology Services	230	6.9	242	6.7	273	6.8
Local Professional Services	138	9.7	131	9.2	166	10.9
Outsourcing Services	218	7.2	225	7.1	280	7.7
Not allocated	(55)	-	(67)	-	(68)	-
OPERATING MARGIN	**595**	**7.1**	**587**	**6.8**	**713**	**7.4**

NOTE 26 – NUMBER OF EMPLOYEES

Average number of employees by geographic area

	2009		2010		2011	
	Employees	%	Employees	%	Employees	%
North America	8,032	9	8,265	8	9,039	8
France	20,496	23	19,828	21	20,614	18
United Kingdom and Ireland	8,042	9	8,167	8	8,700	8
Benelux	11,795	13	10,877	11	10,508	9
Southern Europe and Latin America	7,939	9	9,863	10	15,505	14
Nordic countries	3,894	4	3,850	4	4,292	4
Germany and Central Europe	7,649	8	7,853	8	8,375	7
Asia-Pacific	22,230	25	28,696	30	37,150	32
Not allocated	161	-	172	-	171	-
AVERAGE NUMBER OF EMPLOYEES	**90,238**	**100**	**97,571**	**100**	**114,354**	**100**

Number of employees at December 31 by geographic area

	2009		2010		2011	
At December 31	Employees	%	Employees	%	Employees	%
North America	7,950	9	8,667	8	9,505	8
France	19,865	22	20,107	18	21,571	18
United Kingdom and Ireland	7,844	9	8,515	8	8,977	7
Benelux	11,163	12	10,782	10	10,391	9
Southern Europe and Latin America	8,114	9	14,853	14	16,499	14
Nordic countries	3,681	4	4,012	4	4,538	4
Germany and Central Europe	7,724	9	7,928	7	8,962	7
Asia-Pacific	24,008	26	33,655	31	39,097	33
Not allocated	167	-	179	-	167	-
NUMBER OF EMPLOYEES AT DECEMBER 31	**90,516**	**100**	**108,698**	**100**	**119,707**	**100**

NOTE 27 – OFF-BALANCE SHEET COMMITMENTS

Off-balance sheet commitments relating to Group operating activities

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. and The Secretary of State for Work & Pensions.

In addition, certain clients enjoy:

- limited financial guarantees issued by the Group and totaling €856 million at December 31, 2011 (€631 million and €266 million at December 31, 2010 and 2009, respectively),
- bank guarantees borne by the Group and totaling €81 million at December 31, 2011 (€91 million and €57 million at December 31, 2010 and 2009, respectively).

Commitments given on non-cancellable leases

in millions of euros	Computer equipment	Offices	Vehicles and other non-cancellable leases	Total
Y+1	14	171	63	248
Y+2	5	135	45	185
Y+3	2	104	27	133
Y+4	1	76	10	87
Y+5	-	54	-	54
Y+6 and beyond	-	111	-	111
December 31, 2011	**22**	**651**	**145**	**818**
December 31, 2010	**32**	**633**	**140**	**805**
December 31, 2009	**36**	**687**	**142**	**865**

Lease payments recognized in the Income Statement in 2011 totaled €307 million (€267 million and €262 million at December 31, 2010 and 2009, respectively).

Other commitments given

Other commitments given total €121 million at December 31, 2011 (€50 million and €53 million in 2010 and 2009, respectively) and comprise:

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

Commitments received on client contracts

Pursuant to a contract signed in 2010, Capgemini Group received a limited financial guarantee of €67.5 million from the client.

Off-balance sheet commitments relating to Group financing

Bond issues

With regard to the OCEANE 2005 and 2009 bonds and the new 2011 bond issue detailed in Note 17 – Net cash and cash equivalents, Cap Gemini S.A. has committed to standard obligations and particularly to maintain pari passu status with all other negotiable bonds that may be issued by the Company.

Syndicated credit facility obtained by Cap Gemini S.A. and not drawn to date

Cap Gemini S.A. 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 net debt to consolidated equity ratio must be less than 1 at all times,
- the interest coverage ratio (the extent to which net finance costs are covered by consolidated operating margin) 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, 2009, 2010 and 2011 the Group complied with these financial ratios.

The 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 S.A. also committed to standard obligations, including an agreement to maintain *pari passu* status.

Borrowings secured by assets

Some borrowings are secured by assets recorded in the Consolidated Statement of Financial Position. At December 31, 2011, these related to finance leases for an amount of €132 million.

Contingent liabilities

During 2011 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, 2011, the Group does not equity account for any companies, following the buy-out of the residual 51.17% share capital of SSS Holdings Corporation Ltd. in 2010. Transactions with these companies in 2009 were carried out on an arm's length basis, and volumes were not material.

Other related-parties

In 2011, no material transactions were carried out with:

- shareholders holding significant voting rights in the share capital of Cap Gemini S.A.,
- members of management, including Directors and non-voting 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, since the acquisition of CPM Braxis on October 6, 2010, it is worth noting that Bradesco S.A., a minority shareholder, is also the main client of CPM Braxis accounting for 45% of its revenues.

