

June 30, 2014

INTERIM FINANCIAL REPORT

CONSOLIDATED FINANCIAL STATEMENTS



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Financial highlights

CONSOLIDATED FINANCIAL STATEMENTS

<i>in millions of euros</i>	First-half 2010	First-half 2011 *	First-half 2012 *	First-half 2013	First-half 2014
Revenues	4,211	4,756	5,150	5,033	5,104
Operating expenses	(3,958)	(4,452)	(4,800)	(4,666)	(4,702)
Operating margin	253	304	350	367	402
% of revenues	6.0%	6.4%	6.8%	7.3%	7.9%
Amortization of intangible assets recognized in business combinations	(8)	(12)	(19)	(15)	(10)
Operating profit	200	243	240	302	354
% of revenues	4.7%	5.1%	4.7%	6.0%	6.9%
Profit for the period attributable to owners of the Company	101	122	134	176	240
% of revenues	2.4%	2.6%	2.6%	3.5%	4.7%
Earnings per share					
<i>Number of shares at June 30</i>	155,031,166	155,770,362	155,770,362	159,129,651	159,063,915
Earnings per share at June 30 (in euros)	0.65	0.78	0.86	1.10	1.51
GOODWILL AT JUNE 30	3,043	3,185	3,762	3,673	3,642
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY AT JUNE 30	4,322	4,160	4,058	4,442	4,433
NET CASH AND CASH EQUIVALENTS AT JUNE 30	809	169	27	272	205
ORGANIC FREE CASH FLOW AT JUNE 30	(379)	(576)	(309)	(313)	(148)
Average number of employees	92,328	111,592	120,560	126,356	134,633
Number of employees at June 30	95,586	114,274	121,026	127,968	138,809

* Figures have been adjusted for the restatements resulting from the first-time application of IAS 19, revised, as disclosed in the 2013 consolidated financial statements.

Statutory auditors' reports on the interim financial information

Period from January 1, 2014 to June 30, 2014

This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English speaking readers. 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 and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed *interim* consolidated financial statements of Cap Gemini S.A., for the six months ended 30 June 2014;
- the verification of the information contained in the *interim* financial review.

These condensed interim consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - the standard of IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information given in the interim financial review on the condensed interim consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed interim consolidated financial statements.

The Statutory Auditors
French original signed by

Neuilly-sur-Seine, 31 July 2014

Paris La Défense, 31 July 2014

PricewaterhouseCoopers Audit

KPMG Audit
Department of KPMG S.A.

Françoise Garnier
Partner

Frédéric Quélin
Partner

FIRST-HALF 2014 HIGHLIGHTS

In an economic context marked by only slightly positive activity growth in continental Europe, the Group successfully continued to improve its operating profitability. Revenues for the first-half 2014 totaled €5,104 million, up 1.4% (and 2.6% like-for-like) on the first-half 2013. Foreign exchange impacts were unfavorable over the period and weighed 1.9 points on half-year growth, primarily due to the depreciation against the euro of the US, Australian and Canadian dollars and the Brazilian real, partially offset by the appreciation of the British pound. The integration of Euriware had a favorable impact of 0.7 points on reported growth for the first-half. Like-for-like growth remained strong in the Asia-Pacific and Latin America area (+9.1%) and North America (+6.1%), but is only slightly positive across Europe as a whole (+1.1%). The second quarter nonetheless enjoyed an upturn in trends, with Group revenues rising 3% like-for-like.

An analysis of **new orders** confirms the overall improvement in demand: bookings totaled €5,653 million in the first-half 2014, up 20% on the same period in 2013.

The Group operating margin for the first-half 2014 is €402 million or 7.9% of revenues (representing an increase of 0.6 points on the first-half 2013). This result supports the forecast increase for 2014 announced at the beginning of the year of between 0.3 and 0.5 points. Restructuring costs recorded a further decrease to €19 million compared with €31 million in the first-half 2013, already an all-time low. On this basis, operating profit for the half-year reached €354 million, up 17% on the same period last year.

After a net financial expense of €34 million and an income tax expense of €91 million, profit for the half-year is €229 million compared with €169 million for the first-half 2013 and profit for the period attributable to owners of the Company is €240 million compared with €176 million for the first-half 2013, an increase of over 36%.

Since January 1, the Group has announced several contracts, the launch of new services and partnerships, bearing witness to the growing success of the implementation of Capgemini's strategy:

- ▶ Launch of a new global service line "Digital Customer Experience", to help organizations make the most of digital opportunities in their customer relationship;
- ▶ Signature of a partnership with VMWare to develop new cloud orchestration solutions;
- ▶ Signature of a contract for more than €40 million with Lloyd's Register, the oldest British maritime classification company, for the performance of new infrastructure and application management services;
- ▶ Signature with AREVA of an IT services agreement worth €1 billion over 10 years;
- ▶ Signature of a BPO contract with Honeywell to transform its accounting and finance function;
- ▶ Extension of the partnership with Cloudera to help organizations implement their Big Data initiatives;
- ▶ Signature of an application services agreement with Office Dépot.

Following a dividend payment of €1.10 per share (€174 million) and in spite of the seasonal increase in working capital requirements, **net cash and cash equivalents** remains positive at €205 million at the end of June 2014. Group organic free cash flow is -€148 million in the first-half 2014, compared with -€313 million in the first-half 2013.

Organic free cash flow is generally negative in the first-half of the year due to the seasonality of certain payments (primarily bonuses). The improvement noted this year is due to the increase in profitability and the reduction in interest payments, as well as ongoing working capital requirement management efforts.

The **Group headcount** totals 138,809 at June 30, 2014, up on June 30, 2013 (127,968) and December 31, 2013 (131,430). The attrition rate of 16.3% observed during the first half is unchanged on the first-half 2013. 45% of employees are now located off-shore.

