CAPGEMINI CONSOLIDATED FINANCIAL STATEMENTS

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STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2009

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, 2009, 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.

I. 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, 2009, and of the results of its operations for the year then ended in accordance with IFRS as adopted by the European Union.

Without qualifying the opinion expressed above, we draw your attention to Note 1 to the consolidated financial statements describing the impact of new accounting standards applicable as from January 1, 2009.

II. 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-F 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 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.
- Net intangible assets carried in the consolidated balance sheet include €2,750 million in unamortized goodwill. 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-I and 10 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 €887 million are recorded in the consolidated balance sheet. Notes 1-L and 12 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.

III. 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, February 18, 2010

PricewaterhouseCoopers Audit

Edouard Sattler   Serge Villepelet

Paris la Défense, February 18, 2010

KPMG Audit

Division of KPMG S.A.

Jean-Luc Decornoy   Jacques Pierre

CONSOLIDATED INCOME STATEMENT

FOR THE LAST THREE FISCAL YEARS

	Note	2007		2008		2009	
in millions of euros		Amount	%	Amount	%	Amount	%
Revenues	3	**8,703**	**100**	**8,710**	**100**	**8,371**	**100**
Cost of services rendered	4	6,518	74.9	6,478	74.4	6,366	76.1
Selling expenses	4	607	7.0	632	7.3	629	7.5
General and administrative expenses	4	938	10.7	856	9.8	781	9.3
Operating margin		**640**	**7.4**	**744**	**8.5**	**595**	**7.1**
Other operating income	5	2	-	20	0.2	7	0.1
Other operating expenses	5	(149)	(1.7)	(178)	(2.0)	(269)	(3.2)
Operating profit		**493**	**5.7**	**586**	**6.7**	**333**	**4.0**
Income from cash and cash equivalents	6	66	0.8	68	0.8	22	0.3
Gross finance costs	6	(70)	(0.8)	(66)	(0.8)	(65)	(0.8)
Net finance costs	6	(4)	-	2	-	(43)	(0.5)
Other financial income	7	35	0.4	86	1.0	75	0.9
Other financial expense	7	(38)	(0.4)	(107)	(1.2)	(125)	(1.6)
Net financial expense		**(7)**	**-**	**(19)**	**(0.2)**	**(93)**	**(1.2)**
Income tax expense	8	(48)	(0.6)	(116)	(1.3)	(61)	(0.7)
Share of profit of associates		2	-	-	-	(1)	-
Profit for the year		**440**	**5.1**	**451**	**5.2**	**178**	**2.1**
Weighted average number of ordinary shares			144,744,128		143,424,188		145,153,387
Basic earnings per share (in euros)	9		3.04		3.14		1.23
Weighted average number of ordinary shares (diluted)			159,292,070		156,466,779		157,065,374
Diluted earnings per share (in euros) (1)	9		2.84		2.97		1.22

(1) See Note 9. F) Earnings per share

BREAKDOWN OF INCOME AND EXPENSE RECOGNIZED DIRECTLY IN EQUITY

in millions of euros	2007	2008	2009
Exchange differences on translating foreign operations (1)	(171)	(105)	42
Remeasurement of hedging derivatives	4	(33)	29
Deferred tax on hedging derivatives	(1)	2	(2)
Actuarial gains and losses on defined benefit plans	(84)	(56)	(159)
Deferred tax on actuarial gains and losses	16	15	39
Other income	2	-	-
Other expenses	(6)	-	-
Total income and expense recognized directly in equity	**(240)**	**(177)**	**(51)**
Profit for the year (reminder)	**440**	**451**	**178**
If this income and expense recognized directly in equity had been recognized in profit or loss, profit for the year would have been as follows	**200**	**274**	**127**

(1) See Note - 23 Financial risk management, section I A Currency risk

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT DECEMBER 31 FOR THE LAST THREE FISCAL YEARS

in millions of euros	*Note*	December 31, 2007	December 31, 2008	December 31, 2009
Goodwill	10	2,577	2,726	2,750
Intangible assets	10	171	140	116
Property, plant and equipment	11	442	422	421
Total fixed assets		**3,190**	**3,288**	**3,287**
Deferred taxes	12	907	863	887
Other non-current assets	13	96	91	112
TOTAL NON-CURRENT ASSETS		**4,193**	**4,242**	**4,286**
Accounts and notes receivable	14	2,318	2,396	2,067
Other receivables and income tax	15	374	223	257
Short-term investments	16	1,594	1,290	2,109
Cash at bank	16	648	578	494
TOTAL CURRENT ASSETS		**4,934**	**4,487**	**4,927**
TOTAL ASSETS		**9,127**	**8,729**	**9,213**

in millions of euros	*Note*	December 31, 2007	December 31, 2008	December 31, 2009
Share capital		1,164	1,167	1,233
Additional paid-in capital		2,682	2,689	2,842
Retained earnings and other reserves		(435)	(368)	(40)
Profit for the year		440	451	178
TOTAL EQUITY (1)		**3,851**	**3,939**	**4,213**
Long-term borrowings	16	1,059	987	1,057
Deferred taxes	12	138	138	153
Provisions for pensions and other post-employment benefits	17	621	503	680
Non-current provisions	18	57	45	21
Other non-current liabilities	19	146	112	95
TOTAL NON-CURRENT LIABILITIES		**2,021**	**1,785**	**2,006**
Short-term borrowings and bank overdrafts	16	277	47	278
Accounts and notes payable	20	2,120	2,096	2,026
Advances from customers and billed in advance	14	743	639	567
Current provisions	18	28	20	28
Other payables and income tax	21	87	203	95
TOTAL CURRENT LIABILITIES		**3,255**	**3,005**	**2,994**
TOTAL EQUITY AND LIABILITIES		**9,127**	**8,729**	**9,213**

(1) Minority interests are negligible at December 31, 2009, 2008 and 2007

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE LAST THREE FISCAL YEARS

in millions of euros	*Note*	2007	2008	2009
Profit for the year		**440**	**451**	**178**
Impairment of goodwill	10	-	24	12
Depreciation, amortization and impairment of fixed assets	10-11	192	213	164
Net charges to provisions		(27)	(62)	(54)
Gains and losses on disposals of assets		5	3	4
Expense relating to stock options and share grants	5	22	22	19
Net finance costs	6	4	(2)	43
Income tax expense	8	48	116	61
Unrealized gains and losses on changes in fair value and other		1	(17)	18
Cash flows from operations before net finance costs and income tax (A)		**685**	**748**	**445**
Income tax paid (B)		**(79)**	**(94)**	**(56)**
Change in accounts and notes receivable, advances from customers and amounts billed in advance		(159)	(153)	294
Change in accounts and notes payable		70	12	(73)
Change in other receivables/payables		(20)	35	(115)
Change in operating working capital (C)		**(109)**	**(106)**	**106**
NET CASH FROM (USED IN) OPERATING ACTIVITIES (D=A+B+C)		**497**	**548**	**495**
Acquisitions of property, plant and equipment and intangible assets	10-11	(149)	(134)	(119)
Proceeds from disposals of property, plant and equipment and intangible assets		5	20	24
		(144)	**(114)**	**(95)**
Acquisitions of consolidated companies		(900)	(274)	(12)
Cash and cash equivalents of companies acquired		72	7	1
Net proceeds/payments on disposals/acquisitions of non-consolidated companies		1	-	3
Net proceeds/payments relating to other investing activities		(10)	(16)	(5)
Dividends received from associates		-	1	-
		(837)	**(282)**	**(13)**
NET CASH FROM (USED) IN INVESTING ACTIVITIES (E)		**(981)**	**(396)**	**(108)**
Proceeds from issues of share capital		34	10	225
Dividends paid		(101)	(143)	(143)
Net proceeds/payments relating to treasury share transactions		1	(75)	8
Proceeds from borrowing	16	11	10	569
Repayments of borrowings	16	(132)	(130)	(310)
Interest paid or received	6	22	29	(4)
NET CASH FROM (USED) IN FINANCING ACTIVITIES (F)		**(165)**	**(299)**	**345**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (G=D+E+F)	22	**(649)**	**(147)**	**732**
Effect of exchange rate movements on cash and cash equivalents (H)		(75)	(185)	60
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (I)	**16**	**2,861**	**2,137**	**1,805**
CASH AND CASH EQUIVALENTS AT END OF YEAR (G+H+I)	**16**	**2,137**	**1,805**	**2,597**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE LAST THREE FISCAL YEARS

in millions of euros	Number of shares	Share capital	Additional paid-in capital	Treasury shares (1)	Consolidated retained earnings and other reserves	Total income and expense recognized directly in equity(10)	Total Equity (2)
AT JANUARY 1, 2007	**144,081,808**	**1,153**	**2,659**	**(13)**	**(58)**	**(44)**	**3,697**
Increase in share capital upon exercise of options (3)	1,343,701	11	23	-	-	-	34
"OCEANE 2005" bonds converted into shares	1	-	-	-	-	-	-
Valuation of stock options (3)	-	-	-	-	19	-	19
Dividends paid out for 2006	-	-	-	-	(101)	-	(101)
Adjustment to the number and value of treasury shares held under the share buyback program (6)	-	-	-	(1)	-	-	(1)
Remeasurement and elimination of shares granted or available for grant to employees of the Capgemini Group (3)	-	-	-	4	(1)	-	3
Transactions with shareholders	**1,343,702**	**11**	**23**	**3**	**(83)**	**-**	**(46)**
Income and expense recognized directly in equity	**-**	**-**	**-**	**-**	**-**	**(240)**	**(240)**
Profit for the year	**-**	**-**	**-**	**-**	**440**	**-**	**440**
AT DECEMBER 31, 2007	**145,425,510**	**1,164**	**2,682**	**(10)**	**299**	**(284)**	**3,851**
Increase in share capital upon exercise of options (3)	419,428	3	7	-	-	-	10
Valuation of stock options (3)	-	-	-	-	20	-	20
Dividends paid out for 2007	-	-	-	-	(143)	-	(143)
Adjustment to the number and value of treasury shares held under the share buyback program (6)	-	-	-	(73)	(2)	-	(75)
Remeasurement and elimination of shares granted or available for grant to employees of the Capgemini Group (3)	-	-	-	(1)	3	-	2
Transactions with shareholders	**419,428**	**3**	**7**	**(74)**	**(122)**	**-**	**(186)**
Income and expense recognized directly in equity	**-**	**-**	**-**	**-**	**-**	**(177)**	**(177)**
Profit for the year	**-**	**-**	**-**	**-**	**451**	**-**	**451**
AT DECEMBER 31, 2008	**145,844,938**	**1,167**	**2,689**	**(84)**	**628**	**(461)**	**3,939**
Increase in share capital upon exercise of options (3)	2,332,459	18	34	-	-	-	52
Increase in share capital under the employee share ownership plan (@ESOP)(4)	5,999,999	48	110	-	6	-	164
Valuation of performance shares, shares issued under @ESOP and stock options (3) (4) (5)	-	-	-	-	17	-	17
Issue of redeemable share subscription or purchase warrants (BSAAR) (7)	-	-	9	-	-	-	9
Dividends paid out for 2008	-	-	-	-	(143)	-	(143)
Adjustment to the number and value of treasury shares held under the share buyback program (6)	-	-	-	5	2	-	7
Remeasurement and elimination of shares granted or available for grant to employees of the Capgemini Group (3)	-	-	-	-	2	-	2
Equity component of the April 20, 2009 ("OCEANE 2009") bond issue (8)	-	-	-	-	42	-	42
Decrease in the equity component following the partial repurchase of the April 24, 2003 ("OCEANE 2003") bond issue (9)	-	-	-	-	(3)	-	(3)
Transactions with shareholders	**8,332,458**	**66**	**153**	**5**	**(77)**	**-**	**147**
Income and expense recognized directly in equity	**-**	**-**	**-**	**-**	**-**	**(51)**	**(51)**
Profit for the year	**-**	**-**	**-**	**-**	**178**	**-**	**178**
AT DECEMBER 31, 2009	**154,177,396**	**1,233**	**2,842**	**(79)**	**729**	**(512)**	**4,213**

(1) See Note I.K) Treasury shares.
(2) Minority interests are negligible at December 31, 2009, 2008 and 2007.
(3) The measurement and recognition of stock options is presented in Note 9.A) Stock option plans.
(4) On December 16, 2009, Cap Gemini S.A. issued 5,999,999 new shares under the employee share ownership plan, @ESOP (see Note 9.D) Employee share ownership plan - @ESOP)
(5) The measurement and recognition of performance shares is presented in Note 9.B) Performance share plan.
(6) See Note 9.E) Share buyback program.
(7) See Note 9.C) Redeemable share subscription or purchase warrants
(8) On April 20, 2009, Cap Gemini S.A. issued bonds convertible/ exchangeable into new or existing Cap Gemini shares ("OCEANE 2009", see Note 16 – Net cash and cash equivalents"). The equity component is presented net of related tax.
(9) Cap Gemini S.A. performed a partial early buyback of OCEANE bonds issued June 24, 2003 (see Note 16 – Net cash and cash equivalents), at the same time as the "OCEANE 2009" bond issue. This operation had a negative impact on reserves of €3 million and a negligible impact on the Income Statement. The equity component is presented net of related tax.
(10) Total income and expense recognized directly in equity comprises translation reserves, which presented a negative balance of €235 million at December 31, 2009, of €277 million at December 31, 2008 and of €172 million at December 31, 2007.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – Accounting policies

Pursuant to European Commission Regulation No.1606/2002 of July 19, 2002, the 2009 consolidated financial statements have been prepared in accordance with the international accounting standards issued by the International Accounting Standards Board (IASB), comprising International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and the related interpretations endorsed by the European Union at December 31, 2009 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 IFRSs.

The Group has not opted for early application of certain standards and interpretations issued by the IASB or the International Financial Reporting Interpretations Committee (IFRIC) and endorsed by the European Union at December 31, 2009. This essentially concerns IFRS 3 revised, *Business Combinations*, and IAS 27 revised, *Consolidated and Separate Financial Statements*. Early adoption of these standards in 2009 would not have substantially altered the Group consolidated financial statements.

The accounting policies applied by the Group are unchanged on those applied for the preparation of the 2008 consolidated financial statements. IAS 1 revised, *Presentation of Financial Statements*, IFRS 8, *Operating Segments* and the November 2009 amendment to IFRS 7, *Financial Instruments: Disclosures*, are applied for the first time in 2009.

Pursuant to IAS 1 revised, the Group has adopted a two statement presentation: a Consolidated Income Statement and a Breakdown of Income and Expense recognized directly in Equity.

Application of the amendment to IFRS 7 mainly led to the presentation in Note 24 - Financial Instruments, of the fair value hierarchy of financial assets and liabilities, in accordance with the principles set out in Note 1.M) Financial instruments.

With regards to IFRS 8, the study carried out on the first time application of this standard (see Note 1.S) Operating segments and Note 25 - Operating segments) reached the following conclusions:

- in its segment reporting, the Group presents segment information by geographic area and operating performance indicators by business segment.
- the cash-generating unit corresponding to Sogeti's "Local professional services" business was reallocated to the cash-generating units of the geographic areas in which the Group is located.

The consolidated financial statements for the year ended December 31, 2009 and the notes thereto were approved by the Board of Directors on February 17, 2010. The consolidated financial statements become definitive after their approval by the Combined Shareholders' Meeting, scheduled for May 27, 2010.

The principal accounting policies applied in the preparation of the consolidated financial statements are described below:

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, 2009 in accordance with the accounting policies and methods applied 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) 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 result 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.

C) 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		
	2007	2008	2009	2007	2008	2009
US dollar	0.73072	0,68361	0,71958	0,68064	0,70077	0,69745
Pound sterling	1.46177	1.25885	1.12282	1.36091	1.02192	1.10619
Canadian dollar	0.68154	0.64214	0.63110	0.69498	0.57445	0.66494
Swedish krona	0.10809	0.10418	0.09423	0.10584	0.09108	0.09713
Australian dollar	0.61179	0.57736	0.56623	0.59769	0.48555	0.62360
Norwegian krona	0.12476	0.12196	0.11465	0.12541	0.10055	0.12016
Indian rupee	0.01767	0.01573	0.01487	0.01733	0.01446	0.01491
Polish zloty	0.26447	0.28543	0.23133	0.27766	0.24155	0.24243

D) 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. Under the line item presenting revenues, 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 together 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 expense include the charge resulting from the deferred recognition of the fair value of shares, 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 main features of which have been announced to those affected by it, the cost of integrating companies recently acquired by the Group, and the effects of curtailments and settlements relating to defined benefit pension plans.