Group management compensation

The table below provides a breakdown of compensation due in respect of 2011 to members of Group management - which includes the Group operating management structure present at each year-end (20 members in 2011 and 21 members in 2010) – and the Chairman of the Board of Directors, as well as attendance fees payable to non-salaried Directors and non-voting Directors.

in millions of euros	2009	2010	2011
Short-term benefits excluding employer payroll taxes (1)	21,422	18,306	16,253
O/w: attendance fees to salaried Directors (2)	-	-	-
O/w: attendance fees to non-salaried Directors and non-voting Directors (3)	*534*	*699*	*722*
Short-term benefits: employer payroll taxes	4,133	3,300	3,640
Post-employment benefits (4)	909	674	623
Share-based payment (5)	1,741	2,183	2,456

(1) Includes gross wages and salaries, bonuses, profit-sharing, directors' fees and benefits in kind.
(2) Note that salaried Directors (Serge Kampf and Paul Hermelin) waived receipt of their attendance fees in 2009, 2010 and 2011.
(3) 14 in 2009, 13 in 2010 and 13 in 2011.
(4) Including mainly statutory retirement termination payments.
(5) Representing the annual expense relating to the granting of stock options and performance shares.

NOTE 29 – SUBSEQUENT EVENTS

The remaining 9,460,810 OCEANE 2005 bonds were redeemed in full on January 2, 2012 for an amount of €400 million (including accrued interest not yet due at December 31, 2011).

At the Combined Shareholders' Meeting, the Board of Directors will recommend a dividend payout to Cap Gemini S.A. shareholders of €1 per share in respect of 2011, compared to a dividend of €1 per share in respect of 2010 and €0.80 per share in respect of 2009.

NOTE 30 – LIST OF THE MAIN CONSOLIDATED COMPANIES BY COUNTRY

FC= Full consolidation
EM = Equity Method
PC= Proportionate consolidation

Country	Consolidated Company at December 31, 2011	% interest	Consolidation method
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
	Cap Gemini Telecom Media & Networks Deutschland GmbH	100.00%	FC
	Sogeti High Tech GmbH	100.00%	FC
	IBX Deutschland GmbH	100.00%	FC
	Portum AG	100.00%	FC
	I&S IT-Beratung & Service GmbH	100.00%	FC
	CS Consulting GmbH	100.00%	FC
ARGENTINA	Capgemini Argentina SA	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 do Brasil, Serviços de Consultoria e Informática Ltda.	100.00%	FC
	Capgemini Business Services Brasil – Assessoria Empresarial Ltda.	100.00%	FC
	Consultoria de Gestao Gemini Ltda.	100.00%	FC
	CPM Braxis S.A.	61.10%	FC
	CPM Braxis ERP Tecnologia da Informação Ltda.	61.10%	FC
	CPM Braxis Outsourcing S.A.	61.10%	FC
CANADA	Capgemini Canada Inc.	100.00%	FC
	Inergi LP	100.00%	FC
	New Horizons System Solutions LP	100.00%	FC
	Capgemini Financial Services Canada Inc.	100.00%	FC
	Gestion Cap Gemini Quebec Inc.	100.00%	FC
	Société en Commandite Cap Gemini Quebec	100.00%	FC
CHILE	Capgemini Business Services Chile Ltda.	100.00%	FC
CHINA	Capgemini (China) Co. Ltd.	100.00%	FC
	Capgemini Hong Kong Ltd.	100.00%	FC
	Capgemini Business Services (China) Ltd.	100.00%	FC
	Capgemini Business Services (Asia) Ltd.	100.00%	FC
	Strategic Systems Solutions Hangzhou (China) Ltd.	100.00%	FC
	Praxis Technology Co.Ltd.	100.00%	FC
DENMARK	Capgemini Danmark AS	100.00%	FC
	Sogeti Danmark AS	100.00%	FC
	IBX Danmark AS	100.00%	FC
UNITED ARAB EMIRATES	Capgemini Middle East FZ LLC	100.00%	FC
	Thesys Technologies Middle East FZE	100.00%	FC
	Thesys Technologies LLC	49.00%	FC
SPAIN	Capgemini España, S.L.	100.00%	FC
	Sogeti España, S.L.	100.00%	FC
	Prosodie Ibérica	100.00%	FC