OPERATIONS BY GEOGRAPHIC AREA

	% of revenues H1 2014	Growth on H1 2013		Operating margin rate	
		Published figures	Like-for-like	H1 2013	H1 2014
North America	20.3%	0.3%	6.1%	12.3%	11.9%
United Kingdom and Ireland	21.2%	7.0%	3.3%	8.1%	9.9%
France	22.4%	4.7%	1.5%	7.2%	6.7%
Benelux	10.3%	-2.1%	-2.1%	8.2%	8.9%
Rest of Europe	18.1%	-2.1%	-0.1%	6.2%	7.9%
Asia-Pacific and Latin America	7.7%	-5.7%	9.1%	2.6%	2.7%
TOTAL	100.0%	1.4%	2.6%	7.3%	7.9%

North America revenues (20.3% of Group revenues) remained practically stable due to the impact of the depreciation of the US and Canadian dollars. Like-for-like growth was 6.1%. The first-half 2014 therefore confirmed the return to growth in this area which commenced in the second-half 2013. The operating margin rate is 11.9% and remains close to the highly satisfactory level attained in 2013, bearing witness to the success of the offshore strategy of the Group, which adapted its production model in response to client demand in this market where it is now a major player.

The **United Kingdom and Ireland** area (21.2% of Group revenues) reported a 7% increase in revenues and a like-for-like increase of 3.3% for the half-year. This upturn was achieved in a context of renewed investment in the commercial sector, while the public sector, which still accounts for 60% of business in this area, contracted slightly. The operating margin rate increased 1.8 points on the first-half 2013 to 9.9%.

France (22.4% of Group revenues) reported an increase of 4.7% in revenues. Adjusted for the impact of the Euriware transaction on the consolidation scope, like-for-like growth is 1.5%. Given the difficult nature of the French market, this increase once again bears witness to the improved competitive position of the Group in France. The operating margin rate fell 0.5 points on the first-half 2013 to 6.7%.

Benelux (10.3% of Group revenues) reported a slight 2.1% decrease in activity. The contraction was limited to 1.2% in the second quarter. The economic context was particularly unfavorable in this area in the first-half 2014. The operating margin rate is 8.9% (8.2% in the first-half 2013), confirming the return to profitability of this area following the measures taken at the end of 2012.

The **Rest of Europe** (18.1% of Group revenues) contracted 2.1% and only 0.1% like-for-like. The near stability of revenues reflects differences in economic momentum between the markets of Northern and Southern Europe. The operating margin rate increased 1.7 points in one year to 7.9%, with the Group demonstrating in this area the effectiveness of offshore activities in increasing profitability despite a weak market context.

Activity in the **Asia-Pacific and Latin America** area (7.7% of Group revenues) fell 5.7% due to the weakness of the main currencies in this area and particularly the Brazilian real. Revenues rose 9.1% like-for-like. Latin America continued to benefit from the ramp-up of a major contract signed in 2012. The operating margin rate remains limited at 2.7%, an improvement of 0.1 points on the first-half 2013. The seasonality of the operating margin is more marked in this area and the Group expects a higher margin rate in the second-half.

OPERATIONS BY BUSINESS SEGMENT

Growing demand from clients to group application development and maintenance services in a single contract led the Group to review the presentation of its segment reporting by business. The distinction between technology services, which include application development and outsourcing services, which include the maintenance activity, has therefore become artificial.

Accordingly, with effect from January 1, 2014, segment reporting by business is presented as follows:

- ▶ Consulting Services, which help to enhance the performance of organizations based on in-depth knowledge of client industries and processes,
- ▶ Local Professional Services, which provide assistance and support to internal IT teams within client companies,
- ▶ Application Services, which devise, develop, implement and maintain IT applications covering the Group's system integration and application maintenance activities.
- ▶ Other Managed Services, which integrate, manage and/or develop either fully or partially, client's IT Infrastructure systems (or that of a group of clients), transaction services, on demand services and/or business activities (Business Process Outsourcing, BPO).

	% of revenues H1 2014	Growth on H1 2013*	Operating margin rate	
			H1 2013	H1 2014
CONSULTING SERVICES	4.4%	-4.7%	7.7%	7.0%
LOCAL PROFESSIONAL SERVICES	15.2%	0.6%	9.1%	8.2%
APPLICATION SERVICES	56.4%	2.2%	8.4%	9.3%
OTHER MANAGED SERVICES	24.0%	6.5%	6.0%	7.3%

* like-for-like

Consulting Services (4.4% of Group revenues) remains the Group business most affected by the economic environment in the first-half 2014 (4.7% contraction in activities, like-for-like). Growth in Germany and France, which enjoyed an upturn following the contraction reported in 2013, proved insufficient to offset the fall in other geographic areas. The utilization rate was 65% in the first quarter and 69% in the second quarter. The operating margin rate fell 0.7 points on the first-half 2013 to 7%.

Local Professional Services (Sogeti, 15.2% of Group revenues) reported a limited 0.6% increase in revenues, like-for-like. This overall stability was the result of growth in North America and the United Kingdom, offset by a downturn in France and Benelux. The operating margin rate slipped 0.9 points on the first-half 2013 to 8.2%.

Application Services (56.4% of Group revenues) reported 2.2% growth in revenues, like-for-like. The position is, however, more contrasted across geographic areas: the Asia-Pacific and Latin America area remained extremely dynamic, while North America, the United Kingdom and Ireland grew and Continental Europe as a whole contracted. The operating margin rate increased 0.9 points on the first-half 2013 to 9.3%.