Profit for the year is subsequently 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 method;
- current and deferred income tax expense;
- share of profit of associates;
- share of minority interests.

E) 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 shares, (iii) redeemable share subscription or purchase warrants and (iv) performance shares.

F) 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 costs relating to time and materials contracts are recognized as services are rendered.

B. Long-term fixed-price contracts

Revenues from long-term fixed-price contracts, including systems development and integration contracts, are recognized using the "percentage-of-completion" method.

Costs related to long-term fixed-price contracts 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, an expense 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.

G) Goodwill and intangible assets

A. Goodwill

Business combinations are accounted for using the purchase method. Under this method, the identifiable assets, liabilities and contingent liabilities of the acquiree 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 cost of a business combination over the Group's interest in the net fair value of the assets, liabilities and contingent liabilities of the acquiree. 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.

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 or the market share 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 relations are valued in intangible assets and amortized over the known term of contracts held in portfolio at the acquisition date.

H) 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.

I) Impairment of goodwill, intangible assets and property, plant and equipment

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). The cash-generating units identified by the Group are the geographic areas.
The assessment is notably 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 strategic 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".

J) Leases

Contracts and agreements entered into by the Group are analyzed to determine if they are, or contain, 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.

K) 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 Income Statement for the period.

L) 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 the Income Statement or equity in the period, depending on whether the related transaction or event is recognized in the Income Statement or equity.
- 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 (or tax laws) to deferred taxes previously recognized in the Income Statement or in equity are recognized in the Income Statement or equity, 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 deferred 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 set off current tax assets against current tax liabilities, and when the deferred taxes relate to income taxes levied by the same taxation authority.

M) Financial instruments

Financial instruments consist of:

- financial assets, including certain other non-current assets, accounts receivable, certain other receivables, cash at bank and short-term investments;
- financial liabilities, including long- and short-term borrowings and bank overdrafts, certain accounts payable, and certain other payables and non-current liabilities.

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. This rate is also designated as the notional interest rate, and the corresponding financial expense, the notional financial expense;
- 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 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.

a. Recognition and measurement of financial assets

Financial assets classified under "Other non-current assets" include:

(i) shares in non-consolidated companies. The Group holds shares in certain companies over whose management it does not exercise significant influence or control. These shares mainly represent long-term investments supporting strategic alliances with the relevant companies;

(ii) *aides à la construction* (building aid program) loans in France, security deposits and guarantees, and other long-term loans;

(iii) receivables which are expected to be settled beyond the normal operating cycle of the business to which they relate;

(iv) non-current derivative instruments;

(v) long-term financial investments.

These other non-current assets are carried at amortized cost, with the exception of:
- shares in non-consolidated companies, which are recognized at fair value if they are classified as available for sale. For listed shares, fair value corresponds to the share price. If the fair value cannot be determined reliably, the shares are recognized at cost.
  Shares in non-consolidated companies are recorded as follows:
  - any change in the fair value of shares in non-consolidated companies is recorded in "Income and expense recognized directly in equity" until disposal or impairment;
  - in the event of objective indication of a decrease in fair value (in particular, a significant or prolonged decline in the asset's value), an impairment loss is recognized in the Income Statement;
  - when the impact of a change in fair value has previously been recognized in "Income and expense recognized directly in equity" and there is objective evidence that the shares are impaired, or in the event of disposal, the impairment loss or impact of derecognition of the shares is recognized in financial income and expense, and offset by the write-back of the amount previously recorded in "Income and expense recognized directly in equity";
- non-current derivative instruments, which are recognized at fair value (see below section c) Derivative instruments),
- long-term financial instruments, which are recognized at fair value.

Accounts and notes receivable

Accounts and notes receivable correspond to the fair value of the expected consideration to be received. Where payment is deferred beyond the usual periods applied by the Group, and this has a material impact on the fair value measurement, the relevant future payments are discounted.

Short-term investments and cash at bank

These items are carried in the Consolidated Statement of Financial Position at fair value at the year-end. The impact of changes in fair value is recognized in Income from cash and cash equivalents.

b. Recognition and measurement of financial liabilities

Long-term and short-term borrowings

Borrowings mainly consist of bond issues, loans granted by credit institutions and obligations under finance leases.

All borrowings are initially recognized at fair value in the Consolidated Statement of Financial Position, and subsequently measured at amortized cost up to maturity.

Fair value corresponds to the present value of future cash outflows discounted at the market interest rate, minus transaction costs and any issue premiums.
Regarding convertible bonds, the difference between the nominal amount of the bonds and the fair value of the liability component as calculated above is recorded under equity.

In each subsequent period, the interest expense is recorded in financial expenses in the Income Statement and corresponds to the theoretical interest charge calculated by applying the effective interest rate to the carrying amount of the borrowing. The effective interest rate is calculated when the loan is taken out and corresponds to the rate that exactly discounts estimated future cash payments through the expected term of the loan to the initial fair value of the liability component of the loan.

Other financial liabilities
Except for derivative instruments measured at fair value (see below section c) Derivative instruments), other financial liabilities consist primarily of accounts and notes payable measured at amortized cost in accordance with the principles set out above.

c. 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 directly in equity" and subsequently taken to operating profit when the hedged item itself impacts the Income Statement.

d. Fair value hierarchy
Financial instruments valued at fair value after initial recognition, that is financial instruments at fair value through profit or loss, 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.

N) 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 as defined above, less short- and long-term borrowings. Account is also taken of the impact of hedging instruments when these relate to borrowings.

O) 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.

P) Instruments conferring access to the share capital granted or proposed to employees

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 expense" 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 performance conditions. The expense recognized also takes into account staff attrition rates for eligible employee categories. These assumptions are updated each year.

b) Instruments proposed to employees

Redeemable share subscription or purchase warrants (BSAAR)
Redeemable share subscription or purchase warrants are 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 the date of grant. 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 accounts 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 for 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 imposed on the employee. 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 volumes, 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.

The expense relating to this plan is recognized in full on completion of the share capital increase

Q) 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.

R) 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. Consequently, the amounts shown in the Consolidated Statement of Financial Position are not representative of movements in cash flows.

S) Operating Segments

Group Management analyzes and measures activity performance:

- in the different businesses (Technology Services, Consulting Services, Outsourcing Services and Local Professional Services) and
- in the geographic areas/countries where the Group is present.

The business analysis enables the transversal management and monitoring of resources and service production in the eight 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 geographical 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 geographical 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.

T) 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 inter-company 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 profit or loss or "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

A) 2007 and 2008

The main changes in Group structure in 2007 and 2008 were as follows:

- On February 8, 2007, the Group acquired 100% of Kanbay International Inc. ("Kanbay") which had a worldwide headcount of approximately 6,900.
- On March 1, 2007, the Group purchased 100% of the US company Software Architects Inc., which had more than 500 employees at the acquisition date.
- On May 2, 2008, the Group acquired the Chile-based Asesorias Latin America Shared Services Ltda. (renamed Capgemini Business Services Chile) and Brazil-based ARD - Prestaçao de Serviçios Administrativos Lda. (renamed Capgemini Business Services Brazil). Previous to the acquisition, the companies were administrative and financial service centers for the Unilever group in South America.
  The total cost of the acquisition amounted to €22 million.
  At the acquisition date, the two companies had almost 400 employees (175 in Chile and 225 in Brazil). Both companies are fully consolidated.

At December 31, 2009, the final allocation of the acquisition price was identical to that at December 31, 2008:

in millions of euros	
Net assets acquired (1)	3
Amortizable intangible assets, net of deferred tax liabilities	3
Goodwill	16
TOTAL ACQUISITION PRICE	**22**

(1) Including €2 million in cash and cash equivalents.

- On December 1, 2008, the Group acquired Getronics Pinkroccade Business Application Services B.V. ("BAS B.V."), which had a headcount of 2,200 and is fully consolidated. The total cost of the transaction amounted to €259 million, including €6 million in fees directly attributable to the acquisition.

The final allocation of the acquisition price during 2009 mainly enabled the recognition of a deferred tax asset on the intangible assets relating to the contributions of Getronics prior to Capgemini's acquisition of BAS B.V., which are tax deductible in the Netherlands and can be summarized as follows:

in millions of euros	
Net assets acquired	1
Amortizable intangible assets, net of deferred tax liabilities	10
Deferred tax assets	23
Goodwill	225
TOTAL ACQUISITION PRICE	**259**

- The Group also acquired a number of other companies in 2008, in the United States, France, Ireland, the United Kingdom and the Czech Republic. The total cost of these transactions amounted to €28 million, including €1 million in fees directly attributable to the acquisitions.
  The companies had around 290 employees at the acquisition date and are fully consolidated.

B) 2009

In 2009, the Group acquired IACP Informatique in France, IACP Asia in Vietnam and Nu Solutions in Australia. The total cost of these acquisitions amounted to €14 million, including half a million euros in fees directly attributable to the acquisitions.
The IACP companies and Nu Solutions had a total of 264 employees at the acquisition date. They are fully consolidated.

At December 31, 2009, the provisional allocation of the acquisition price can be summarized as follows:

in millions of euros	
Net assets acquired (1)	(1)
Amortizable intangible assets	4
Goodwill	11
TOTAL ACQUISITION PRICE	**14**

(1) The amount of cash and cash equivalents acquired is not material.

The contribution of these companies to the Group's revenues for 2009 totaled €4 million (estimated at €15 million had the acquisitions taken place on January 1, 2009).

NOTE 3 – REVENUES

Revenues break down as follows by geographic area:

in millions of euros	2007 Amount	2007 %	2008 Amount	2008 %	2009 Amount	2009 %
North America	1,721	20	1,668	19	1,590	19
France	1,971	23	2,077	24	1,949	23
United Kingdom and Ireland	2,230	26	1,922	22	1,852	22
Benelux	1,168	13	1,303	15	1,397	17
Germany and Central Europe	558	6	592	7	531	6
Nordic countries	539	6	578	7	488	6
Southern Europe and Latin America	390	5	449	5	434	5
Asia-Pacific	126	1	121	1	130	2
TOTAL	**8,703**	**100**	**8,710**	**100**	**8,371**	**100**

The year-on-year decrease in revenues in 2009 was -3.9% based on the year-end Group structure and exchange rates and -5.5% on a like-for-like basis (constant Group structure and exchange rates).

NOTE 4 – OPERATING EXPENSES BY NATURE

The analysis of operating expenses by nature is as follows:

in millions of euros	2007 Amount	2007 % of revenues	2008 Amount	2008 % of revenues	2009 Amount	2009 % of revenues
Personnel costs	4,906	56.4	4,940	56.7	4,851	58.0
Travel expenses	393	4.5	389	4.5	330	3.9
	5,299	**60.9**	**5,329**	**61.2**	**5,181**	**61.9**
Purchases and sub-contracting expenses	2,268	26.0	2,138	24.6	2,082	24.9
Rent and local taxes	285	3.3	286	3.3	304	3.6
Depreciation, amortization and provisions and proceeds from asset disposals	211	2.4	213	2.4	209	2.5
TOTAL	**8,063**	**92.6**	**7,966**	**91.5**	**7,776**	**92.9**

Personnel costs break down as follows:

in millions of euros	2007	2008	2009
Wages and salaries	3,914	3,958	3,871
Payroll taxes	896	931	945
Pension costs related to defined benefit pension plans and other post-employment benefit expenses (1)	96	51	35
TOTAL	**4,906**	**4,940**	**4,851**

(1) See Note 17 – Provisions for pensions and other post-employment benefits.

NOTE 5 – OTHER OPERATING INCOME AND EXPENSE

in millions of euros		2007	2008	2009
Restructuring costs	I	(90)	(103)	(213)
Integration costs related to acquired companies	II	(27)	(7)	(16)
Expenses relating to share subscriptions, share grants and stock options (1)	III	(22)	(22)	(19)
Impairment of goodwill	IV	-	(18)	(12)
Other operating income	V	2	20	7
Other operating expenses	V	(10)	(28)	(9)
TOTAL		**(147)**	**(158)**	**(262)**

(1) These expenses are calculated as described in Note 9 - Equity.

I. RESTRUCTURING COSTS

In 2007, this caption primarily consisted of restructuring costs incurred within the scope of the MAP (Margin Acceleration Program), as well as €35 million in costs related to reducing the workforce assigned to the HM Revenue & Customs contract in the United Kingdom in line with the expected fall in business under the contract.

In 2008, other operating income and expense mainly covered restructuring costs (€103 million) to further streamline the Group's organizational structure within the scope of the I^3 plan. These costs comprise workforce reduction measures (€68 million), streamlining of the Group's real estate assets (€21 million), and the implementation of "rightshoring" solutions (€14 million).

In 2009, restructuring costs related to workforce reduction measures necessitated by the economic context, the ongoing streamlining of the Group's real estate assets and the implementation of rightshoring solutions. They comprise:

- costs related to workforce reduction measures (€151 million) primarily in the Netherlands, France and Spain,
- expenses related to the streamlining of the Group's real estate assets (€52 million), essentially in the Netherlands, the United Kingdom and France,
- industrialization and migration costs incurred in connection with the implementation of "rightshoring" solutions (€10 million), mainly in the Netherlands and United States.

II. INTEGRATION COSTS RELATING TO ACQUIRED COMPANIES

In 2007, the integration costs of acquisitions totaled €27 million and mainly concerned Kanbay (€25 million), which was purchased at the beginning of the period.

In 2008, these costs related mainly to the completion of Kanbay's integration within the Group.

In 2009, integration costs were primarily attributable to the Group's integration of BAS B.V. acquired on December 1, 2008.

III. EXPENSES RELATING TO SHARE SUBSCRIPTIONS, SHARE GRANTS AND STOCK OPTIONS

These expenses comprised:

- the €13 million expense relating to share grants and stock options previously granted to Group employees;
- the €5 million expense arising from the creation of a performance share allocation plan in the first half of 2009;
- the €1 million expense relating to the introduction of an employee share ownership plan (@ESOP) in the second half of 2009.

IV. IMPAIRMENT OF GOODWILL

Impairment losses were recognized in 2008 and supplemented in 2009 on goodwill relating to a German subsidiary.

V. OTHER

In 2008, Other operating income and expense mainly comprised:

- €18 million in expenses due to the closure on March 31, 2008 of the accrual of pensionable service under the defined benefit section of Capgemini UK Plc's main pension plan (see Note 17 – Provisions for pensions and other post-employment benefits);
- €15 million in income following the transfer of responsibility for the defined benefit pension plan available to Canadian employees who joined the Group in the context of the outsourcing agreement signed with Hydro One in 2002. (see Note 17 – Provisions for pensions and other post-employment benefits);
- €5 million in net expenses following the early termination of the outsourcing agreement with TXU (now EFH) in December 2008.

In 2009, Other operating income and expense mainly comprised:

- €9 million in net expenses reflecting the removal of assets and the recognition of obligations arising from the early termination of the agreement signed with TXU (now EFH);
- €4 million in income relating to the reversal of provisions recorded on the acquisition of Kanbay Inc. in 2007 and in respect of stock subscription and reserved share plans;
- other proceeds from disposals in France and profits recorded in respect of the curtailment of defined benefit pension plans in France and Switzerland.

NOTE 6 – NET FINANCE COSTS

Net finance costs can be analyzed as follows:

in millions of euros		2007	2008	2009
Gross finance costs	I	(70)	(66)	(65)
Income from cash and cash equivalents	II	66	68	22
NET FINANCE COSTS		**(4)**	**2**	**(43)**

I. GROSS FINANCE COSTS

Gross finance costs can be broken down as follows:

in millions of euros	2007	2008	2009
Interest on convertible bonds	(44)	(46)	(56)
Other interest expense	(26)	(20)	(9)
TOTAL	**(70)**	**(66)**	**(65)**

Interest on convertible bonds relates to the interest expense on the "OCEANE 2003," "OCEANE 2005" and "OCEANE 2009" bonds convertible/ exchangeable into new or existing Cap Gemini shares, issued on June 24, 2003, June 16, 2005, and April 20, 2009, respectively. This includes €59 million in notional interest (of which €25 million relates to interest paid on bonds) and €3 million in interest received under the interest rate swap linked to the "OCEANE 2003" bonds.