FC= Full consolidation
EM = Equity Method
PC= Proportionate consolidation

Country	Consolidated Company at December 31, 2011	% interest	Consolidation method
UNITED STATES	Capgemini America Inc.	100.00%	FC
	Capgemini US LLC	100.00%	FC
	Capgemini North America Inc.	100.00%	FC
	Capgemini Technologies LLC	100.00%	FC
	Capgemini Government Solutions LLC	100.00%	FC
	Sogeti USA LLC	100.00%	FC
	Capgemini Energy LP	100.00%	FC
	Capgemini Financial Services International Inc.	100.00%	FC
	Capgemini Financial Services USA Inc.	100.00%	FC
	Capgemini Financial Services Europe Inc.	100.00%	FC
	Capgemini Financial Services Japan Inc.	100.00%	FC
	IBX North America Inc.	100.00%	FC
	CPM Braxis USA Corp.	61.10%	FC
	Capgemini Business Services USA LLC	100.00%	FC
FINLAND	Capgemini Finland Oy	100.00%	FC
	Sogeti Finland Oy	100.00%	FC
	IBX Finland Oy	100.00%	FC
FRANCE	Cap Gemini S.A.	Parent Company	FC
	Capgemini France S.A.S.	100.00%	FC
	Capgemini Gouvieux S.A.S.	100.00%	FC
	Capgemini Service S.A.S.	100.00%	FC
	Capgemini Université S.A.S.	100.00%	FC
	Immobilière Les Fontaines S.A.R.L.	100.00%	FC
	SCI Paris Etoile	100.00%	FC
	Capgemini Consulting S.A.S.	100.00%	FC
	Capgemini Technology Services S.A.S.	100.00%	FC
	Capgemini Outsourcing Services S.A.S.	100.00%	FC
	Capgemini OS Electric S.A.S.	100.00%	FC
	Plaisir Informatique S.A.R.L.	100.00%	FC
	Cap Sogeti 2005 S.A.S.	100.00%	FC
	IBX France S.A.R.L.	100.00%	FC
	Sogeti S.A.S.	100.00%	FC
	Sogeti France S.A.S.	100.00%	FC
	Sogeti Corporate Services SAS	100.00%	FC
	Sogeti High Tech S.A.S.	100.00%	FC
	Artésys SA	100.00%	FC
	Prosodie France S.A.	100.00%	FC
	Internet FR	100.00%	FC
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 Private Ltd.	100.00%	FC
IRELAND	Sogeti Ireland Ltd.	100.00%	FC
ITALY	Capgemini Italia S.p.A.	100.00%	FC
	AIVE SPA	100.00%	FC
	AIVEBS SPA	100.00%	FC
	AIVE BST SPA	100.00%	FC
	ENTERPRIME CONSULTING SPA	81.00%	FC
	ENTERPRIME FINANCE SRL	51.00%	FC
	REALTA' INFORMATCA SRL	51.00%	FC

FC= Full consolidation
EM = Equity Method
PC= Proportionate consolidation

Country	Consolidated Company at December 31, 2011	% interest	Consolidation method
LUXEMBOURG	Sogeti Luxembourg S.A.	100.00%	FC
	Sogeti PSF S.A.	100.00%	FC
	Capgemini Reinsurance International	100.00%	FC
	Capgemini Reinsurance Company S.A.	100.00%	FC
MALAYSIA	Capgemini Services Malaysia Sdn Bhd	100.00%	FC
MOROCCO	Capgemini Technology Services Maroc S.A.	100.00%	FC
MEXICO	Capgemini Mexico S. de R.L. de C.V.	100.00%	FC
NORWAY	Capgemini Norge AS	100.00%	FC
	Sogeti Norge AS	100.00%	FC
	IBX Norge AS	100.00%	FC
NETHERLANDS	Capgemini Interim Management B.V.	100.00%	FC
	Capgemini Nederland B.V.	100.00%	FC
	Capgemini Educational Services B.V.	100.00%	FC
	Capgemini N.V.	100.00%	FC
	Sogeti Nederland B.V.	100.00%	FC
	Capgemini Retail Solutions B.V.	100.00%	FC
	Independent Interim v.o.f	50.00%	PC
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
CZECH REPUBLIC	Capgemini Czech Republic S.r.o.	100.00%	FC
ROMANIA	Capgemini Services Romania s.r.l.	100.00%	FC
	IBX Software Development s.r.l.	100.00%	FC
UNITED KINGDOM	Capgemini UK Plc.	100.00%	FC
	Capgemini Financial Services UK Ltd.	100.00%	FC
	Strategic Systems Solutions Ltd.	100.00%	FC
	Sogeti UK Ltd.	100.00%	FC
	IBX UK Ltd.	100.00%	FC
SINGAPORE	Capgemini Singapore Pte Ltd.	100.00%	FC
SLOVAKIA	Capgemini Slovensko, S.r.o.	100.00%	FC
SWEDEN	Capgemini AB	100.00%	FC
	Capgemini Sverige AB	100.00%	FC
	Sogeti Sverige AB	100.00%	FC
	IBX Group AB	100.00%	FC
	Skvader Systems AB	100.00%	FC
	Sogeti Sverige Mitt AB	100.00%	FC
SWITZERLAND	Capgemini Suisse S.A.	100.00%	FC
	Capgemini SD&M Schweiz AG	100.00%	FC
	Sogeti Suisse S.A.	100.00%	FC
VIETNAM	IACP Asia	100.00%	FC