Other Managed Services (24% of Group revenues) reported like-for-like activity growth of 6.5% on the first-half 2013. All geographic areas, with the exception of Germany and Central Europe contributed to this growth. The operating margin rate increased significantly by 1.3 points on the first-half 2013 to 7.3%, boosted by the improved profitability of the infrastructure services business.

ANALYSIS OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED JUNE 30, 2014

Consolidated Income Statement

Revenues for first-half 2014 totaled €5,104 million, compared with €5,033 million for first-half 2013, up 1.4% (2.6% like-for-like).

The operating margin for the first six months of 2014 was €402 million, compared with €367 million for the same period in 2013, representing a margin rate of 7.9% compared with 7.3%.

Other operating income and expenses represented a net expense of €38 million in the first-half 2014, with the improvement on the first-half 2013 (€50 million) mainly due to further significant reductions in restructuring costs from €31 million to €19 million.

Operating profit is therefore €354 million for the half-year ended June 30, 2014 (6.9% of revenues) compared with €302 million for the first-half 2013 (6.0% of revenues), representing a further 0.9 point improvement in operating profitability.

The net financial expense totaled €34 million in the first-half 2014, compared to €53 million on the same period in 2013. This decrease on the first-half 2013 was mainly due to the fall in interest on borrowings following the repurchase, conversion and redemption of the "OCEANE 2009" bond issue convertible/exchangeable into new or existing Cap Gemini shares in the second-half 2013.

The income tax expense for the first-half 2014 is €91 million, compared with €80 million for the first-half 2013 and the effective tax rate for the first-half 2014 is 28.6% (32.1% in the first-half 2013).

Profit for the period attributable to owners of the Company is therefore €240 million for the half-year ended June 30, 2014, a surge of 36.6% on the profit of €176 million for the first-half 2013. Earnings per share is therefore €1.51 based on 159,063,915 shares outstanding at June 30, 2014, compared with €1.10 based on 159,129,651 shares outstanding at June 30, 2013.

Consolidated Statement of Financial Position

Consolidated equity attributable to owners of the Company totaled €4,433 million at June 30, 2014, down €25 million compared with December 31, 2013. This decrease was mainly due to:

- ▶ the payment of dividends to shareholders (€174 million);
- ▶ a share capital reduction following the cancellation of treasury shares (€65 million);
- ▶ the cancellation of treasury shares (€38 million);

partially offset by the recognition of profit for the period of €240 million.

Non-current assets totaled €5,502 million at June 30, 2014. This increase of €65 million on December 31, 2013 mainly reflects:

- ▶ a €41 million net increase in goodwill, primarily due to positive foreign currency translation adjustments of €37 million on goodwill denominated in foreign currencies;
- ▶ a €18 million increase in other non-current assets primarily due to the fair value remeasurement of cash flow hedging derivative instruments contracted pursuant to the central management of foreign exchange risk, recognized through equity (at December 31, 2013, the fair value of these instruments was recorded in "Other non-current liabilities").

Non-current liabilities excluding long-term borrowings amounted to €1,494 million at June 30, 2014. This €89 million increase on December 31, 2013 is mainly attributable to the following movements:

- ▶ a €103 million increase in provisions for pensions and other post-employment benefits chiefly due to a net actuarial loss resulting from the decrease in discount rates in Canada and the United Kingdom between December 31, 2013 and June 30, 2014;
- ▶ a €28 million decrease in other non-current liabilities primarily due to the fair value remeasurement of cash flow hedging derivative instruments contracted pursuant to the central management of foreign exchange risk, recognized through equity (these instruments are recognized in "Other non-current assets" at June 30, 2014).

Operating receivables, comprising accounts and notes receivable, totaled €2,811 million at June 30, 2014 compared with €2,694 million at June 30, 2013 and €2,587 million at December 31, 2013. Accounts receivable net of advances from clients and amounts billed in advance totaled €2,049 million at June 30, 2014, compared with €1,993 million one year earlier and €1,800 million at December 31, 2013.

Accounts and notes payable, consisting mainly of accounts payable and related accounts, amounts due to employees and accrued taxes other than on income, totaled €2,189 million at June 30, 2014, compared with €2,078 million at June 30, 2013 and €2,293 million at December 31, 2013.

Consolidated net cash and cash equivalents totaled €205 million at June 30, 2014, compared with €272 million at June 30, 2013 and €678 million at December 31, 2013. The €473 million decrease in net cash and cash equivalents on December 31, 2013 chiefly reflects:

- ▶ organic free cash flow, equal to cash flow from operations adjusted for acquisitions of property, plant, equipment and intangible assets (net of disposals) and flows relating to the net interest cost, of -€148 million;
- ▶ the payment of dividends to shareholders for a total amount of €174 million;
- ▶ the repurchase of treasury shares in the amount of €103 million.

RELATED PARTIES

No material transactions with related parties took place in the first-half 2014.

MAIN RISKS AND UNCERTAINTIES FOR THE SECOND-HALF 2014

The nature and degree of risks to which the Group is exposed have not changed from those presented on pages 25 to 29 of the 2013 Registration Document.

Among these risks, developments in the economic environment and particularly the resulting impact on prices is the main factor likely to influence business in the second half.

OUTLOOK FOR FISCAL YEAR 2014

First-half performance supports the Group's annual guidance:

- ▶ organic revenue growth of 2% to 4%,
- ▶ an operating margin rate of between 8.8% and 9%,
- ▶ organic free cash flow expected to exceed €500 million.