The interest expense increased compared to 2008, due to a new convertible/exchangeable bond issue in the first half of the year ("OCEANE 2009" bonds, see Note 16 – Net cash and cash equivalents), which generated an additional notional interest expense of €24 million for the period. This was, however, largely offset by a fall in the notional interest payable on "OCEANE 2003" bonds following the partial redemption of these bonds in April 2009 (€8 million) and by gains arising on an interest rate swap taken out in connection with the "OCEANE 2003" bonds (€3 million in income compared to a €3 million expense for the year ended December 31, 2008).

In 2009, other interest expense mainly comprised the interest on finance leases for €7 million (primarily in the United Kingdom, France and Canada).

The significant decline in the item (€11 million) compared to December 31, 2008 largely stems from:

- the cancellation of the put option granted to TXU (now EFH) following the termination of the contract in December 2008 which had previously generated annual interest of €6 million,
- the derecognition at June 30, 2008 of the carry-back tax credits in France sold in 2003 and 2004 and the corresponding borrowings recognized in consideration of these receivables that generated an interest expense of €3 million in 2008,
- reduced recourse to finance leases in 2009, resulting in a decrease in related financial expenses of €2 million.

II. INCOME FROM CASH AND CASH AND CASH EQUIVALENTS

The decrease in income from cash and cash equivalents essentially results from a significant decline in returns on 2009 short-term investments, mainly in Cap Gemini S.A. For example, the average return on short-term investments in Cap Gemini S.A. was 1.3% in 2009 compared to 4.6% in 2008. This decrease is in line with the fall in the capitalized EONIA (Euro Overnight Index Average) rate, which is the Group's benchmark rate for euro investments and which fell from an average of 3.94% in 2008 to 0.72% in 2009.

NOTE 7 – OTHER FINANCIAL INCOME AND EXPENSE

in millions of euros	2007	2008	2009
Interest rate derivative instruments (A)	2	6	-
Ineffective portion of currency derivative instruments classified as cash flow hedges	5	-	-
Currency derivative instruments at fair value (B)	1	14	63
Exchange gains on financial transactions (C)	25	63	7
Other	2	3	5
TOTAL OTHER FINANCIAL INCOME	**35**	**86**	**75**
Interest rate derivative instruments (A')	-	(1)	(2)
Currency derivative instruments at fair value (B')	(17)	(62)	-
Exchange losses on financial transactions (C')	(7)	(14)	(73)
Expenses related to financial liabilities at amortized cost	(3)	(3)	(4)
Net interest cost on defined benefit pension plans (D) (1)	(6)	(19)	(42)
Other	(5)	(8)	(4)
TOTAL OTHER FINANCIAL EXPENSES	**(38)**	**(107)**	**(125)**
TOTAL OTHER FINANCIAL INCOME AND EXPENSE	**(3)**	**(21)**	**(50)**

(1) See Note 17 – Provisions for pensions and other post-employment benefits.

This caption shows a net financial expense of €50 million in 2009, breaking down as follows:

- Interest rate derivative instruments (A/A'), consisting of derivative instruments contracted to hedge interest rate risks on financial transactions. In 2009, these instruments generated a net expense of €2 million (see (A)-(A')), largely due to changes in the fair value of the interest rate swap relating to the "OCEANE 2003" bonds.
- Currency derivative instruments (B/B'), consisting of derivative instruments contracted to hedge currency risks on financial transactions. Currency hedges generated net income of €63 million in the year (see (B)-(B')), essentially due to changes in the fair value of a currency swap hedging an inter-company loan granted by Capgemini UK Plc. to Cap Gemini S.A. This income, which results from an appreciation of the pound sterling against the euro over 2009, following its significant depreciation at the end of 2008, was offset by a €62 million exchange loss recognized on the inter-company loan during the fiscal year. This loss was included in "Exchange losses on financial transactions (C)". Other exchange gains and losses on financial transactions (net losses of €3 million) stem primarily from the impact of exchange rate fluctuations in 2009 on items of cash and cash equivalents carried at fair value.
- Net interest cost amounting to €42 million (€19 million in 2008) on defined benefit pension plans (D), mainly in the United Kingdom.

The net change in other financial income and expense compared to 2008 is essentially attributable to:

- an increase of €7 million in the net financial expense as a result of the change in the fair value of the interest rate swap relating to the "OCEANE 2003" bonds (expense of €1 million in 2009 compared to an income of €6 million in 2008);
- a €23 million increase in the net interest cost of defined benefit pension plan liabilities, including €15 million in the United Kingdom, primarily attributable to the sharp drop in the value of financial assets at the end of 2008 due to the financial crisis, combined with a decrease in the expected average rate of return on plan assets (see Note 17 – Provisions for pensions and other post-employment benefits);
- a one-off expense recorded in the first half of 2008 (€3 million) relating to the pension plan of Hydro One employees in Canada.

NOTE 8 – INCOME TAX EXPENSE

Income tax expense can be analyzed as follows:

in millions of euros	2007	2008	2009
Current income taxes	(78)	(87)	(24)
Deferred taxes	30	(29)	(37)
TOTAL	**(48)**	**(116)**	**(61)**

Current income tax for 2009 includes:

- €37 million in income taxes on profits, notably in the Netherlands, India, Canada, Germany, Poland, Finland and the United Kingdom;
- €16 million in taxes not based on taxable income and other taxes, mainly in North America, India, Italy and France;
- €29 million in current tax income arising:
  - for €13 million, in the Netherlands, on the carry-back of tax losses generated during the period.
  - for €13 million, in France, on the repayment of income tax following non-judicial proceedings,
  - for €6 million, in the United Kingdom, on the repayment of 2008 income tax, due to research and development costs incurred in 2008.

The net deferred tax expense for 2009 primarily reflects:

- €67 million in expenses representing the utilization in 2009 of tax loss carry-forwards previously recognized mainly in France (€46 million), the United Kingdom (€14 million), Germany (€5 million) and Sweden (€2 million);
- €19 million in net deferred tax income relating to temporary differences and changes in the tax rate, mainly in North America,
- €9 million in income, in respect of the recognition of tax losses available for carry back, mainly in the United Kingdom;
- €6 million in income relating to deferred tax assets on tax loss carry-forwards arising during the period, mainly in the Netherlands;
- €4 million in expenses from the write-down of deferred tax assets arising on tax loss carry-forwards, mainly in Denmark.

The Group has decided to classify the value-added based component (CVAE) of the new Territorial Economic Contribution, introduced by the 2010 Finance Act, as a tax on profits, in order to ensure consistency with the accounting treatment of similar taxes in other countries. A deferred tax liability of €1 million was therefore recognized at December 31, 2009.

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

in millions of euros	2007	2008	2009
PROFIT BEFORE TAX	**486**	**567**	**240**
STANDARD TAX RATE IN FRANCE (%)	**34.4**	**34.4**	**34.4**
Tax (expense)/income at the standard rate	**(168)**	**(195)**	**(83)**
Impact of:			
Deferred tax assets not recognized on temporary differences and tax loss carry-forwards arising in the period	5	8	1
Revaluation of deferred tax assets generated in France (1)	81	45	-
Net recognition of deferred tax assets on temporary differences and tax loss carry-forwards arising prior to January 1	19	42	16
Utilization of previously unrecognized tax loss carry-forwards	7	2	3
Difference in tax rates between countries	11	18	7
Permanent differences and other items	(3)	(36)	(5)
Tax (expense)/income at the effective rate	**(48)**	**(116)**	**(61)**
EFFECTIVE RATE OF INCOME TAX (%)	**9.8**	**20.5**	**25.5**

(1) Calculated based on the parameters set out in Note 12 – Deferred taxes.

The increase in the effective tax rate in 2009 is chiefly due to the reversal in 2008 in full of the provision for deferred tax assets recognized on tax loss carry-forwards in France and the recognition in 2009 of fewer tax credits generated by research and development expenditure than in prior years in the United Kingdom.

These factors are partially offset by current tax income received in France in 2009.

During 2009 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 9 – EQUITY

A) Stock option plans

At the May 23, 2000 and May 12, 2005 Combined Shareholders' Meetings, the Board of Directors was given a five-year authorization in respect of the May 23, 2000 plan ("2000 Plan"), and a 38-month authorization in respect of the May 12, 2005 plan ("2005 Plan"), to grant stock options to certain Group employees on one or several occasions.

The main features of these plans and their bases of calculation are set out in the table below:

	2000 Plan	2005 Plan	Total
Date of Combined Shareholders' Meeting	May 23, 2000	May 12, 2005	
Maximum number of shares to be issued on exercise of options	12,000,000	6,000,000	
Date options first granted under the plan	September 1, 2000	October 1, 2005	
Deadline for exercising stock options after their grant date (based on progressive tranches)	6 years then 5 years as from October 1, 2001	5 years	
Strike price as a % of the average share price over the 20 stock market trading days preceding the grant date	80% then 100% as from October 1, 2001	100%	
Strike price (per share and in euros) of the various stock option grants:			
Low	27.00	30.00	
High	27.00	55.00	
Maximum number of shares to be issued on exercise of outstanding options at December 31, 2008	3,218,327	5,478,310	**8,696,637**
Number of new stock options granted during the year	Plan expired	Plan expired (1)	
Number of options forfeited or cancelled in 2009	471,696	345,800	**817,496**
Number of options exercised in 2009	2,239,594 (2)	92,865 (3)	**2,332,459**
Maximum number of shares to be issued on exercise of outstanding options at December 31, 2009	507,037 (4)	5,039,645 (5)	**5,546,682**
Residual weighted average life (in years)	0.25	1.92	

(1) Last stock options granted on June 1, 2008 at a price of €40.50
(2) At December 31, 2009, 1,853,731 stock options granted at €21 and 385,863 stock options granted at €27 had been exercised.
(3) Stock options granted at a price of €30.
(4) Stock options granted at a price of €27.
(5) Representing 1,267,345 shares at a price of €30; 1,693,800 shares at €43; 193,500 shares at €55; 1,693,000 shares at €44; and 192,000 at €40.50.

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.

Fair value of options granted and impact on financial statements

Based on the calculation parameters used to determine fair value under the Black & Scholes model (described in the table below) and on revised beneficiary turnover assumptions, the expense to be recorded in "Other operating expenses" at December 31, 2009 amounts to €11 million. The total expense to be amortized between 2010 and 2012 in respect of the active option grants presented hereafter is €7 million.

Summary	2000 Plan	2005 Plan				
Grant dates	April 1, 2005	October 1, 2005	October 1, 2006	April 1, 2007	October 1, 2007	June 1, 2008
Number of shares initially granted	1,623,000	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	27	30	43	55	44	40.5
Share price at the grant date	27.06	32.59	41.84	57.00	42.98	43.37
Number of shares subscribed at December 31, 2009	615,662	185,455	1,100	-	-	-
Principal market conditions at the grant date:						
Volatility	32.4-33.8%	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	3-4.25
Risk-free interest rate	2.2-2.9%	2.3-2.7%	3.5-3.6%	4.1-4.2%	4.1%	4.3-4.4%
Expected dividend rate	1%	1%	1%	1.5%	1.5%	2.3%
Off-market conditions:						
Employee presence within the Group at the exercise date	yes	yes	yes	yes	yes	yes
Other	no	no	no	no	no	no
Pricing model used to calculate stock option fair values	Black & Scholes model					
Range of fair values in euros	6.2-7.8	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, 2009	507,037	1,267,345	1,693,800	193,500	1,693,000	192,000

B) Performance share plan

The Combined Shareholders' Meeting of April 17, 2008 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, subject to certain performance and presence conditions within the Group. On March 5, 2009, the Board of Directors approved the terms and conditions of this plan as well as the list of beneficiaries.

The main terms and conditions of this first plan are summarized in the table below:

Summary	2009 Plan	Of which corporate officers
Date of Combined Shareholders' Meeting	April 17, 2008	
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	
Date of the Board of Directors' decision	March 5, 2009	
Performance assessment dates	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)	
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	
Number of shares subject to performance and presence conditions granted during the year	1,148,250 (1)	50,000 (2)
Number of options forfeited or canceled during the year	38,500	-
Number of shares at December 31, 2009 that may be definitively allocated under this plan in respect of shares previously granted, subject to performance and presence conditions	1,109,750	50,000
Share price at the grant date (in euros)	23.30	
Main market conditions at the grant date: *Volatility* *Risk-free interest rate* *Expected dividend rate*	 42.7% 1.4% 3.0%	
Other conditions: *Performance conditions* *Effective presence within the Group on the vesting date*	 Yes (see below) Yes	
Pricing model used to calculate the fair values of shares	Monte Carlo	
Range of fair values in euros: *Bonus shares (per share and in euros)* *Performance shares (per share and in euros)*	 20.7 - 21.9 16.5 - 17.53	17.53

(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) Shares subject to performance conditions only.

Performance conditions and measurement

The exact number of shares vesting at the end of the two- or four-year 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 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 reference basket is made up of the following equally-weighted securities: Accenture / CSC / Atos Origin / Tieto / Logica / Steria / Infosys / Sopra / Cognizant / CGI Group.

The definitive allocation will depend on the relative performance of the Cap Gemini share in relation to the basket of comparable securities:
• no shares will be granted if the performance of the Cap Gemini 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 60% of the number of shares initially allocated if the performance of the Cap Gemini share is equal to 90% of the basket;
- will vary 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 share is between 90% and 110% of the basket;
- will be equal to 100% of the number of shares initially allocated if the performance of the Cap Gemini share is higher than or equal to 110% of the basket.

Fair value of shares granted and impact on the financial statements
Based on the calculation inputs used to determine fair value under the Monte Carlo option pricing model (indicated in the table above) and on revised beneficiary turnover assumptions, the expense recorded at December 31, 2009 in "Other operating expenses" amounted to €5 million. The total expense to be amortized between 2010 and 2013 in respect of this plan is €13 million.
The fair value of the shares and the inputs used were established by an external company. It should be noted that:
• volatility is based on the historical volatility of the Cap Gemini share over a three-year period (same period as for the shares in the reference basket);
• dividend per share was estimated based on the 2008 dividend (2.5%), the Group's historical dividend policy, and analysts' consensus forecasts (above 3% for 2009 and 2010).

C) REDEEMABLE SHARE SUBSCRIPTION OR PURCHASE WARRANTS (BONS DE SOUSCRIPTION ET/OU D'ACQUISITION D'ACTIONS REMBOURSABLES – BSAAR)

On April 29, 2009, pursuant to the authorization granted by the Combined Shareholders' Meeting of April 17, 2008, the Board of Directors agreed on the principle of an issue of Redeemable Share Subscription or Purchase Warrants and approved the list of eligible beneficiaries and the maximum number of warrants to be subscribed by each beneficiary both as of right and above and beyond such rights.

The warrants have been offered to employees and corporate officers of the Group, broken down into four categories.

As authorized by the Board of Directors, on May 13, 2009, the Chief Executive Officer set the subscription period from May 14 through June 17, 2009, the subscription price at €3.22 per warrant and the final terms and conditions of the issue. The expert appointed by Capgemini issued an independent opinion on the warrant issue price, and concluded that it was reasonable on the grounds that it fell within the range of market value estimates obtained from his own valuation work.

Based on subscription requests from eligible beneficiaries, a total number of 2,999,000 Redeemable Share Subscription or Purchase Warrants were subscribed at a price of €3.22 per warrant by a total of 629 participants.

The 2,999,000 warrants, of which 63,990 were subscribed by Paul Hermelin, were settled and delivered on July 23, 2009 and the gross proceeds from this issue totaled €9.7 million and €9 million net of issue costs.

The exercise period begins on the date on which the warrants are admitted to trading on Euronext Paris and ends 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.

Impact on the financial statements
As the Company set an issue price within the range of market value estimates for the warrants obtained from the expert's valuation work, no benefits have been recognized for beneficiaries in the financial statements.

D) EMPLOYEE SHARE OWNERSHIP PLAN - @ESOP

Pursuant to the 13th and 14th resolutions adopted by the Combined Shareholders' Meeting of April 30, 2009, the Group set up an employee share ownership plan (@ESOP) in the second half of 2009. This plan was open to all employees in countries where the Group has had activities involving more than 300 employees for over two years. Under the plan, a minimum length of service of three months was required at November 19, 2009, acquired consecutively or not since January 1, 2008. In addition, in order to subscribe, employees were required to have an employment contract for a minimum of one day between November 17 and 19, 2009 (inclusive). This leveraged plan offered employees the possibility of subscribing at a discounted preferential rate and, via a bank which secured and supplemented the investment so that the total amount invested represented ten times the personal contribution of the employee, potentially generating a greater capital gain than would have been the case had it been calculated based solely on the employee's personal contribution. In return, the employee waives a portion of any increase of shares subscribed on his behalf, as well as dividends and other financial rights that could be paid on these shares throughout the entire term of the plan. In addition, the shares will be unavailable for a term of five years (except for early releases covered by the applicable regulations).

This employee share ownership plan (@ESOP) includes a 15% discount. Under the delegation of authority granted by the Board of Directors, the subscription price was set at €27.58 by the Chief Executive Officer on November 16, 2009. The price corresponds to the average Cap Gemini share price adjusted for volumes observed over the twenty stock market trading days preceding the Chief Executive Officer's decision, to which a 15% discount is applied.

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 net of issue costs (€1 million). Paul Hermelin subscribed for Cap Gemini shares in the amount of €43,789.58 via the Capgemini Employee Savings Mutual Fund.

The total cost of this employee share ownership plan is €1.2 million and reflects the Stock Appreciation Rights mechanism for employees in those countries where an Employee Savings Mutual Fund (*Fonds Commun de Placement Entreprise*) cannot be set up or is not relevant. In those countries where the set-up of an FCPE has been possible, the IFRS 2 expense is nil, as the cost of non-transferability to the participant is greater than the total discount at the date of grant plus the opportunity gain.

It should also be noted that a decrease of 0.5 basis points in the employee financing rate would not impact the IFRS 2 expense, as the non-transferability cost remains greater than the total discount at the grant date. This is also true of an increase of 0.5 basis points in the retail/institutional rate volatility, as the cost of non-transferability is greater than the total discount at the date of grant plus the opportunity gain.

The table below presents the main features of the @ESOP employee share ownership plan, the amounts subscribed and the pricing assumptions for 2009:

	2009
FEATURES OF THE PLAN	
Grant date	November 16, 2009
Plan maturity (in years)	5
Base price (in euros)	32.45
Subscription price (in euros)	27.58
Nominal discount (in %)	15.00%
(a) Total discount at grant date (in %)	13.26%
Amount subscribed by employees (in millions of euros)	16.5
Total amount subscribed (in millions of euros)	165
Total number of shares subscribed	5,999,999
PRICING ASSUMPTIONS	
Employee financing rate	7.55%
Five-year risk free interest rate	2.73%
Repo and reverse repo rates	0.74%
Retail / institutional rate volatility difference	3.95%
(b) Cost of non-transferability to the participant (in %)	22.04%
(c) Opportunity gain measurement (in %)	1.60%
Total cost for the Group (in %) **(a-b+c)** (1)	0.00%

(1) The expense is nil as the non-transferability cost to the participant is greater than the total discount at the grant date, plus the opportunity gain.

E) SHARE BUYBACK PROGRAM

The share buyback program was described in a prospectus published on April 17, 2009.
At December 31, 2009, 121,000 shares were held under the liquidity contract.

Cap Gemini S.A. also holds 2,000,000 treasury shares (representing 1.3% of share capital at December 31, 2009), acquired between January 17 and January 25, 2008 at an average price of €34.48.

These share buybacks concern the hedging of instruments conferring access to the share capital issued by the Company and are aimed in particular at neutralizing part of the dilutive effect of Group employee share-based incentive instruments.

At December 31, 2009, the value of these treasury shares was recognized as a deduction from consolidated equity in a total amount of €79 million.

F) EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share are calculated by dividing profit or loss for the year by the weighted average number of ordinary shares outstanding during the period, excluding treasury shares. The weighted average number of ordinary shares is adjusted by the number of ordinary shares bought back or issued during the year.

	2007	2008	2009
Profit for the year *(in millions of euros)*	440	451	178
Weighted average number of ordinary shares	144,744,128	143,424,188	145,153,387
BASIC EARNINGS PER SHARE *(in euros)*	**3.04**	**3.14**	**1.23**

The year-on-year increase in the average number of shares between 2008 and 2009 reflects the shares issued under the employee share ownership plan (@ESOP) and shares issued upon the exercise of stock options held by employees.

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 2009 was €29.09.

At December 31, 2009, instruments considered dilutive for the purpose of calculating diluted earnings per share include:

- employee stock options, which are considered to be potentially dilutive when the average price of ordinary shares during the period exceeds the strike price of the options including fair value;
- shares falling within the scope of the performance share plan and not subject to any performance conditions;
- the 11,810,809 "OCEANE 2005" convertible bonds issued on June 16, 2005, as the €14 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, 2012, when they will be redeemable at a price of €41.90 per bond, representing 113.2% of their par value.

The following financial instruments are not considered dilutive:

- the 16,911,765 "OCEANE 2009" convertible bonds issued on April 20, 2009, as the €16 million interest expense recorded (net of taxes) on the bonds divided by the weighted average number of bonds outstanding (11,744,281), is higher 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;
- the "OCEANE 2003" convertible bonds issued on June 24, 2003, as the €9 million interest expense recorded (net of taxes) on the bonds divided by the weighted average number of bonds outstanding (5,437,321), is higher per bond than basic earnings per share;
- performance shares subject to market performance conditions. As the performance of the Cap Gemini share at December 31, 2009 was below 90% of the performance of the reference basket, no performance shares would have been granted if the performance measurement period ended at that date;
- the Redeemable Share Subscription or Purchase Warrants, since 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 2009.

	2007	2008	2009
Profit for the year *(in millions of euros)*	**440**	**451**	**178**
Interest expense on "OCEANE 2005" bonds (net of taxes)	13	13	14
Diluted profit for the year *(in millions of euros)*	**453**	**464**	**192**
Weighted average number of ordinary shares (diluted)			
Weighted average number of ordinary shares	144,744,128	143,424,188	145,153,387
Adjusted for:			
- "OCEANE 2003" convertible/exchangeable bonds	-	-	-
- "OCEANE 2005" convertible/exchangeable bonds (weighted average)	11,810,809	11,810,809	11,810,809
- "OCEANE 2009" convertible/exchangeable bonds (weighted average)	-	-	-
- employee stock options	2,737,133	1,231,782	36,428
- performance shares that can be exercised	-	-	64,750
Weighted average number of ordinary shares (diluted)	**159,292,070**	**156,466,779**	**157,065,374**
DILUTED EARNINGS PER SHARE *(in euros)*	**2.84**	**2.97**	**1.22**

NOTE 10 – GOODWILL AND INTANGIBLE ASSETS

Changes in goodwill and intangible assets can be analyzed as follows by type of asset:

in millions of euros	Goodwill	Software	Internally generated intangible assets	Other intangible assets	Total
GROSS VALUE					
AT JANUARY 1, 2007	**1,870**	**120**	**61**	**132**	**2,183**
Translation adjustments	(149)	(7)	-	(16)	(172)
Acquisitions/Increase	-	24	2	13	39
Disposals/Decrease	-	(19)	-	-	(19)
Change in Group structure	878	8	-	74	960
Other movements	-	4	1	(2)	3
AT DECEMBER 31, 2007	**2,599**	**130**	**64**	**201**	**2,994**
Translation adjustments	(89)	(15)	-	(2)	(106)
Acquisitions/Increase	-	19	-	13	32
Disposals/Decrease	-	(5)	(1)	(4)	(10)
Change in Group structure	261	1	-	32	294
Other movements	-	(1)	10	(15)	(6)
AT DECEMBER 31, 2008	**2,771**	**129**	**73**	**225**	**3,198**
Translation adjustments	27	4	-	2	33
Acquisitions/Increase	-	16	6	4	26
Disposals/Decrease	-	(15)	(5)	(6)	(26)
Change in Group structure	11	1	1	-	12
Other movements	(9)	(9)	3	(11)	(26)
AT DECEMBER 31, 2009	**2,800**	**126**	**78**	**214**	**3,217**
o/w finance leases				9	9
ACCUMULATED AMORTIZATION					
AT JANUARY 1, 2007		**95**	**40**	**46**	**181**
Translation adjustments		(5)	-	(4)	(9)
Additions		18	5	31	54
Disposals		(17)	-	-	(17)
Change in Group structure		4	-	-	4
Other movements		2	-	(1)	1
AT DECEMBER 31, 2007		**97**	**45**	**72**	**214**
Translation adjustments		(12)	-	(2)	(14)
Additions		19	5	62	86
Disposals		(4)	-	(3)	(7)
Change in Group structure		-	-	-	-
Other movements		1	-	(2)	(1)
AT DECEMBER 31 2008		**101**	**50**	**127**	**278**
Translation adjustments		4	-	-	4
Additions		17	7	18	42
Disposals		(14)	(5)	(6)	(25)
Changes in Group structure		-	1	-	1
Other movements		(8)	1	(1)	(8)
AT DECEMBER 31, 2009		**100**	**54**	**138**	**292**
o/w finance leases				6	6
IMPAIRMENT					
AT JANUARY 1, 2007	**21**	**4**	**5**	**1**	**31**
Translation adjustments	(1)	-	-	-	(1)
Additions	2	-	-	-	2
Changes in Group structure	-	-	-	-	-
Other movements	-	-	-	-	-
AT DECEMBER 31, 2007	**22**	**4**	**5**	**1**	**32**
Translation adjustments	(2)	-	-	-	(2)
Additions	24	-	2	-	26
Changes in Group structure	-	-	-	-	-
Other movements	1	(3)	-	-	(2)
AT DECEMBER 31, 2008	**45**	**1**	**7**	**1**	**54**
Translation adjustments	1	-	-	-	1
Additions	12	-	1	-	13
Changes in Group structure	-	-	-	-	-
Other movements	(8)	-	-	-	(8)
AT DECEMBER 31, 2009	**50**	**1**	**8**	**1**	**60**
NET					
AT DECEMBER 31, 2007	**2,577**	**29**	**14**	**128**	**2,748**
AT DECEMBER 31, 2008	**2,726**	**27**	**16**	**97**	**2,866**
AT DECEMBER 31, 2009	**2,750**	**25**	**16**	**75**	**2,866**
o/w finance leases				3	3

Goodwill

Description of cash-generating units:

The cash-generating units adopted by the Group correspond to countries/geographic areas representing the Group's major markets and the main lines of development and strategic investment. The cash-generating unit corresponding to Sogeti's "Local professional services" business was therefore reallocated at December 31, 2009 to the cash-generating units of the geographic areas in which Sogeti is located. This reallocation did not result in the recognition of impairment losses at December 31, 2009.

The carrying amount of goodwill per cash-generating unit breaks down as follows:

in millions of euros	December 31, 2007			December 31, 2008			December 31, 2009		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
North America	516	-	516	530	(6)	524	528	(6)	522
Benelux	554	(12)	542	778	(12)	766	781	(12)	769
France	633	(1)	632	638	(1)	637	644	(1)	643
United Kingdom and Ireland	525	(7)	518	436	(7)	429	453	-	453
Germany and Central Europe	197	(2)	195	210	(19)	191	206	(31)	175
Nordic countries	137	-	137	125	-	125	130	-	130
Southern Europe and Latin America	16	-	16	33	-	33	33	-	33
Asia - Pacific	21	-	21	21	-	21	25	-	25
TOTAL	**2,599**	**(22)**	**2,577**	**2,771**	**(45)**	**2,726**	**2,800**	**(50)**	**2,750**

Analysis of changes in goodwill over the period

The increase in the net value of goodwill in 2009 primarily reflects:

- acquisitions during the period for €11 million (see Note 2 – Changes in Group structure);
- translation gains (€26 million) mainly attributable to the appreciation of the pound sterling against the euro in 2009;
- the impairment of goodwill in Germany in the amount of €12 million.

Measurement of the recoverable amount of goodwill at December 31, 2009

Goodwill was tested for impairment at December 31, 2009 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: 2.3% (2.5% in 2008);
- discount rate: 9.8% for North America, 10.1% for the United Kingdom and 10.2% for other cash-generating units (respectively 10.0%, 10.6% and 10.6% in 2008).

The 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 2009, the Group used estimates produced by 12 financial analysts, all of whom were already included in the group of 14 financial analysts called on in 2008.

The change in the discount rate arises from the three components used for the calculation: the risk-free rate, risk premium and the volatility of the Cap Gemini share price in relation to changes in its listed market ("beta"). It should be noted that the long-term growth rate applied by the Group does not exceed that of the business sector.

Except for the impairment loss disclosed above, no impairment losses were recognized at December 31, 2009 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 scenarios where the CGU's recoverable amount would fall below its carrying amount.

Intangible assets

Acquisitions during the year of €26 million essentially concern software acquired (€16 million) within the scope of client projects or for internal use, mainly in the Netherlands, France and North America and internally generated intangible assets (€6 million).

The decrease in the amortization charge for intangible assets in 2009 is mainly attributable to reduced investment in 2009 and the accelerated amortization in 2008 (€36 million) of assets linked to the agreement with TXU (now EFH), due to its early termination.

Other movements for the year with a negative net value of €9 million correspond to the finalization of acquisition price allocations and primarily BAS B.V. for €11 million (see Note 2 – Changes in Group structure).

NOTE 11 – PROPERTY, PLANT AND EQUIPMENT

Changes in property, plant and equipment can be analyzed as follows by type of asset:

in millions of euros	Land, buildings, fixtures and fittings	Computer software	Other property, plant and equipment	Total
GROSS VALUE				
AT JANUARY 1, 2007	**407**	**380**	**119**	**906**
Translation adjustments	(16)	(15)	(2)	**(33)**
Acquisitions /Increase	35	111	23	**169**
Disposals/Decrease	(35)	(63)	(9)	**(107)**
Changes in Group structure	49	24	4	**77**
Other movements	7	(4)	(3)	**-**
AT DECEMBER 31, 2007	**447**	**433**	**132**	**1,012**
Translation adjustments	(27)	(34)	(9)	**(70)**
Acquisitions /Increase	42	87	16	**145**
Disposals/Decrease	(27)	(84)	(7)	**(118)**
Changes in Group structure	5	1	-	**6**
Other movements	(10)	(10)	(3)	**(23)**
AT DECEMBER 31, 2008	**430**	**393**	**129**	**952**
Translation adjustments	7	12	3	**22**
Acquisitions /Increase	41	85	13	**139**
Disposals/Decrease	(21)	(98)	(7)	**(126)**
Changes in Group structure	-	-	1	**1**
Other movements	2	31	(7)	**26**
AT DECEMBER 31, 2009	**459**	**423**	**132**	**1,014**
o/w finance leases	*115*	*161*	*6*	***282***
ACCUMULATED DEPRECIATION				
AT JANUARY 1, 2007	**192**	**245**	**91**	**528**
Translation adjustments	(9)	(10)	-	**(19)**
Additions	37	91	10	**138**
Disposals	(31)	(59)	(8)	**(98)**
Changes in Group structure	6	11	1	**18**
Other movements	3	(2)	(1)	**-**
AT DECEMBER 31, 2007	**198**	**276**	**93**	**567**
Translation adjustments	(17)	(21)	(6)	**(44)**
Additions	34	82	9	**125**
Disposals	(25)	(68)	(5)	**(98)**
Changes in Group structure	1	-	-	**1**
Other movements	(16)	(8)	-	**(24)**
AT DECEMBER 31, 2008	**175**	**261**	**91**	**527**
Translation adjustments	4	8	2	**14**
Additions	35	75	11	**121**
Disposals	(17)	(77)	(5)	**(99)**
Changes in Group structure	-	-	1	**1**
Other movements	-	28	(2)	**26**
AT DECEMBER 31, 2009	**197**	**295**	**98**	**590**
o/w finance leases	*29*	*95*	*5*	***129***
IMPAIRMENT				
AT DECEMBER 31, 2007	**3**	**-**	**-**	**3**
AT DECEMBER 31, 2008	**3**	**-**	**-**	**3**
AT DECEMBER 31, 2009	**3**	**-**	**-**	**3**
NET				
AT DECEMBER 31, 2007	**246**	**157**	**39**	**442**
AT DECEMBER 31, 2008	**252**	**132**	**38**	**422**
AT DECEMBER 31, 2009	**259**	**128**	**34**	**421**
o/w finance leases	*86*	*66*	*1*	***153***

Acquisitions during the year (€139 million) essentially concern the acquisition of computer equipment for projects in North America, the United Kingdom, the Netherlands and France, the partial renewal of the information system pool, mainly in France and Germany, the continuing renovation of existing premises in the United Kingdom, the increase in office space in India and the refurbishment of new premises in France.

The acquisition cost of fixed assets reported in the Statement of Cash Flows is €119 million, including €26 million for intangible assets and €93 million for property, plant and equipment. This latter amount differs from that presented above as it excludes acquisitions of assets held under finance leases (€42 million in 2009) and acquisitions of assets not yet paid, mainly in India (€4 million).