Condensed interim consolidated financial statements for the half-year ended June 30, 2014

CONSOLIDATED INCOME STATEMENT

<i>in millions of euros</i>	Notes	2013		First-half 2013		First-half 2014	
		Amount	%	Amount	%	Amount	%
Revenues	3	10,092	100	5,033	100	5,104	100
Cost of services rendered	4	(7,636)	(75.7)	(3,868)	(76.8)	(3,868)	(75.8)
Selling expenses	4	(807)	(8.0)	(410)	(8.2)	(436)	(8.5)
General and administrative expenses	4	(792)	(7.9)	(388)	(7.7)	(398)	(7.8)
Operating margin		857	8.5	367	7.3	402	7.9
Amortization of intangible assets recognized in business combinations		(30)	(0.3)	(15)	(0.3)	(10)	(0.2)
Other operating income and expense	5	(107)	(1.1)	(50)	(1.0)	(38)	(0.7)
Operating profit		720	7.1	302	6.0	354	6.9
Net finance costs	6	(47)	(0.5)	(25)	(0.5)	(8)	(0.2)
Other financial income and expense	6	(55)	(0.6)	(28)	(0.6)	(26)	(0.5)
Net financial expense		(102)	(1.0)	(53)	(1.1)	(34)	(0.7)
Income tax expense		(182)	(1.8)	(80)	(1.6)	(91)	(1.8)
Share of profit of associates		(1)	(0.0)	-	-	-	-
PROFIT FOR THE PERIOD		435	4.3	169	3.4	229	4.5
Attributable to:							
<i>Owners of the Company</i>		442	4.4	176	3.5	240	4.7
<i>Non-controlling interests</i>		(7)	(0.1)	(7)	(0.1)	(11)	(0.2)
EARNINGS PER SHARE							
Average number of shares outstanding during the period		158,147,868		158,229,410		158,477,956	
Basic earnings per share (in euros)		2.80		1.11		1.51	
Number of shares outstanding at the period end		160,317,818		159,129,651		159,063,915	
Earnings per share at the period end (in euros)		2.76		1.10		1.51	
Diluted average number of shares outstanding		179,596,733		178,103,162		170,236,818	
Diluted earnings per share (in euros)		2.59		1.05		1.43	

STATEMENT OF INCOME AND EXPENSE RECOGNIZED IN EQUITY

<i>in millions of euros</i>	2013	First-half 2013	First-half 2014
Actuarial losses and gains on defined benefit pension plans, net of tax	(98)	70	(50)
Items that will not be reclassified to profit or loss	(98)	70	(50)
Remeasurement of hedging derivatives, net of tax	2	(14)	25
Translation adjustments	(162)	(40)	30
Items to be reclassified to profit or loss	(160)	(54)	55
TOTAL INCOME AND EXPENSE RECOGNIZED IN EQUITY	(258)	16	5
Profit for the period (reminder)	435	169	229
If this income and expense recognized in equity had been recognized in profit or loss, profit for the period would have been as follows:	177	185	234
Attributable to:			
<i>Owners of the Company</i>	191	195	244
<i>Non-controlling interests</i>	(14)	(10)	(10)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>in millions of euros</i>	<i>Notes</i>	June 30, 2013	December 31, 2013	June 30, 2014
Goodwill		3,673	3,601	3,642
Intangible assets		177	166	164
Property, plant and equipment		512	494	499
Deferred taxes		1,027	1,023	1,026
Other non-current assets		89	153	171
Total non-current assets		5,478	5,437	5,502
Accounts and notes receivable	8	2,694	2,587	2,811
Current tax assets		75	69	104
Other current receivables		399	368	473
Cash management assets	9	77	77	79
Cash and cash equivalents	9	1,425	1,638	1,254
Total current assets		4,670	4,739	4,721
TOTAL ASSETS		10,148	10,176	10,223

<i>in millions of euros</i>	<i>Notes</i>	June 30, 2013	December 31, 2013	June 30, 2014
Share capital		1,273	1,283	1,273
Additional paid-in capital		2,900	2,930	2,875
Retained earnings and other reserves		93	(197)	45
Profit for the period		176	442	240
Equity (attributable to owners of the Company)		4,442	4,458	4,433
Non-controlling interests		37	33	23
Total equity		4,479	4,491	4,456
Long-term borrowings	9	569	906	909
Deferred taxes		154	158	165
Provisions for pensions and other post-employment benefits	10	1,053	962	1,065
Non-current provisions		23	16	23
Other non-current liabilities	11	227	269	241
Total non-current liabilities		2,026	2,311	2,403
Short-term borrowings and bank overdrafts	9	664	133	219
Accounts and notes payable		2,078	2,293	2,189
Advances from customers and billed in advance	8	595	684	655
Current provisions		54	42	51
Current tax liabilities		79	58	71
Other current payables	11	173	164	179
Total current liabilities		3,643	3,374	3,364
TOTAL EQUITY AND LIABILITIES		10,148	10,176	10,223