NOTE 12 – **DEFERRED TAXES**

I. RECOGNIZED DEFERRED TAX ASSETS AND LIABILITIES

A) Analysis by recovery date

At December 31 *(in millions of euros)*	**2007**	**2008**	**2009**
Deferred tax assets:			
Deferred tax assets recoverable in more than one year	791	739	734
Deferred tax assets recoverable within one year	116	124	153
TOTAL DEFERRED TAX ASSETS	**907**	**863**	**887**
Deferred tax liabilities:			
Deferred tax liabilities payable in more than one year	128	123	138
Deferred tax liabilities payable within one year	10	15	15
TOTAL DEFERRED TAX LIABILITIES	**138**	**138**	**153**

B) Change in deferred tax assets and liabilities

in millions of euros	Deferred tax assets arising from tax loss carry-forwards	Deferred tax assets arising from the acquisition of Ernst & Young's consulting business	Deferred tax assets arising from temporary differences	**Total deferred tax assets**	**Total deferred tax liabilities**
AT JANUARY 1, 2007	**583**	**125**	**180**	**888**	**(118)**
Translation adjustments	-	-	1	1	(33)
Deferred taxes recognized in the Income Statement	-	(13)	(7)	(20)	6
Deferred taxes recognized in equity	18	-	7	25	5
Other movements	-	-	13	13	2
AT DECEMBER 31, 2007	**601**	**112**	**194**	**907**	**(138)**
Changes in Group structure	-	-	-	-	(1)
Translation adjustments	(6)	3	(28)	(31)	-
Deferred taxes recognized in the Income Statement	(4)	-	(27)	(31)	2
Deferred taxes recognized in equity	-	-	18	18	(1)
AT DECEMBER 31, 2008	**591**	**115**	**157**	**863**	**(138)**
Changes in Group structure	-	-	23	23	(4)
Translation adjustments	1	-	11	12	(2)
Deferred taxes recognized in the Income Statement	(55)	-	(14)	(69)	32
Deferred taxes recognized in equity	-	-	37	37	(20)
Other movements	-	-	21	21	(21)
AT DECEMBER 31, 2009	**537**	**115**	**235**	**887**	**(153)**

The deferred tax expense recognized in the Income Statement amounted to €37 million (see Note 8 – Income tax expense).

Deferred tax income recognized in equity for €17 million chiefly relates to actuarial gains and losses arising on provisions for pensions and cash flow hedging instruments also recognized in "Income and expense recognized directly in equity" for €37 million, partially offset by a deferred tax expense arising from the "OCEANE 2009" issue and the "OCEANE 2003" partial redemption, for €20 million.

Deferred tax assets arising from tax loss carry-forwards in France

In 2002, Cap Gemini S.A. recognized a €2.8 billion net short-term capital loss for tax purposes, further to the reorganization of the Group's North American operations. Since December 31, 2003, the corresponding tax loss may be carried forward indefinitely against future taxable profit generated within the France tax grouping.

This deferred tax asset is measured to reflect the estimated taxable profit of the Group's operations over the next 15 years. The calculation is based on growth and profitability assumptions considered reasonable, using the following visibility parameters:

- 100% utilization in the first five years;
- as from the sixth year, a provision is set aside for probable recoveries based on a standard rate of 35%, which is increased by five points per year up to 70% in the fifteenth year and to 100% beyond the fifteenth year.

This calculation model is based on a progressive decline in visibility as regards the future realization of estimates.

Since December 31, 2008, the deferred tax asset on tax loss carry-forwards within the France tax grouping has been recognized in full, given the short timeframe of its expected recovery, of less than five years. At December 31, 2009, it amounted to €489 million (compared to €535 million at December 31, 2008), representing a utilization of €46 million during the period.

Other deferred tax assets recognized on tax loss carry-forwards

Deferred tax assets recognized on tax loss carry-forwards at Group level (excluding deferred tax assets recognized in France) totaled €48 million and related to Germany and other Eastern European countries (€19 million); Sweden, Denmark and Norway (€14 million); the United Kingdom (€8 million); and other countries (€7 million).

Deferred tax assets arising from the acquisition of Ernst & Young's consulting business in North America

The difference between the price at which Ernst & Young's North American consulting business was purchased in 2000, and the tax base of the assets and liabilities acquired (€2,794 million at December 31, 2009) is amortized over 15 years for tax purposes, representing an income tax saving of around €1,086 million based on current tax rates. Over the last few fiscal years, some or all of these amortization charges have led to an increase in ordinary tax losses that may be carried forward over a period of 20 years.

The value of the related deferred tax assets is assessed based on estimated taxable profit of the Group's North American operations over the next five years, using growth and profitability rates considered reasonable. At December 31, 2008, the deferred tax asset amounted to USD 164 million. At December 31, 2009, after taking account of the tax loss position (before the fiscal amortization of goodwill), and the economic climate, it was considered preferable to maintain the amount of deferred tax assets recognized at USD 164 million (€115 million).

Accordingly, unrecognized deferred tax assets relating to the acquisition of Ernst & Young's consulting business amounted to €971 million at December 31, 2009.

C) Analysis by type

Deferred tax assets recognized at December 31, 2009 can be analyzed as follows:

At December 31 *(in millions of euros)*	**2007**	**2008**	**2009**
Tax loss carry-forwards	601	591	537
Acquisition of Ernst & Young's consulting business	112	115	115
Temporary differences	194	157	235
TOTAL RECOGNIZED DEFERRED TAX ASSETS	**907**	**863**	**887**

Recognized deferred tax assets at December 31, 2009 can be analyzed as follows by type and expiry date:

At December 31 *(in millions of euros)*	2007	2008	2009
Tax loss carry-forwards	539	505	442
Acquisition of Ernst & Young's consulting business	112	115	115
Provisions for pensions and other post-employment benefits	100	87	122
Other	40	32	55
TOTAL DEFERRED TAX ASSETS RECOVERABLE IN MORE THAN ONE YEAR	**791**	**739**	**734**
Tax loss carry-forwards	62	86	95
Provisions for pensions and other post-employment benefits	16	11	19
Amortization adjustments	9	8	12
Other	29	19	27
TOTAL DEFERRED TAX ASSETS RECOVERABLE WITHIN ONE YEAR	**116**	**124**	**153**
TOTAL RECOGNIZED DEFERRED TAX ASSETS	**907**	**863**	**887**

Deferred tax liabilities at December 31, 2009 can be analyzed as follows by type and expiry date:

At December 31 *(in millions of euros)*	2007	2008	2009
Tax-deductible goodwill amortization	50	45	49
Restatement of amortization taken on customer relationships	23	25	20
"OCEANE 2003," "OCEANE 2005" and "OCEANE 2009" convertible/exchangeable bonds at amortized cost	16	11	20
Finance leases	13	9	11
Provisions	13	26	30
Other	13	7	8
TOTAL DEFERRED TAX LIABILITIES PAYABLE IN MORE THAN ONE YEAR	**128**	**123**	**138**
Revaluation of work-in-progress	9	11	11
Other	1	4	4
TOTAL DEFERRED TAX LIABILITIES PAYABLE WITHIN ONE YEAR	**10**	**15**	**15**
TOTAL DEFERRED TAX LIABILITIES	**138**	**138**	**153**

II. UNRECOGNIZED DEFERRED TAX ASSETS

Unrecognized deferred tax assets can be analyzed as follows:

At December 31 *(in millions of euros)*	2007	2008	2009
Tax loss carry-forwards	369	267	233
Acquisition of Ernst & Young's consulting business	948	975	971
Temporary differences	183	138	146
TOTAL	**1,500**	**1,380**	**1,350**

At December 31, 2009, unrecognized deferred tax assets of €1,350 million were primarily attributable to North America for €1,159 million. Of this amount, €124 million related to deferred taxes on tax loss carry-forwards, €971 million to Ernst & Young's consulting business, and €64 million to deferred taxes on temporary differences.

At December 31, 2009, unrecognized deferred tax assets arising on tax loss carry-forwards (€233 million), chiefly concerned North America (€124 million), Spain (€47 million), Australia and France (companies excluded from the tax grouping).

At December 31, 2009, unrecognized deferred tax assets arising on temporary differences (€146 million) relate to:

- provisions for pensions and other post-employment benefits (€48 million), essentially in the United Kingdom;
- differences in the methods used for capitalizing and depreciating/amortizing fixed assets in the statutory company accounts and consolidated accounts (€8 million);
- the unrecognized portion of deferred tax assets on intangible assets in connection with contributions made by Getronics prior to the acquisition of BAS B.V. (€23 million);
- provisions (€19 million), including restructuring operations (€7 million) and other miscellaneous items (€48 million).

III. EXPIRY DATES OF TAX LOSS CARRY-FORWARDS

The taxable bases for recognized and unrecognized tax loss carry-forwards break down by expiry date as follows:

At December 31 *(in millions of euros)*	2007		2008		2009	
	Amount	%	Amount	%	Amount	%
Y+1	82	2	79	2	24	1
Y+2	69	2	31	1	14	-
Y+3	9	-	16	-	7	-
Y+4	14	-	7	-	5	-
Y+5	5	-	11	-	10	-
Beyond 5 years	4,033	96	3,964	97	4,071	99
TOTAL	**4,212**	**100**	**4,108**	**100**	**4,131**	**100**

Tax loss carry-forwards do not include tax-deductible amortization charges recorded against goodwill arising from the acquisition of Ernst & Young's consulting business, amounting to €954 million at December 31, 2009.

NOTE 13 – OTHER NON-CURRENT ASSETS

Other non-current assets can be analyzed as follows:

At December 31 *(in millions of euros)*	2007	2008	2009
Shares in associates	23	21	16
Shares in non-consolidated companies	3	2	1
Deposits, receivables and long-term investments	29	43	58
Derivative instruments (1)	3	1	3
Defined benefit pension plans with funding surpluses	6	5	21
Other	32	19	13
TOTAL	**96**	**91**	**112**

(1) See Note 23 – Financial risk management, section I. Market risk.

Shares in associates

Shares in associates primarily include the 48.83% interest in SSS Holding Corporation Ltd., acquired as a result of the Kanbay International Inc. acquisition in 2007.

Deposits, receivables and long-term investments

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.

Pension plans with funding surpluses

These surpluses stem from defined benefit plans (see Note 17 - Provisions for pensions and other post-employment benefits).

NOTE 14 – ACCOUNTS AND NOTES RECEIVABLE

Accounts and notes receivable can be analyzed as follows:

At December 31 *(in millions of euros)*	2007	2008	2009
Accounts receivable	1,542	1,590	1,326
Provisions for doubtful accounts	(14)	(14)	(30)
Accrued income	694	745	677
Work- in-progress	96	75	94
TOTAL	**2,318**	**2,396**	**2,067**

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)*	2007	2008	2009
Accounts and notes receivable (excluding work-in-progress)	2,222	2,321	1,973
Advances from customers and billed in advance	(743)	(639)	(567)
Total accounts receivable net of advances from customers and billed in advance	**1,479**	**1,682**	**1,406**
In number of days' annual revenues (1)	61	67	60

(1) In 2008, this ratio was adjusted to eliminate receivables due from companies acquired during December.

An aged analysis of accounts and notes receivable is provided in Note 23 – Financial risk management, section III. Credit risk.

NOTE 15 – OTHER RECEIVABLES AND INCOME TAX

Other receivables and income tax can be analyzed as follows:

At December 31 *(in millions of euros)*	2007	2008	2009
Current income taxes receivable	31	39	54
Social security and tax related receivables	56	62	79
Prepaid expenses	134	108	106
Carry-back tax credits	127	-	-
Derivative instruments (1)	10	2	7
Other	16	12	11
TOTAL	**374**	**223**	**257**

(1) See Note 23 – Financial risk management, section I. Market risk.

Carry-back tax credits

Carry-back tax credits were derecognized at June 30, 2008 (equivalent value of €129 million at that date), after the French Treasury had reimbursed the transferee. A matching entry was recognized in borrowings.

NOTE 16 – NET CASH AND CASH EQUIVALENTS

This caption comprises cash and cash equivalents (I) less short- and long-term borrowings (II). Net cash and cash equivalents also take into account the impact of derivative instruments when these relate to borrowings (III).

At December 31 *(in millions of euros)*		2007	2008	2009
Cash and cash equivalents	I	2,137	1,805	2,597
Borrowings	II	(1,245)	(1,032)	(1,328)
Derivative instruments on borrowings	III	(3)	1	-
NET CASH AND CASH EQUIVALENTS		**889**	**774**	**1,269**

I. CASH AND CASH EQUIVALENTS

At December 31 *(in millions of euros)*	**2007**	**2008**	**2009**
Short-term investments	1,594	1,290	2,109
Cash at bank	648	578	494
Derivative instruments on cash items	(14)	(61)	1
Bank overdrafts	(91)	(2)	(7)
CASH AND CASH EQUIVALENTS	**2,137**	**1,805**	**2,597**

At December 31, 2009, short-term investments mainly consist of money market mutual funds (FCP and SICAV), certificates of deposit, commercial paper and term bank deposits.

Derivative instruments relating to cash and cash equivalents represent a receivable of €1 million at December 31, 2009, 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 receivables and income tax" in the Consolidated Statement of Financial Position (compared to a liability of €61 million in "Other payables and income tax" at December 31, 2008).

The year-on-year €792 million increase in net cash and cash equivalents at end-2009 reflects mainly:

- positive cash flows generated by operations in 2009 totaling €495 million,
- net cash inflows of €564 million relating to the "OCEANE 2009" bonds (see details below),
- cash outflows of €263 million relating to the partial redemption of "OCEANE 2003" bonds (see details below),
- net cash inflows of €225 million relating to capital increases following the Group @ESOP share issue, the exercise of stock subscription options and the issue of redeemable share subscription or purchase warrants (BSAAR),
- paid dividends of €143 million,
- cash outflows of €95 million relating to acquisitions of fixed assets (net of disposals),
- cash outflows of €11 million relating to acquisitions of companies (net of cash and cash equivalents acquired), mainly concerning IACP Informatique and Nu Solutions,
- the positive €60 million impact of changes in exchange rates resulting from the translation into euros of foreign currency assets and liabilities classified under cash and cash equivalents.

II. BORROWINGS

A) Analysis of borrowings

Borrowings break down into short- and long-term borrowings, as follows:

At December 31 *(in millions of euros)*		**2007**	**2008**	**2009**
"OCEANE 2003", "OCEANE 2005" and "OCEANE 2009" convertible/exchangeable bonds	*(a)*	864	891	969
Obligations under finance leases	*(b)*	105	85	87
Other long-term borrowings	*(c)*	90	11	1
Long-term borrowings		**1,059**	**987**	**1,057**
"OCEANE 2003" convertible/exchangeable bonds		-	-	197
Obligations under finance leases	*(b)*	45	34	42
Draw-downs on bank and similar facilities	*(d)*	6	3	8
Other short-term borrowings	*(c)*	135	8	24
Short-term borrowings (1)		**186**	**45**	**271**
TOTAL BORROWINGS		**1,245**	**1,032**	**1,328**

(1) Short-term borrowings include the current portion of long-term borrowings and all other borrowings due within one year.

The €296 million increase during the period was mainly due to:

- the partial redemption of the "OCEANE 2003" bonds in the amount of €263 million in April 2009, including €258 million deducted from borrowings (see Recognition of "OCEANE 2003" bonds described below);
- the issue of a new bond on April 20, 2009 for €564 million, net of issue costs, with a debt component of €500 million;
- the long- to short-term reclassification of the unredeemed portion of the "OCEANE 2003" bonds (i.e. a residual amount of €197 million) and the call option for Capgemini Business Services India Ltd. presented in Other short-term borrowings in 2009 (€10 million).

a) Bonds convertible/exchangeable into new or existing Cap Gemini S.A. shares (OCEANEs)

"OCEANE 2009" CONVERTIBLE/ EXCHANGEABLE BONDS ISSUED ON APRIL 20, 2009

On April 8, 2009, Cap Gemini S.A. issued bonds convertible/ exchangeable into new or existing Cap Gemini 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, represented by 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 (weighted average share price between April 8 and the date on which the bond terms and conditions were finalized). The bonds bear interest at 3.5% per year.

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.

SUMMARY OF THE MAIN TERMS AND CONDITIONS OF THE "OCEANE 2009" BOND ISSUE

Conversion and/or exchange of the bonds for shares

At any time between April 20, 2009 and the seventh business day preceding January 1, 2014.