CONSOLIDATED STATEMENT OF CASH FLOWS

<i>in millions of euros</i>	Notes	2013	First-half 2013	First-half 2014
Profit for the period attributable to owners of the Company		442	176	240
Non-controlling interests		(7)	(7)	(11)
Depreciation, amortization and impairment of fixed assets		208	106	99
Change in provisions		* (284)	(11)	8
Losses on disposals of assets		6	1	4
Expenses relating to share grants		20	8	12
Net finance costs	6	47	25	8
Income tax expense		182	80	91
Unrealized losses on changes in fair value and other		21	2	-
Cash flows from operations before net finance costs and income tax (A)		635	380	451
Income tax paid (B)		(124)	(68)	(48)
Change in accounts and notes receivable and advances from customers and amounts billed in advance		(58)	(210)	(161)
Change in capitalized costs on projects		1	-	1
Change in accounts and notes payable		39	(41)	(55)
Change in other receivables/payables		(103)	(298)	(286)
Change in operating working capital (C)		(121)	(549)	(501)
NET CASH USED IN (FROM) OPERATING ACTIVITIES (D=A+B+C)		390	(237)	(98)
Acquisitions of property, plant and equipment and intangible assets		(143)	(65)	(64)
Proceeds from disposals of property, plant and equipment and intangible assets		3	1	3
		(140)	(64)	(61)
Cash inflows/outflows on business combinations net of cash and cash equivalents acquired		(11)	(4)	3
Other cash outflows (net)		(1)	(3)	(2)
		(12)	(7)	1
NET CASH USED IN INVESTING ACTIVITIES (E)		(152)	(71)	(60)
Proceeds from issues of share capital subscribed by non-controlling interests		19	20	-
Dividends paid		(157)	(157)	(174)
Net proceeds/payments relating to transactions on Cap Gemini shares		(28)	(70)	(103)
Proceeds from borrowings		406	7	73
Repayments of borrowings		(747)	(30)	(33)
Interest paid	6	(56)	(24)	(4)
Interest received	6	26	12	14
NET CASH USED IN FINANCING ACTIVITIES (F)		(537)	(242)	(227)
NET DECREASE IN CASH AND CASH EQUIVALENTS (G=D+E+F)		(299)	(550)	(385)
Effect of exchange rate movements on cash and cash equivalents (H)		(88)	(45)	7
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD (I)	9	2,016	2,016	1,629
CASH AND CASH EQUIVALENTS AT END OF PERIOD (G+H+I)	9	1,629	1,421	1,251

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>in millions of euros</i>	Number of shares	Share capital	Additional paid-in capital	Treasury shares	Consolidated retained earnings and other reserves	Total income and expense recognized in equity		Equity (attributable to owners of the Company)	Non-controlling interests*	Total equity
						Translation adjustments	Other			
At January 1, 2013	161,770,362	1,294	2,976	(92)	1,041	(106)	(631)	4,482	36	4,518
Dividends paid out for 2012	-	-	-	-	(157)	-	-	(157)	-	(157)
Incentive instruments and employee share ownership	285,000	2	-	-	8	-	-	10	-	10
Adjustments to the put option granted to minority shareholders and changes in percentage interest	-	-	-	-	(13)	-	-	(13)	11	(2)
Elimination of treasury shares	-	-	-	(70)	-	-	-	(70)	-	(70)
Share capital reduction by cancellation of treasury shares	(2,925,711)	(23)	(77)	100	-	-	-	-	-	-
Transactions with shareholders	(2,640,711)	(21)	(77)	30	(162)	-	-	(230)	11	(219)
Income and expense recognized in equity	-	-	-	-	-	(37)	56	19	(3)	16
Profit for the period	-	-	-	-	176	-	-	176	(7)	169
Other	-	-	-	-	(5)	-	-	(5)	-	(5)
At June 30, 2013	159,129,651	1,273	2,899	(62)	1,050	(143)	(575)	4,442	37	4,479
Incentive instruments and employee share ownership	-	-	-	-	9	-	-	9	-	9
Adjustments to the put option granted to minority shareholders and changes in percentage interest	-	-	-	-	(4)	-	-	(4)	-	(4)
Repurchase and conversion of "OCEANE 2009" bonds	1,188,167	10	31	50	(118)	-	-	(27)	-	(27)
Derivative instruments on Cap Gemini shares, net of tax	-	-	-	-	34	-	-	34	-	34
Elimination of treasury shares	-	-	-	3	-	-	-	3	-	3
Transactions with shareholders	1,188,167	10	31	53	(79)	-	-	15	-	15
Income and expense recognized in equity	-	-	-	-	-	(118)	(152)	(270)	(4)	(274)
Profit for the period	-	-	-	-	266	-	-	266	-	266
Other	-	-	-	-	5	-	-	5	-	5
At December 31, 2013	160,317,818	1,283	2,930	(9)	1,242	(261)	(727)	4,458	33	4,491
Dividends paid out for 2013	-	-	-	-	(174)	-	-	(174)	-	(174)
Incentive instruments and employee share ownership	-	-	-	-	11	-	-	11	-	11
Adjustments to the put option granted to minority shareholders and changes in percentage interest	-	-	-	-	(1)	-	-	(1)	-	(1)
Tax on derivative instruments on Cap Gemini shares	-	-	-	-	(2)	-	-	(2)	-	(2)
Elimination of treasury shares	-	-	-	(103)	-	-	-	(103)	-	(103)
Share capital reduction by cancellation of treasury shares	(1,253,903)	(10)	(55)	65	-	-	-	-	-	-
Transactions with shareholders	(1,253,903)	(10)	(55)	(38)	(166)	-	-	(269)	-	(269)
Income and expense recognized in equity	-	-	-	-	-	29	(25)	4	1	5
Profit for the period	-	-	-	-	240	-	-	240	(11)	229
At June 30, 2014	159,063,915	1,273	2,875	(47)	1,316	(232)	(752)	4,433	23	4,456

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED JUNE 30, 2014

Note 1 Accounting policies

The condensed interim consolidated financial statements and related notes for the half-year ended June 30, 2014 were drawn up under the responsibility of the Board of Directors and approved by the Board of Directors' meeting of July 30, 2014.

ACCOUNTING BASIS

A) IFRS standards-base

The condensed interim consolidated financial statements for the half-year ended June 30, 2014 have been prepared in accordance with IAS 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board (IASB), and endorsed by the European Union.

The Group also takes account of the positions adopted by Syntec Numérique – an organization representing major consulting and computer services companies in France - regarding the application of certain IFRS.

These condensed interim consolidated financial statements for the half-year ended June 30, 2014 should be read in conjunction with the 2013 consolidated financial statements.

B) New standards and interpretations applicable in 2014

The accounting policies applied by the Capgemini group are unchanged on those applied for the preparation of the 2013 consolidated financial statements.

The standards, interpretations and amendments of mandatory application from January 1, 2014 did not have a material impact for the Group.

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 June 30, 2014 or in effect at January 1, 2014.

Changes in the presentation of segment reporting decided by the Group

Growing demand from clients to group application development and maintenance services in a single contract led the Group to review the presentation of its segment reporting by business. The distinction between technology services, which include application development and outsourcing services, which include the maintenance activity, has therefore become artificial.

Accordingly, with effect from January 1, 2014, segment reporting by business is presented as follows:

- ▶ Consulting Services, which help to enhance the performance of organizations based on in-depth knowledge of client industries and processes,
- ▶ Local Professional Services, which provide assistance and support to internal IT teams within client companies,
- ▶ Application Services, which devise, develop, implement and maintain IT applications covering the Group's system integration and application maintenance activities,
- ▶ Other Managed Services, which integrate, manage and/or develop either fully or partially, client's IT Infrastructure systems (or that of a group of clients), transaction services, on demand services and/or business activities (Business Process Outsourcing, BPO).

Note 2 Changes in Group structure

During the first-half 2014, the Group finalized the acquisition of Euriware and its subsidiaries, previously owned by Areva and acquired Strategic Systems & Products Corp. in the United States.

Note 3 Revenues

<i>in millions of euros</i>	2013		First-half 2013		First-half 2014	
	Amount	%	Amount	%	Amount	%
North America	2,074	21	1,031	20	1,035	20
France	2,190	22	1,092	22	1,143	22
United Kingdom and Ireland	2,004	20	1,010	20	1,081	21
Benelux	1,080	11	541	11	529	10
Southern Europe	484	5	253	5	244	5
Nordic countries	705	7	365	8	360	7
Germany and Central Europe	651	6	324	6	320	7
Asia-Pacific and Latin America	904	9	417	8	392	8
REVENUES	10,092	100	5,033	100	5,104	100

Compared with the first-half 2013, revenues increased 1.4% in the first-half 2014 on a reported basis (current Group structure and exchange rates) and 2.6% like-for-like (constant Group structure and exchange rates).

Note 4 Operating expenses by nature

<i>in millions of euros</i>	2013		First-half 2013		First-half 2014	
	Amount	% of revenues	Amount	% of revenues	Amount	% of revenues
Personnel costs	6,083	60.3	3,132	62.2	3,137	61.5
Travel expenses	428	4.2	211	4.2	211	4.1
	6,511	64.5	3,343	66.4	3,348	65.6
Purchases and sub-contracting expenses	2,159	21.4	1,023	20.3	1,057	20.7
Rent, facilities and local taxes	329	3.3	170	3.4	163	3.2
Depreciation, amortization and provisions and proceeds from asset disposals	236	2.3	130	2.6	134	2.6
OPERATING EXPENSES	9,235	91.5	4,666	92.7	4,702	92.1

Note 5 Other operating income and expense

<i>in millions of euros</i>	2013	First-half 2013	First-half 2014
Restructuring costs	(68)	(31)	(19)
<i>o/w Workforce reduction</i>	(44)	(19)	(9)
<i>o/w Real estate assets streamlining</i>	(23)	(11)	(10)
<i>o/w Rightshoring</i>	(1)	(1)	-
Acquisition-related costs	(2)	(1)	(1)
Expenses relating to share grants	(23)	(10)	(12)
Other operating expenses	(16)	(8)	(6)
Total operating expenses	(109)	(50)	(38)
Other operating income	2	-	-
Total operating income	2	-	-
OTHER OPERATING INCOME AND EXPENSE	(107)	(50)	(38)

Note 6 Net financial expense

<i>in millions of euros</i>	2013	First-half 2013	First-half 2014
Income from cash, cash equivalents and cash management assets	25	12	14
Interest on borrowings	(55)	(28)	(17)
Net finance costs at the nominal interest rate	(30)	(16)	(3)
Impact of amortized cost on borrowings	(17)	(9)	(5)
Net finance costs at the effective interest rate	(47)	(25)	(8)
Net interest cost on defined benefit pension plans	(42)	(24)	(20)
Exchange losses (gains) on financial transactions	(5)	2	1
Losses (gains) on derivative instruments	(1)	(2)	(3)
Other	(7)	(4)	(4)
Other financial income and expense	(55)	(28)	(26)
<i>o/w financial income</i>	52	14	18
<i>o/w financial expenses</i>	(107)	(42)	(44)
NET FINANCIAL EXPENSE	(102)	(53)	(34)

The decrease in net finance costs is mainly due to the repurchase, conversion and redemption of the OCEANE bonds convertible/exchangeable into new or existing Cap Gemini shares (OCEANE 2009) at the end of 2013 (see Note 17, Net Cash and Cash Equivalents, to the consolidated financial statements for the year ended December 31, 2013).

Note 7 Goodwill

The increase in goodwill over the period is chiefly attributable to positive translation adjustments on goodwill denominated in foreign currencies in the amount of €37 million.