Redemption at maturity

January 1, 2014 at par.

Early redemption at the Company's option

- At any time, without limitation on price or quantity, by buying back all or some of the bonds either on or off market or by means of a public buyback or exchange offer,
- between April 20, 2012 and the seventh business day preceding January 1, 2014, all outstanding bonds may be redeemed at an early redemption price equal to par, plus the interest accrued since the most recent interest payment date, if (i) the then current conversion/exchange ratio multiplied by (ii) the arithmetic average of the opening prices quoted for the Company's ordinary shares on the Eurolist market of Euronext Paris S.A. over a period of 20 consecutive trading days, exceeds 130% of such early redemption price. Upon early redemption, the bonds may be redeemed either in cash or converted into Cap Gemini S.A. shares, at the option of the bondholders,
- at any time, for all outstanding bonds, if less than 10% of the bonds are still outstanding.

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 of control of the Company.

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, or delisting of the Company's shares from the Eurolist market of Euronext Paris S.A.

An upgrade or downgrade in Cap Gemini S.A.'s credit rating would not constitute an early redemption event and would have no impact on the applicable interest rate.

Pari passu status

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

RECOGNITION OF "OCEANE 2009" BONDS

The debt recognized in liabilities in the Consolidated Statement of Financial Position at the date the bond issue program was put in place represents the fair value of the liability component. This is calculated by discounting future payments on the bonds at the market interest rate applicable to the Group, at the subscription date. Issue costs are deducted from the fair value of the liability component. The difference between the nominal value of the "OCEANE 2009" bonds and the fair value of the debt component is recorded in equity in the amount of €64 million. At December 31, 2009, the liability component of the "OCEANE 2009" convertible/exchangeable bonds measured at amortized cost amounted to €510 million.

The notional interest expense recognized in the period on "OCEANE 2009" bonds was €24 million, including an accrued coupon of €14 million based on the bonds' nominal interest rate (3.5%). The notional interest expense is calculated based on an effective interest rate of 6.8%, which represents the market interest rate for an equivalent bond issue at the same date without the conversion option (6.4%), after taking into account the issuance costs.

"OCEANE 2005" CONVERTIBLE/ EXCHANGEABLE BONDS ISSUED ON JUNE 16, 2005

On June 16, 2005, Cap Gemini S.A. issued bonds convertible/ exchangeable into new or existing Cap Gemini 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, represented by 11,810,810 bonds with a nominal value of €37 each. The bonds bear interest at 1% per year.

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.

SUMMARY OF THE MAIN TERMS AND CONDITIONS OF THE "OCEANE 2005" BOND ISSUE

Conversion and/or exchange of the bonds for shares
At any time between June 24, 2005 and the seventh business day preceding January 1, 2012.

Redemption at maturity
January 1, 2012 at a price of €41.90 per bond, representing around 113.2% of the bonds' nominal value.

Early redemption at the Company's option
- At any time, without limitation on price or quantity, by buying back all or some of the bonds either on or off market or by means of a public buyback or exchange offer;
- between June 24, 2009 and December 31, 2011, all outstanding bonds may be redeemed at an early redemption price calculated in such a way that the resulting yield to maturity is equal to that which would have been obtained at maturity, i.e. a rate of 2.875%, plus accrued interest, if (i) the then current conversion/exchange ratio multiplied by (ii) the arithmetic average of the opening prices quoted for the Company's ordinary shares on the Eurolist market of Euronext Paris S.A. over a period of 20 consecutive trading days, exceeds 130% of such early redemption price. Upon early redemption, the bonds may be redeemed either in cash or converted into Cap Gemini S.A. shares, at the option of the bondholders;
- at any time, for all outstanding bonds, if less than 10% of the bonds are still outstanding.

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 of control of the Company.

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, or delisting of the Company's shares from the Eurolist market of Euronext Paris S.A.

An upgrade or downgrade in Cap Gemini S.A.'s credit rating would not constitute an early redemption event and would have no impact on the applicable interest rate.

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

RECOGNITION OF "OCEANE 2005" BONDS

At December 31, 2009, the liability component of the "OCEANE 2005" convertible/exchangeable bonds amounted to €459 million (€442 million at December 31, 2008).
The annual notional interest expense recognized on "OCEANE 2005" bonds was €21 million, compared with a paid coupon of €4 million based on the bonds' nominal interest rate (1%). The notional interest expense is calculated based on an effective interest rate of 4.8%, which represents the market interest rate for an equivalent bond issue at the same date without the conversion option (4.5%), after taking into account the issuance costs.

"OCEANE 2003" CONVERTIBLE/ EXCHANGEABLE BONDS ISSUED ON JUNE 24, 2003

On June 24, 2003, Cap Gemini S.A. issued bonds convertible/exchangeable into new or existing Cap Gemini shares, maturing on January 1, 2010 ("OCEANE 2003"). Bondholders enjoy all rights from July 2, 2003.
The total amount of the issue was €460 million, represented by 9,019,607 bonds with a nominal value of €51 each. The bonds bear interest at 2.5% per year.
The terms and conditions of this issue were set out in the prospectus approved by the AMF on June 24, 2003 under reference number 03-607.
An interest rate swap was contracted in connection with these OCEANE bonds in 2004, and was subsequently amended in 2006. The terms and conditions of this contract, under which Cap Gemini S.A. swapped the 2.5% fixed rate payable on the bonds for a floating rate indexed to 3-month post-fixed Euribor and which expired on January 4, 2010, are detailed below in Note 23 – Financial risk management.

SUMMARY OF THE MAIN TERMS AND CONDITIONS OF THE "OCEANE 2003" BOND ISSUE

Conversion and/or exchange of the bonds for shares
At any time between August 11, 2003 and the seventh business day preceding January 1, 2010.

Redemption at maturity
The bonds will be redeemed in full at par in cash on January 1, 2010.

Early redemption at the Company's option
- At any time, without limitation on price or quantity, by buying back all or some of the bonds either on or off market or by means of a public buyback or exchange offer,
- from July 2, 2007 and until the seventh business day preceding January 1, 2010, at an early redemption price equal to par plus accrued interest, if (i) the then current conversion/exchange ratio

multiplied by (ii) the arithmetic average of the opening quoted prices of the Company's ordinary shares on the Eurolist market of Euronext Paris S.A. calculated over a period of 20 consecutive trading days, exceeds 125% of such early redemption price. Upon early redemption, the bonds may be redeemed either in cash or converted into Cap Gemini S.A. shares, at the option of the bondholders.

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 of control of the Company.

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, or delisting of the Company's shares from the Eurolist market of Euronext Paris S.A.
An upgrade or downgrade in Cap Gemini S.A.'s credit rating would not constitute an early redemption event and would have no impact on the applicable interest rate.

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

PARTIAL REDEMPTION OF THE "OCEANE 2003" BONDS

Concurrent to the "OCEANE 2009" bond issue, Cap Gemini S.A. solicited as part of a reverse bookbuilding process, indications of interest in selling from certain holders of bonds convertible/exchangeable for new or existing shares of Cap Gemini issued on June 24, 2003 and maturing on January 1, 2010 (the "OCEANE 2003" bond issue), representing 21.3% of the total initial principal amount of approximately €460 million. Following the settlement/delivery date of the bonds on April 21, 2009, Cap Gemini S.A. therefore agreed to repurchase, in off-market transactions, a total of 1,898,017 "OCEANE 2003" bonds at a repurchase price of €51.50, representing a total amount of €98 million.

Following these off-market repurchases, the Company placed a standing repurchase order on the market in France for a period of five consecutive trading days beginning on April 22, 2009 and ending on April 28, 2009 in favor of all "OCEANE 2003" bondholders. On April 28, 2009, at the end of the standing repurchase order period, the Company had purchased 3,260,474 additional "OCEANE 2003" bonds at a price of €51.50, representing a total amount of €168 million. The total number of "OCEANE 2003" bonds repurchased in off-market transactions and through the standing repurchase order amounted to 5,158,491, representing a total amount of €266 million (including accrued coupons and the redemption premium). The repurchased "OCEANE 2003" bonds were cancelled in accordance with the provisions of their issue contract. Accordingly, the number of "OCEANE 2003" bonds outstanding at December 31, 2009 is 3,861,116, i.e. 42.8% of the bonds initially issued.

RECOGNITION OF "OCEANE 2003" BONDS

At the transaction date, the Group allocated the consideration paid in respect of the partial redemption of the "OCEANE 2003" bonds between the liability and equity components. The method used to allocate said consideration was the same as that used during the initial allocation, and led to a €5 million decrease in the amount recognized in equity. The impacts on the income statement are not material.

At December 31, 2009, the liability component of the "OCEANE 2003" convertible/exchangeable bonds was presented in short-term borrowings in the amount of €197 million (compared to €449 million in long-term borrowings at December 31, 2008), and was redeemed in full on January 4, 2010.
The annual notional interest expense recognized on "OCEANE 2003" bonds was €14 million, compared with a paid coupon of €7 million based on the bonds' nominal interest rate (2.5%). The notional interest expense is calculated based on an effective interest rate of 5.1%, which represents the market interest rate for an equivalent bond issue at the same date without the conversion option (4.8%), after taking into account the issuance costs.

b) Obligations under finance leases

The amount reported under this caption at December 31, 2009 corresponds mainly to the finance lease regarding the "Les Fontaines" site of the Group University located at Gouvieux (France) and investments in computer equipment made by Capgemini UK Plc. and New Horizons Systems Solutions L.P. (Canada).

in millions of euros	Earliest date of leases	Latest expiry date	Effective interest rate	December 31, 2009
Université Capgemini (Les Fontaines)	of leases	Latest	3-month Euribor +0.75%	43
Capgemini UK Plc.	expiry date	Effective	Fixed rate (8.5%)	28
Capgemini Outsourcing Services S.A.S.	interest rate	December	Fixed rate (6.3%)	15
Capgemini Outsourcing B.V.	31, 2009	January 2014	Fixed rate (6.1%)	15
New Horizons System Solutions L.P.	July 2003	January 2012	Fixed rate (6.0%)	10
Other	October 2002	August 2014	-	18
TOTAL OBLIGATIONS UNDER FINANCE LEASES				**129**

c) Other short- and long-term borrowings

At December 31, 2009, other borrowings of €25 million mainly consist of:

- €10 million corresponding to the present value of the put option granted to Hindustan Lever Limited in connection with the acquisition of Capgemini Business Services India Ltd., reclassified in short-term borrowings in 2009;
- accrued interest on "OCEANE 2003", "OCEANE 2005" and "OCEANE 2009" bonds (€14 million at December 31, 2009).

The €6 million increase compared with end-2008 is mainly due to accrued interest on the new OCEANE bond issue performed in 2009, partially offset by net interest receivable under the interest rate swap hedging the "OCEANE 2003" bond issue.

d) Draw-downs on bank and similar facilities

Draw-downs on bank and similar facilities primarily relate to draw-downs by Group operating companies on credit lines. In some circumstances, these credit lines are secured by a guarantee from Cap Gemini S.A.

e) 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, 2010 at the latest. On September 14, 2006, Cap Gemini S.A. exercised the one-year extension option on this facility (approved by the syndicated banks on October 27, 2006), thereby extending its maturity to November 14, 2011.

Use of this credit facility is subject to the following conditions:

- a margin of 0.40% at the Statement of Financial Position date (above Euribor or Libor 1 to 12 months). An additional utilization fee of between 0.025% and 0.050% also applies for draw-downs in excess of a certain amount. The margin may be adjusted according to the Company's credit rating,
- a fee on undrawn amounts equal to 30% of the margin (i.e. currently 0.12%) that may be increased to 35% 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 line.

Cap Gemini S.A. has agreed to comply with the following financial ratios (as defined in IFRS) in respect of this credit line:

- the net debt to consolidated equity ratio must be less than 1 at all times,
- interest coverage (the extent to which net finance costs adjusted for certain items 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, 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 or similar transactions.

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

The agreement contains the usual provisions relating to early repayment, including for failure to pay sums due, misrepresentation or failure to comply with other obligations included in the agreement (subject to any applicable "grace" periods), cross defaults (in excess of a minimum threshold), insolvency and bankruptcy proceedings, change of control, or changes which would have a significant negative impact on the Group's financial position.

At the date of this report, no draw-downs had been made on this credit facility.

B) INTEREST RATES

In 2009, the effective interest rate on the Group's average borrowings was 5.3% (5.6% at in 2008).

At December 31, 2009, 83% of the Group's borrowings is at fixed rates, 15% is at capped floating rates (54% and 43%, respectively, at end-2008) and the remainder is at floating rates. The marked increase in the percentage of fixed-rate borrowings is due to the subscription of a new fixed-rate OCEANE bond issue in 2009 and the partial redemption of the OCEANE 2003 bond issue, also at fixed-rates but swapped to a capped floating rate.

An analysis charting the sensitivity of net finance costs to a change in interest rates is provided in Note 23 – Financial risk management, section I. Market risk.

Effective interest rates (EIR) by currency

	At December 31, 2009							
	Euro		US dollar		Pound sterling		Other	**Total**
	EIR %	Amount M€	EIR %	Amount M€	EIR %	Amount M€	Amount M€	**Amount M€**
"OCEANE 2003" bonds	5.1%	197	-	-	-	-	-	**197**
"OCEANE 2005" bonds	4.8%	459	-	-	-	-	-	**459**
"OCEANE 2009" bonds	6.8%	510	-	-	-	-	-	**510**
Drawdowns on bank and similar facilities	-	-	-	-	-	-	8	**8**
Obligations under finance leases	4.5%	80	6.0%	8	8.5%	28	13	**129**
Other borrowings	na	24	na	1	-	-	-	**25**
TOTAL BORROWINGS	**-**	**1,270**	**-**	**9**	**-**	**28**	**21**	**1,328**

III. DERIVATIVE INSTRUMENTS ON BORROWINGS

Derivative instruments relating to borrowings mainly comprise interest rate hedges. At year-end, derivative instruments are measured at fair value and included in current or non-current assets or liabilities, as appropriate.

At December 31, 2009, the fair value of these derivative instruments is immaterial, due to the imminent liquidation of the interest rate swap hedging the "OCEANE 2003" bond issue, which took place on January 4, 2010 at the same time as the definitive repurchase of the "OCEANE 2003" bonds.

A breakdown of interest rate hedges is provided in Note 23 – Financial risk management, section I. Market risk.

NOTE 17 – PROVISIONS FOR PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

The change in pension and other post-employment benefit obligations can be analyzed as follows:

in millions of euros	2007	2008	2009
Net obligation at beginning of year	**588**	**615**	**498**
Translation adjustments	(42)	(124)	34
Changes in Group structure	1	4	-
Service cost, effect of curtailments and settlements, and net interest cost	100	68	76
Benefits and contributions	(117)	(110)	(107)
Change in actuarial gains and losses recorded in income and expense recognized directly in equity	84	56	159
Other movements	1	(11)	(1)
Net obligation at end of year	**615**	**498**	**659**
Funding surplus recognized in assets (1)	(6)	(5)	(21)
PROVISIONS FOR PENSIONS RECOGNIZED IN LIABILITIES	**621**	**503**	**680**

(1) See Note 13 – Other non-current assets.

In 2009, the net expense of €76 million includes the service cost (€30 million), recognized past service cost (€5 million), net interest cost (€42 million) and income of €1 million in respect of curtailments and settlements.

The amounts recognized in the Consolidated Statement of Financial Position in respect of provisions for pensions and other post-employment benefits break down as follows:

At December 31 *(in millions of euros)*		2005	2006	2007	2008	2009
Present value of obligations under funded plans		1,888	1,957	2,002	1,484	1,960
Fair value of plan assets		(1,303)	(1,489)	(1,492)	(1,090)	(1,417)
Funding shortfall under funded plans	I	585	468	510	394	543
Funding shortfall under unfunded plans	II	116	125	137	132	152
Total net funding shortfall		**701**	**593**	**647**	**526**	**695**
Unrecognized past service costs		(5)	(5)	(32)	(28)	(36)
Net provision in the Consolidated Statement of Financial Position		**696**	**588**	**615**	**498**	**659**
Assets		-	(3)	(6)	(5)	(21)
Liabilities		696	591	621	503	680

I. PROVISIONS FOR FUNDED DEFINED BENEFIT PENSION PLANS

These provisions exist mainly in the United Kingdom, Canada, and other countries (the United States, Sweden, France, Germany, Switzerland and India).

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 over a 10-year period.