Note 8 Accounts and notes receivable

<i>in millions of euros</i>	June 30, 2013	December 31, 2013	June 30, 2014
Accounts receivable	1,562	1,630	1,595
Provisions for doubtful accounts	(11)	(10)	(16)
Accrued income	1,037	864	1,125
Accounts and notes receivable (excluding capitalized costs on projects)	2,588	2,484	2,704
Capitalized costs on projects	106	103	107
ACCOUNTS AND NOTES RECEIVABLE	2,694	2,587	2,811

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

<i>in millions of euros</i>	June 30, 2013	December 31, 2013	June 30, 2014
Accounts and notes receivable, excluding capitalized costs on projects	2,588	2,484	2,704
Advances from customers and billed in advance	(595)	(684)	(655)
TOTAL ACCOUNTS RECEIVABLE NET OF ADVANCES FROM CUSTOMERS AND BILLED IN ADVANCE	1,993	1,800	2,049
In number of days revenues for the period	71	64	71

Note 9 Net cash and cash equivalents

<i>in millions of euros</i>	June 30, 2013	December 31, 2013	June 30, 2014
Cash management assets	77	77	79
Short-term investments	1,062	1,177	925
Cash at bank	363	461	329
Bank overdrafts (liability)	(4)	(9)	(3)
Cash and cash equivalents	1,421	1,629	1,251
Bonds	(497)	(848)	(853)
Obligations under finance leases	(70)	(57)	(55)
Draw-downs on bank and similar facilities and other borrowings	(2)	(1)	(1)
Long-term borrowings	(569)	(906)	(909)
Bonds	(591)	(2)	(15)
Obligations under finance leases	(47)	(50)	(48)
Draw-downs on bank and similar facilities and other borrowings	(22)	(72)	(153)
Short-term borrowings	(660)	(124)	(216)
Borrowings	(1,229)	(1,030)	(1,125)
Derivative instruments *	3	2	-
NET CASH AND CASH EQUIVALENTS	272	678	205

* Including the fair value at December 31, 2013 and June 30, 2014 of the conversion option embedded in the "ORNANE 2013" bonds and the call option on own shares purchased by Cap Gemini on October 18, 2013.

The increase in short-term borrowings on December 31, 2013 mainly reflects the increase in short-term financing (€81 million), particularly in the parent company and certain of its subsidiaries in Brazil, China and Australia, as well as the accrued coupon not yet due on the 2011 bond issue (€13 million).

The €473 million decrease in net cash and cash equivalents during the first six months of 2014 on December 31, 2013 chiefly reflects:

- organic free cash flow, equal to cash flow from operations adjusted for acquisitions of property, plant, equipment and intangible assets (net of disposals) and flows relating to the net interest cost, of (€148) million;
- the payment of dividends to shareholders for a total amount of €174 million;
- the repurchase of treasury shares in the amount of €103 million.

Note 10 Provisions for pensions and other post-employment benefits

<i>in millions of euros</i>	First-half 2013	2013	First-half 2014
Net obligation at beginning of period	1,202	1,202	962
Translation adjustments	(44)	(36)	26
Service cost	30	63	29
Net interest cost	24	42	20
Benefits and contributions	(79)	(388)	(47)
Change in actuarial losses and gains recognized in equity	(82)	77	65
Other movements	2	2	10
Net obligation at end of period	1,053	962	1,065

The change in the net obligation in the first-half 2014 is chiefly due to the net actuarial loss resulting from the decrease in discount rates in Canada and the United Kingdom between December 31, 2013 and June 30, 2014.

Note 11 Other non-current and current liabilities

At June 30, 2014, other non-current and current liabilities include primarily liabilities related to acquisitions of consolidated companies of €222 million (comprising €126 million in other non-current liabilities and €96 million in other current liabilities).

Note 12 Operating segments

Segment information is provided for the geographic areas presented below (Segment reporting by geographic area) and complemented by information on revenues and operating margin for each of the Group's four businesses (Segment reporting by business).

SEGMENT REPORTING BY GEOGRAPHIC AREA

The Income Statement breaks down by geographic area as follows:

<i>Half-year ended June 30, 2014</i>	North America	France	United Kingdom and Ireland	Benelux	Southern Europe	Nordic countries	Germany and Central Europe	Asia- Pacific and Latin America	Head- quarter expenses	Elimina- tions	Total	
<i>in millions of euros</i>												
Revenues												
- external	1,035	1,143	1,081	529	244	360	320	392	-	-	5,104	
- inter-geographic area	50	90	72	31	10	10	76	322	-	(661)	-	
TOTAL REVENUES	1,085	1,233	1,153	560	254	370	396	714	-	(661)	5,104	
OPERATING MARGIN	123	76	107	47	6	40	26	11	(34)	-	402	
<i>% of revenues</i>	11.9	6.7	9.9	8.9	2.6	11.1	8.1	2.7	-	-	7.9	
Amortization of intangible assets recognized in business combinations	(1)	(4)	-	-	(1)	-	(1)	(3)	-	-	(10)	
OPERATING PROFIT	120	60	99	43	2	38	23	3	(34)	-	354	
											Net finance costs	(34)
											Income tax expense	(91)
											PROFIT FOR THE PERIOD	229
											Non-controlling interests	(11)
											PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY	240

<i>Half-year ended June 30, 2013</i>	North America	France	United Kingdom and Ireland	Benelux	Southern Europe	Nordic countries	Germany and Central Europe	Asia- Pacific and Latin America	Head- quarter expenses	Elimina- tions	Total	
<i>in millions of euros</i>												
REVENUES												
- external	1,031	1,092	1,010	541	253	365	324	417	-	-	5,033	
- inter-geographic area	45	92	57	23	9	11	73	344	-	(654)	-	
TOTAL REVENUES	1,076	1,184	1,067	564	262	376	397	761	-	(654)	5,033	
OPERATING MARGIN	127	78	82	44	7	26	25	11	(33)	-	367	
<i>% of revenues</i>	12.3	7.2	8.1	8.2	2.8	7.2	7.8	2.6	-	-	7.3	
Amortization of intangible assets recognized in business combinations	(4)	(4)	-	(2)	(1)	(1)	-	(3)	-	-	(15)	
OPERATING PROFIT	122	59	75	33	(2)	24	21	3	(33)	-	302	
											Net finance costs	(53)
											Income tax expense	(80)
											PROFIT FOR THE PERIOD	169
											Non-controlling interests	(7)
											PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY	176