A) Analysis of obligations

At December 31, *in millions of euros*	2007 United Kingdom	2007 Canada	2007 Other	2007 Total	2008 United Kingdom	2008 Canada	2008 Other	2008 Total	2009 United Kingdom	2009 Canada	2009 Other	2009 Total
Present value of obligation	1,679	209	114	**2,002**	1,159	212	113	**1,484**	1,525	305	130	**1,960**
Fair value of plan assets	1,216	206	70	**1,492**	820	197	73	**1,090**	1,024	289	104	**1,417**
SHORTFALL	**463**	**3**	**44**	**510**	**339**	**15**	**40**	**394**	**501**	**16**	**26**	**543**
o/w actuarial gains and losses recognized in equity (1)	148	11	6	**165**	133	36	18	**187**	297	56	8	**361**
UNRECOGNIZED PAST SERVICE COSTS	**-**	**-**	**(27)**	**(27)**	**-**	**-**	**(23)**	**(23)**	**-**	**-**	**(32)**	**(32)**
NET PROVISION IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION	**463**	**3**	**17**	**483**	**339**	**15**	**17**	**371**	**501**	**16**	**(6)**	**511**
Assets	-	(6)	-	**(6)**	-	-	(5)	**(5)**	-	(5)	(16)	**(21)**
Liabilities	463	9	17	**489**	339	15	22	**376**	501	21	10	**532**

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

At December 31, 2009, the net provision recognized in the Consolidated Statement of Financial Position (excluding the United Kingdom and Canada) is negative, corresponding therefore to a net funding surplus of €6 million, mainly due to a funding surplus in France (€16 million), partially offset by provisions in Sweden (€4 million), the United States (€3 million), India (€2 million) and Germany (€1 million).

B) Analysis of movements in net provisions

Analysis of changes in the present value of pension obligations and plan assets.

in millions of euros	Present value of obligation	Fair value of plan assets	Unrecognized past service costs	Net provision in the Consolidated Statement of Financial Position
At January 1, 2007	**1,957**	**(1,489)**	**-**	**468**
Service cost	74	-	-	74
Past service cost	40	-	(27)	13
Interest cost	102	-	-	102
Expected return on plan assets	-	(102)	-	(102)
Effect of curtailments and settlements	(29)	29	-	-
Contributions paid by employees	5	(5)	-	-
Benefits paid to employees	(53)	53	-	-
Contributions paid	-	(111)	-	(111)
Changes in actuarial gains and losses	58	26	-	84
Translation adjustments	(148)	104	-	(44)
Other movements	(4)	3	-	(1)
At December 31, 2007	**2,002**	**(1,492)**	**(27)**	**483**
Service cost	40	-	-	40
Past service cost	-	-	4	4
Interest cost	110	-	-	110
Expected return on plan assets	-	(97)	-	(97)
Effect of curtailments and settlements	(2)	-	-	(2)
Contributions paid by employees	5	(5)	-	-
Benefits paid to employees	(44)	44	-	-
Contributions paid	-	(104)	-	(104)
Changes in actuarial gains and losses	(283)	347	-	64
Translation adjustments	(435)	319	-	(116)
Other movements	91	(102)	-	(11)
At December 31, 2008	**1,484**	**(1,090)**	**(23)**	**371**
Service cost	23	-	-	23
Past service cost	14	-	(9)	5
Interest cost	106	-	-	106
Expected return on plan assets	-	(71)	-	(71)
Effect of curtailments and settlements	(4)	3	-	(1)
Contributions paid by employees	5	(5)	-	-
Benefits paid to employees	(41)	41	-	-
Contributions paid	-	(100)	-	(100)
Changes in actuarial gains and losses	245	(90)	-	155
Translation adjustments	128	(100)	-	28
Other movements	-	(5)	-	(5)
At December 31, 2009	**1,960**	**(1,417)**	**(32)**	**511**

In 2008, the “Other movements” line related to the outsourcing agreement signed in Canada in 2002 by Hydro One and Inergi (a Capgemini Group subsidiary). Under this agreement, 920 Hydro One employees were transferred to Inergi along with their vested pension rights under Hydro One’s defined benefit pension plan. As part of the agreement, Inergi set up a defined benefit pension plan with benefits equal to those previously provided by Hydro One.

In 2009, the operating expense for the period amounting to €28 million mainly involved the United Kingdom (€10 million), Canada (€6 million) and France (€5 million).

The decrease in service cost in 2009 compared to 2008 (€17 million) mainly resulted from the closure of the main Capgemini UK Plc. pension plan to the accrual of pensionable service on March 31, 2008 for the majority of beneficiaries and, to a lesser extent, the increase in discount rates in most regions and particularly in Canada.

The net impact of the interest cost (discounting of the bond) and the expected return on plan assets was a financial expense of €35 million, mainly involving the United Kingdom (€30 million). The increase in this financial expense in 2009 compared to 2008 (€22 million) was due:

- primarily to the main pension plan in the United Kingdom, as a result of a decrease in expected average rates of return and a fall in the fair value of plan assets due to the financial crisis;
- to rising discount rates in the majority of regions, although this was more than offset by the decrease in the net present value of the obligation in the United Kingdom and changes in the pound sterling exchange rate;

These various items were determined based on the assumptions set out below in section E) Principal actuarial assumptions.

The benefits paid to employees (€41 million) mainly involved the United Kingdom (€25 million) and Canada (€12 million).

The main contributions to the plans during the period (€100 million) concerned the United Kingdom (€54 million), France (€20 million), Canada (€18 million) and the United States (€6 million).

The impact of translation adjustments (€28 million) was mainly attributable to fluctuations in the pound sterling (€26 million) and the Canadian dollar (€2 million).

Analysis of changes 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 impacts of changes in actuarial assumptions (essentially the discount rate and expected rate of return on plan assets), and (ii) the effects of differences between the projected actuarial assumptions and actual outcomes (known as "experience adjustments", see below section III. Analysis of actuarial gains and losses: experience adjustments).

The €84 million actuarial loss recognized in 2007 is attributable to the adoption of a new mortality table in the United Kingdom and revised inflation and future salary assumptions, partially offset by the increase in the applicable discount rate in the United Kingdom.

The €64 million actuarial loss recognized in 2008 results chiefly from experience adjustments regarding the value of plan assets (difference between actual and expected returns on the assets) in the United Kingdom and Canada. This loss was partially offset by changes in actuarial assumptions, with discount rates increased by 70 basis points in the United Kingdom and 150/175 basis points in Canada.

The €155 million actuarial loss recognized in 2009 is attributable to changes in actuarial assumptions between 2008 and 2009, particularly in the United Kingdom and Canada where discount rates dropped by 64 and 75 basis points respectively. The impact of experience adjustments on the value of the plan assets generated an actuarial gain (the actual rate of return exceeding the expected rate of return), which only partially offset the fall in the discount rate.

C) Analysis of plan assets

The main plan asset categories can be analyzed as follows:

	2007		2008		2009	
At December 31 *(in millions of euros)*	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Shares	941	63	481	44	841	59
Bonds	488	33	439	40	509	36
Real estate assets	32	2	22	2	14	1
Cash and cash equivalents	22	1	128	12	31	2
Other	9	1	20	2	22	2
TOTAL	**1,492**	**100**	**1,090**	**100**	**1,417**	**100**

The increase in shares mainly concerns the United Kingdom and is primarily due to positive experience adjustments to the value of these assets, and the reallocation in 2009 of plan assets from cash and cash equivalents.

D) Employees covered by funded defined benefit pension plans

At December 31	2007 Total	2008 Total	2009 United Kingdom	2009 Canada	2009 Other	2009 Total
Current employees – accruing pensionable service	**16,005**	**15,820**	1,145	860	15,771	**17,776**
Former and current employees – not accruing pensionable service	**7,209**	**9,909**	8,808	64	884	**9,756**
Retirees	**1,326**	**1,614**	1,523	193	56	**1,772**
TOTAL	**24,540**	**27,343**	**11,476**	**1,117**	**16,711**	**29,304**

The increase in employees in 2009 is chiefly attributable to the expansion of Group operations in India. At December 31, 2009, a total of 15,377 employees were eligible for these pension plans in India, versus 13,290 employees at December 31, 2008.

E) Principal actuarial assumptions

Discount rate and salary inflation rate

%	2007	2008	2009 United Kingdom	2009 Canada	2009 Other (1)
Discount rate	3.4 - 8.5	3.3 - 8.5	5.9	6.5	3.3 - 8.3
Salary inflation rate	1.5 - 6.0	1.5 - 5.0	4.2	3.3	1.0 - 7.0

(1) The "Other" column includes France, the United States, Germany, Switzerland, Sweden and India. Together, these countries represent 7% of the present value of the obligation of funded defined benefit pension plans.

In 2009, the benchmark indexes used to calculate discount rates were identical to those used in previous years.

Expected return on plan assets

%	2007	2008	2009 United Kingdom	2009 Canada	2009 Other (1)
Shares	3.1 - 8.5	1.5 - 8.3	8.0	8.5	6.3 - 8.3
Bonds	1.1 - 5.8	1.5 - 6.5	5.9	4.0	2.1 - 4.7
Real estate assets	0.2 - 6.5	1.5 - 6.5	6.5	-	3.9
Cash and cash equivalents	3.8 - 4.5	1.4 - 3.8	3.8	1.0	3.9

(1) The "Other" column includes France, the United States, Germany, Switzerland, Sweden and India. Together, these countries represent 7% of the present value of the obligation of funded defined benefit pension plans.

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).

Actual return on plan assets

%	2007	2008	2009 United Kingdom	2009 Canada	2009 Other (1)
Shares	(2.7) - 7.6	(46.3) - 2.9	17.6 - 26.6	11.6 - 12.2	(2.5) - 32.2
Bonds	1.1 - 6.5	(6.0) - 4.9	7.0 - 9.2	7.1	(2.5) - 23.3
Real estate assets	(4.9) - 0.2	(23.6) - 1.0	(6.1)	-	(2.5) - 9.8
Cash and cash equivalents	1.4 - 4.4	1.2 - 3.4	0.8	(1.5) - (1.1)	0.2

(1) The "Other" column includes France, the United States, Germany, Switzerland, Sweden and India. Together, these countries represent 7% of the present value of the obligation of funded defined benefit pension plans.

F) Expected contribution to plans in 2010

The Group expects to pay €78 million in contributions into its defined benefit pension plans in 2010.

II. PROVISIONS FOR UNFUNDED DEFINED BENEFIT PENSION PLANS

Unfunded defined benefit pension plans concern France, Canada, Germany, the Netherlands, Sweden, Italy, India and Austria.

A) Analysis of obligations

	2007	2008	2009				
At December 31 *(in millions of euros)*	**Total**	**Total**	France	Canada	Germany	Other	**Total**
Present value of obligation/Shortfall	**137**	**132**	58	37	23	34	**152**
o/w actuarial gains and losses recognized in equity (1)	**17**	**9**	8	(5)	-	10	**13**
Unrecognized past service costs	**(5)**	**(5)**	(4)	-	-	-	**(4)**
NET PROVISIONS RECOGNIZED IN LIABILITIES	**132**	**127**	**54**	**37**	**23**	**34**	**148**

(1) Actuarial gains and losses are recorded in "Income and expense recognized directly in equity"

The net benefit obligation for other regions includes unfunded plans operated in Sweden, the Netherlands, Italy and India. The pension plan in Italy has been curtailed (pensionable service no longer accrues) since December 31, 2007.
The Canadian plan mainly relates to healthcare insurance.

B) Analysis of movements in net provisions

in millions of euros	Present value of obligation	Unrecognized past service costs	Net provision in the Consolidated Statement of Financial Position
At January 1, 2007	**125**	**(5)**	**120**
Changes in Group structure	1	-	**1**
Service cost	8	-	**8**
Past service cost	1	-	**1**
Interest cost	6	-	**6**
Effect of curtailments and settlements	(2)	-	**(2)**
Benefits paid to employees	(6)	-	**(6)**
Changes in actuarial gains and losses	-	-	**-**
Translation adjustments	2	-	**2**
Other movements	2	-	**2**
At December 31, 2007	**137**	**(5)**	**132**
Changes in Group structure	4	-	**4**
Service cost	7	-	**7**
Past service cost	-	-	**-**
Interest cost	6	-	**6**
Effect of curtailments and settlements	-	-	**-**
Benefits paid to employees	(6)	-	**(6)**
Changes in actuarial gains and losses	(8)	-	**(8)**
Translation adjustments	(8)	-	**(8)**
At December 31, 2008	**132**	**(5)**	**127**
Changes in Group structure	-	-	**-**
Service cost	7	1	**8**
Past service cost	-	-	**-**
Interest cost	7	-	**7**
Effect of curtailments and settlements	(1)	-	**(1)**
Benefits paid to employees	(6)	-	**(6)**
Changes in actuarial gains and losses	4	-	**4**
Translation adjustments	5	-	**5**
Other movements	4	-	**4**
At December 31, 2009	**152**	**(4)**	**148**

C) Employees covered by unfunded defined benefit pension plans

	2007	2008	2009				
At December 31	**Total**	**Total**	France	Canada	Germany	Other	**Total**
Current employees – accruing pensionable service	**30,293**	**29,040**	18,889	1,720	172	6,069	**26,850**
Former and current employees – not accruing pensionable service	**1,006**	**2,487**	-	128	129	2,088	**2,345**
Retirees	**398**	**448**	4	386	75	51	**516**
TOTAL	**31,697**	**31,975**	**18,893**	**2,234**	**376**	**8,208**	**29,711**

The decrease between 2008 and 2009 in the number of current employees accruing pensionable service mainly concerns France.

D) Principal actuarial assumptions

	2007	2008	2009		
%			France	Canada	Germany
Discount rate	4.0 - 8.1	3.3 - 7.3	4.8	6.5	6.0
Salary inflation rate	1.5 - 8.0	1.8 - 6.0	1.0 - 2.8	3.3	2.0 - 2.3

Other countries include Sweden, Italy, the Netherlands, India and Austria, which represent 22% of the present value of the obligation of unfunded defined benefit pension plans and are individually immaterial.

In 2009, the benchmark indexes used to calculate discount rates were identical to those used in previous years.

III. ANALYSIS OF ACTUARIAL GAINS AND LOSSES: EXPERIENCE ADJUSTMENTS

This analysis concerns both funded and unfunded defined benefit plans. Experience adjustments reflect the effects of differences between projected actuarial assumptions and what has actually occurred.

The amounts relating to the current and prior years break down as follows:

At December 31 *(in millions of euros)*	**2006**	**2007**	**2008**	**2009**
Experience adjustment on liabilities (1)	37	1	(1)	(9)
Experience adjustment on assets (2)	50	3	(299)	91

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

These experience adjustments mainly concern the United Kingdom and Canada, and in 2009 result from the difference between expected and actual returns on plan assets, following the improvement in the financial climate compared to 2008.

IV. 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, 2009, is presented below:

in millions of euros	**Impact**	**Present value of the obligation**
Present value of the obligation at December 31, 2009		**1,525**
Increase of 50 basis points in the discount rate	(145)	1,380
Decrease of 50 basis points in the discount rate	168	1,693
Increase of 50 basis points in the inflation rate	132	1,657
Decrease of 50 basis points in the inflation rate	(123)	1,402

V. ANALYSIS OF SENSITIVITY TO CHANGES IN HEALTHCARE ASSISTANCE COSTS

Healthcare assistance costs exclusively concern Canada. For 2007, 2008 and 2009, a 1% change in healthcare assistance costs would have an impact of plus or minus €1 million in the Consolidated Income Statement (service cost and interest cost). The impact of this 1% change would range from a negative €5 million to a positive €6 million in the Consolidated Statement of Financial Position at December 31, 2009, largely unchanged from 2008 and 2007.

NOTE 18 – **CURRENT AND NON-CURRENT PROVISIONS**

Changes in current and non-current provisions can be analyzed as follows:

in millions of euros	2007	2008	2009
At January 1	**98**	**85**	**65**
Additions	48	42	24
Reversals (utilization of provisions)	(53)	(27)	(10)
Reversals (surplus provisions)	(7)	(36)	(37)
Other	(1)	1	7
At December 31	**85**	**65**	**49**

At December 31, 2009, current provisions (€28 million) and non-current provisions (€21 million) mainly concern risks relating to projects and contracts amounting to €32 million (€49 million at December 31, 2008) and risks relating to tax and labor disputes amounting to €17 million (€16 million at December 31, 2008).