<i>Year ended December 31, 2013</i>	North America	France	United Kingdom and Ireland	Benelux	Southern Europe	Nordic countries	Germany and Central Europe	Asia-Pacific and Latin America	Head-quarter expenses	Eliminations	Total	
<i>in millions of euros</i>												
REVENUES												
- external	2,074	2,190	2,004	1,080	484	705	651	904	-	-	10,092	
- inter-geographic area	98	178	111	54	19	23	154	670	-	(1,307)	-	
TOTAL REVENUES	2,172	2,368	2,115	1,134	503	728	805	1,574	-	(1,307)	10,092	
OPERATING MARGIN	255	204	175	105	21	64	57	44	(68)	-	857	
% of revenues	12.3	9.3	8.7	9.8	4.2	9.1	8.8	4.9	-	-	8.5	
Amortization of intangible assets recognized in business combinations	(9)	(8)	-	(3)	(2)	(1)	(1)	(6)	-	-	(30)	
OPERATING PROFIT	243	164	159	83	10	61	46	22	(68)	-	720	
											Net finance costs	(102)
											Income tax expense	(182)
											Share of profit of associates	(1)
											PROFIT FOR THE YEAR	435
											Non-controlling interests	(7)
											PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY	442

SEGMENT REPORTING BY BUSINESS

From January 1, 2014, the presentation of segment reporting by business is analyzed as follows:

- ▶ Consulting Services, which help to enhance the performance of organizations based on in-depth knowledge of client industries and processes,
- ▶ Local Professional Services, which provide assistance and support to internal IT teams within client companies,
- ▶ Application Services, which devise, develop, implement and maintain IT applications covering the Group's system integration and application maintenance activities,
- ▶ Other Managed Services, which integrate, manage and/or develop either fully or partially, client's IT Infrastructure systems (or that of a group of clients), transaction services, on demand services and/or business activities (Business Process Outsourcing, BPO).

Revenues by business

<i>in millions of euros</i>	2013		First-half 2013		First-half 2014	
	Amount	%	Amount	%	Amount	%
Consulting Services	456	4	237	5	226	5
Local Professional Services	1,498	15	755	15	775	15
Application Services	5,825	58	2,923	58	2,879	56
Other Managed Services	2,313	23	1,118	22	1,224	24
REVENUES	10,092	100	5,033	100	5,104	100

Operating margin by business

<i>in millions of euros</i>	2013		First-half 2013		First-half 2014	
	Amount	%	Amount	%	Amount	%
Consulting Services	35	7.8	18	7.7	16	7.0
Local Professional Services	159	10.6	69	9.1	63	8.2
Application Services	566	9.7	246	8.4	267	9.3
Other Managed Services	165	7.1	67	6.0	90	7.3
Not allocated *	(68)	-	(33)	-	(34)	-
OPERATING MARGIN	857	8.5	367	7.3	402	7.9

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

Note 13 Number of employees

Average number of employees by geographic area

	2013		First-half 2013		First-half 2014	
	Employees	%	Employees	%	Employees	%
North America	9,664	7	9,627	8	9,822	7
France	21,616	17	21,625	17	22,089	16
United Kingdom and Ireland	9,123	7	9,081	7	9,111	7
Benelux	8,942	7	9,044	7	8,729	7
Southern Europe	7,269	6	7,316	6	7,257	5
Nordic countries	4,394	3	4,433	4	4,253	3
Germany and Central Europe	9,885	8	9,752	7	10,209	8
Asia-Pacific and Latin America	57,075	45	55,318	44	63,009	47
Not allocated	158	-	160	-	154	-
AVERAGE NUMBER OF EMPLOYEES	128,126	100	126,356	100	134,633	100

Number of employees at the period end by geographic area

	June 30, 2013		December 31, 2013		June 30, 2014	
	Employees	%	Employees	%	Employees	%
North America	9,651	8	9,710	7	10,146	7
France	21,580	17	21,705	17	23,217	17
United Kingdom and Ireland	9,114	7	9,130	7	8,994	7
Benelux	8,925	7	8,775	7	8,661	6
Southern Europe	7,184	6	7,187	5	7,336	5
Nordic countries	4,396	3	4,277	3	4,269	3
Germany and Central Europe	9,840	8	10,095	8	10,296	8
Asia-Pacific and Latin America	57,122	44	60,394	46	65,738	47
Not allocated	156	-	157	-	152	-
NUMBER OF EMPLOYEES AT THE PERIOD END	127,968	100	131,430	100	138,809	100

Note 14 Off-balance sheet commitments

Commitments given

<i>in millions of euros</i>	June 30, 2013	December 31, 2013	June 30, 2014
On client contracts	1,122	1,140	1,441
On non-cancelable leases	802	832	801
Other commitments given	99	91	102
COMMITMENTS GIVEN	2,023	2,063	2,344

Commitments received

<i>in millions of euros</i>	June 30, 2013	December 31, 2013	June 30, 2014
On client contracts	63	63	63
Other commitments received	33	10	18
COMMITMENTS RECEIVED	96	73	81

Declaration by the person responsible for the interim financial report

"I hereby declare that, to the best of my knowledge, the condensed interim consolidated financial statements for the half-year ended June 30, 2014 have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and all the other companies included in the scope of consolidation and that the interim financial review gives a fair description of the material events that occurred in the first six months of the financial year and their impact on the financial statements, the main related party transactions, as well as a description of the main risks and uncertainties for the remaining six months of the year."

Paul Hermelin

Chairman and Chief Executive Officer