In 2008, additions to provisions mainly concern outsourcing projects. Provision reversals are attributable to costs incurred and savings made as a result of the reduction in scope and finalization of the system under the Schneider contract following its renegotiation in 2007, as well as to the favorable outcomes of customer disputes, notably in the United Kingdom.

In 2009, additions to provisions for the period mainly concern outsourcing projects and employee disputes. Provision reversals for the period are mainly due to the favorable outcome of the reversal of a major contract and the satisfactory continuation of our activities at a client which has filed for bankruptcy protection in the USA.

NOTE 19 **– OTHER NON-CURRENT LIABILITIES**

Other non-current liabilities can be analyzed as follows:

At December 31 *(in millions of euros)*	2007	2008	2009
Special employee profit-sharing reserve	54	65	66
Derivative instruments (1)	18	7	3
Liabilities related to acquisitions of consolidated companies	5	6	6
Other	69	34	20
TOTAL	**146**	**112**	**95**

(1) See Note 23 – Financial risk management, section I. – Market risk.

Other

This caption mainly comprises restructuring liabilities relating to measures taken to streamline the Group's real estate assets, essentially in the United States and the United Kingdom.

NOTE 20 **– ACCOUNTS AND NOTES PAYABLE**

Total accounts and notes payable excluding advances from customers and billed in advance (presented separately), break down as follows:

At December 31 *(in millions of euros)*	2007	2008	2009
Accounts payable	863	821	812
Accrued taxes other than on income	316	347	327
Personnel costs	910	894	853
Other	31	34	34
TOTAL	**2,120**	**2,096**	**2,026**

NOTE 21 – OTHER PAYABLES AND INCOME TAX

At December 31 *(in millions of euros)*	2007	2008	2009
Income taxes payable	71	74	52
Special employee profit-sharing reserve	5	8	10
Derivative instruments (1)	2	90	4
Liabilities related to acquisitions of consolidated companies	1	24	5
Other	8	7	24
TOTAL	**87**	**203**	**95**

(1) See Note 23 – Financial risk management, section I. – Market risk.

NOTE 22 – CASH FLOWS

At December 31, 2009, cash and cash equivalents totaled €2,597 million (see Note 16 – Net cash and cash equivalents), up €792 million on December 31, 2008. Excluding the impact of exchange rate fluctuations on net cash and cash equivalents (€60 million), this increase is €732 million. Cash flow impacts are shown in the Statement of Cash Flows.

Changes in net cash and cash equivalents break down into three main flows:

Net cash from/(used in) operating activities

In 2009, net cash from operating activities totaled €495 million and comprised:

- cash flows from operations before net finance costs and income tax in the amount of €445 million,
- payment of income taxes in the amount of €56 million,
- a decrease in working capital requirements, generating a positive cash impact of €106 million.

Changes in working capital requirement (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, 2008	December 31, 2009	Net impact	Non-WCR items (1)	Impact of WCR items	Income impact	Foreign exchange impact	Reclassifications/ other (2)	Amount
Accounts and notes receivable	14	2,396	2,067	329	-	329	-	42	18	389
Advances from customers and billed in advance	14	(639)	(567)	(72)	-	(72)	-	(24)	1	(95)
Change relating to accounts and notes receivable and advances from customers and billed in advance				**257**	**-**	**257**	**-**	**18**	**19**	**294**
Accounts and notes payable - Trade payables	20	(821)	(812)	(9)	-	(9)	-	(28)	(36)	(73)
Changes in trade payables				**(9)**	**-**	**(9)**	**-**	**(28)**	**(36)**	**(73)**
Other non-current assets	13	91	112	(21)	25	4	-	-	(16)	(12)
Other receivables and income tax	15	223	257	(34)	15	(19)	6	8	-	(5)
Other non-current liabilities	19	(112)	(95)	(17)	-	(17)	-	(1)	16	(2)
Accounts and notes payable (excluding trade payables)	20	(1,275)	(1,214)	(61)	-	(61)	-	(22)	14	(69)
Other payables and income tax	21	(203)	(95)	(108)	102	(6)	(1)	(1)	(19)	(27)
Change relating to other receivables and payables				**(241)**	**142**	**(99)**	**5**	**(16)**	**(5)**	**(115)**
Change in working capital requirement						**149**	**5**	**(26)**	**(22)**	**106**

(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 and other 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 and the impacts of changes in Group structure.

Net cash from/(used in) investing activities

The main components of net cash used in investing activities amounting to €108 million reflect:

- cash outflows of €25 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),
- net cash outflows of €70 million relating to property, plant and equipment, 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), as well as disposals (€23 million), mainly of computer equipment following the termination of the TXU contract (now EFH) in the United States,
- cash outflows of €13 million, net of disposals, mainly relating to financial investments for the payment of the €4 million residual debt relating to the acquisition of BAS B.V. in the Netherlands in 2008 and the acquisition of IACP in France for €5 million.

Net cash from/(used in) financing activities

Net cash from financing activities totaled €346 million and mainly comprised

- a cash inflow of €564 million relating to the issue of the "OCEANE 2009" bonds (see Note 16 – Net cash and cash equivalents),
- a cash outflow of €263 million relating to the partial redemption of the "OCEANE 2003" bonds (see Note 16 – Net cash and cash equivalents),
- a dividend payment of €143 million,
- share capital increases totaling €225 million following the exercise of stock options, the issue of redeemable share subscription or purchase warrants (BSAAR) and the issue of new shares under the Employee share ownership plan (@ESOP), see the Consolidation Statement of Changes in Equity.

NOTE 23 – **FINANCIAL RISK MANAGEMENT**

I. MARKET RISK

A) Currency risk

The Group is exposed to two types of currency risk that could impact the Income Statement and "Income and expense recognized directly in equity": risks arising in connection with the consolidation process on the translation of the foreign currency accounts of consolidated subsidiaries whose functional currency is not the euro, and risks arising on operating and financial transactions which are not denominated in the entities' functional currency.

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 (2009: 22% and 15% respectively), fluctuations of the pound sterling and the dollar against the euro may have an impact on the consolidated financial statements. In 2009, the positive impact on translation reserves is mainly due to the appreciation of the pound sterling against the euro, after a substantial depreciation at the end of 2008.
For example, a 10% fluctuation in the pound sterling-euro exchange rate would trigger a corresponding 2% change in revenues and 3% change in operating margin. Similarly, a 10% fluctuation in the dollar-euro exchange rate would trigger a corresponding 1.5% change in revenues and a 1% 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.

Regarding risks arising on operating or financial cash flows, the growing use of offshore production exposes the Group to currency risk with respect to some of its production costs. The Group is also exposed to the risk of exchange rate fluctuations in respect of inter-company financing transactions and fees paid to the Group by subsidiaries whose functional currency is not the euro.

Currency risks and hedges relating to operating transactions
The Group has limited exposure to currency risks on operating items due to the fact that the bulk of its revenue is generated in countries where operating expenses are also incurred. However, the growing use of offshore production centers primarily 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 currency risks. Where customer contracts do not contain a price adjustment clause in the event of exchange rate fluctuations, the Group sets up hedges based on the following principles:
- the hedging strategy is defined by the Group Finance Department based on a quarterly report analyzing exposure to currency risks arising on inter-company operations involving India;
- hedging operations mainly take the form of forward foreign exchange contracts;
- hedging operations are recognized in accordance with accounting rules applicable to cash flow hedges.

In 2009, the Group hedged almost 91% of its foreign exchange risk (US dollar, euro and pound sterling) against the Indian rupee. At December 31, 2009, the hedges contracted comprised forward contracts to sell foreign currency maturing between 2010 and 2012 with an aggregate equivalent value of €317 million (€279 million at December 31, 2008). The hedges were chiefly taken out in respect of transactions in euros (€120 million), US dollars ($169 million) and pounds sterling (£28 million). The maturities of the hedges range from five months to nearly three 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 2010 and 2014 and have an equivalent value of €41 million.

At December 31, 2009, forward foreign exchange contracts break down as follows:

in millions of euros	Less than 6 months	More than 6 months and less than 12 months	More than 12 months	Total
Forward foreign exchange contracts	**133**	**96**	**129**	**358**

In the Consolidated Statement of Financial Position at December 31, 2009, the contracts are measured at fair value, representing a total net receivable of €3 million (net debt of €34 million at December 31, 2008), comprising:

- a receivable of €10 million, including €3 million recorded in "Other non-current assets" and €7 million recorded in "Other receivables and income tax",
- a debt of €7 million, including €3 million recorded in "Other non-current liabilities" and €4 million recorded in "Other payables and income tax".

At December 31, 2009, the matching entry to the fair value of all cash flow hedging contracts recorded in equity is €2 million (negative €27 million at December 31, 2008). The increase in the period is attributable to the fair value of contracts signed during the period, corresponding to future transactions for €10 million and the release to operating profit of transactions completed during the period for €19 million.

Currency risks and hedges relating to financial transactions

In addition to currency risk arising on offshore production centers, the Group is exposed to the risk of exchange rate fluctuations in respect of:

- inter-company financing transactions, mainly at the level of Cap Gemini S.A.: as intercompany lending and borrowing is systematically hedged (mainly using forward foreign exchange contracts), the impact of changes in exchange rates on the Income Statement and "Income and expense recognized directly in equity" is negligible.

  At December 31, 2009, hedged inter-company loans amounted to €291 million (€306 million at December 31, 2008), and concerned loans denominated in pounds sterling, Australian dollars and US dollars.

  In 2009, derivative instruments used to hedge these currency risks generated net financial income of €63 million (net financial expense of €48 million in 2008), almost entirely attributable to changes in the fair value of a euro/pound sterling swap aimed at hedging an inter-company loan granted by Capgemini UK to Cap Gemini S.A. This income was offset in the amount of €63 million by the exchange loss recognized at year-end on the same inter-company loan as a result of the rise in the pound sterling against the euro over the period (see Note 7 – Other financial income and expense).

  At December 31, 2009, the fair value of these instruments is reported in "Other receivables and income tax" for an amount of €1 million (€61 million reported in liabilities at December 31, 2008);
- fees paid to Cap Gemini S.A. by subsidiaries whose functional currency is not the euro. Although the Group does not systematically hedge this risk, the impact of changes in exchange rates on the Income Statement is not significant due to the short average period separating the invoicing date and the date payment is received.

Exposure to currency risks on operating and financial items

The Group's exposure to currency risks arising from internal and external operations recognized by Group subsidiaries at December 31, 2009 and denominated in currencies other than their respective functional currencies, is as follows:

	December 31, 2009						
in millions of euros	Euro	US dollar	Pound sterling	Australian dollar	Canadian dollar	Swiss franc	Other (1)
Total assets	56	198	50	9	1	5	8
Total liabilities	(56)	(155)	(323)	-	(5)	(1)	(7)
Exposure to currency risks before hedging	-	43	(273)	9	(4)	4	1
Amounts hedged	(13)	(25)	269	(8)	-	-	-
Exposure to currency risks after hedging	(13)	18	(4)	1	(4)	4	1

(1) Other currencies essentially include the Swedish krona, Polish zloty and Norwegian krona.

At December 31, 2009, amounts hedged mainly concern Cap Gemini S.A. for inter-company financing transactions, and Group subsidiary Capgemini India Private Ltd. for subcontracting services it provides to other regions in which the Group has operations.

B) Interest rate risk

The Group's exposure to interest rate risk should be analyzed in light of its cash position: at December 31, 2009, the Group had €2,597 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 €1,328 million in gross indebtedness principally at fixed rates (83%) or capped floating rates (15%), see Note 16 – Net cash and cash equivalents, section II. – Borrowings. The high proportion of fixed rate and capped floating rate borrowings is due to the weight of the OCEANE bond issues in gross indebtedness and the Group's decision to use funding sources whose cash cost is in line with the expected return on short-term investments and with its fiscal capacity.

Interest rate risk and hedging

At December 31, 2009, two interest rate hedges were outstanding in the form of swaps and options (caps and floors) on a total amount of €490 million for periods ranging from one to five years. The main characteristics of these contracts are as follows:

- an interest rate swap in connection with the "OCEANE 2003" convertible/exchangeable bonds, contracted by Cap Gemini S.A. on October 28, 2004 for a notional amount of €460 million, and maturing in January 2010.

  The interest rate swap was amended on September 15, 2006. Under the new terms and conditions of this contract, Cap Gemini S.A. swapped the 2.5% fixed rate payable on the bonds for a floating rate indexed to the 3-month post-fixed Euribor. The floating rate is now capped at 3.07% with a floor of 1.41%. The interest rate swap contract contains a zero-cost automatic deactivation clause in the event that Cap Gemini S.A. exercises its right (under certain conditions) to redeem the bonds early. The terms and conditions of the contract are set out in Note 16 – Net cash and cash equivalents and in the prospectus approved by the AMF on June 24, 2003 under the reference number 03-607.

  In the Consolidated Statement of Financial Position at December 31, 2009, this contract is valued at close to nil, due to the imminent nature of its repayment, which took place on January 4, 2010 at the same time as redemption of the underlying "OCEANE 2003" bond issue. The resulting change in the fair value of this contract of €1 million is recorded in "Other financial expenses" (income of €6 million in 2008)
- an interest rate swap contract maturing in July 2014, covering 50% of a finance lease taken out by S.A.R.L. Immobilière Les Fontaines (owner of Capgemini University) in 2003 for a notional amount of €44 million. Under the terms of the swap, S.A.R.L. Immobilière Les Fontaines pays a fixed rate of 3.51% and receives 3-month Euribor.

  In the Consolidated Statement of Financial Position at December 31, 2009, this contract is valued at €0.3 million and is included in "Other non-current liabilities". At December 31, 2009, the change in fair value of this contract on the outstanding amount of €22 million, generated an expense of €0.6 million recorded in "Other financial expenses" (€0.7 million in 2008)

Analysis of the sensitivity of net finance costs to a change in interest rates

Based on the average levels of cash and cash equivalents and borrowings in 2009, a 100-basis point rise in interest rates would have a positive impact of around €8 million on the Group's net finance costs (2008: €17 million; 2007: €17 million). Conversely, a 100-basis point fall in interest rates would have an estimated €8 million negative impact on the Group's net finance costs for 2009.

C) Equity risk

The Group does not hold any shares for financial investment purposes, and does not have any interests in listed companies. However, at December 31, 2009, under the share buyback program Cap Gemini S.A. holds:

- 121,000 treasury shares following the implementation of a liquidity agreement (the associated liquidity line amounts to €10 million);
- 2,000,000 treasury shares purchased to cover equity instruments issued by the Company and aimed in particular at neutralizing part of the dilutive impact arising from employee share-based incentive instruments.

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.

II. LIQUIDITY RISK

Financial liabilities, comprising mainly borrowings and certain accounts and notes payable, are presented in Note 24 – Financial instruments (maturity and future associated cash payments). Additionally, a specific detailed analysis of borrowings is provided in Note 16 – Net cash and cash equivalents, section II. Borrowings.

The financial liabilities whose early repayment could expose the Group to liquidity risk are mainly the three convertible bonds ("OCEANE 2003", "OCEANE 2005" and "OCEANE 2009"). However it should be noted that the OCEANE 2003 bond issue was redeemed in full on January 4, 2010.

To manage the liquidity risk that may arise on either early or contractual repayments 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 (€2,597 million at December 31, 2009), which could be increased by the multi-currency syndicated line of credit for €500 million (undrawn to this 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.

III. CREDIT RISK

Financial assets, comprising mainly cash and cash equivalents and particularly financial investments, as well as accounts and notes receivable, are presented in Note 24 – Financial instruments. Additionally, a specific detailed analysis of cash and cash equivalents is provided in Note 16 – Net cash and cash equivalents, section I. Cash and cash equivalents.

Financial assets which could expose the Group to a credit or counterparty risk mainly relate to:

- accounts receivable: at December 31, 2009, accounts receivable net of provisions for doubtful accounts totaled €1,296 million (see Note 14 – Accounts and notes receivable). The Group's largest client, a major British public body, contributes around 11% of Group revenues (11% in 2008 and 13% in 2007, while the second-largest client accounts for just 2%. The top 10 clients collectively account for 26% of Group revenues, and the top 30 represent 41%. The creditworthiness of these major clients and the sheer diversity of the other smaller customers 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;
- 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) term deposits or (iii) short-term money market mutual funds, subject to minimum credit rating and diversification rules.
  At December 31, 2009, short-term investments totaled €2,109 million (see Note 16 – Net cash and cash equivalents) and comprise mainly (i) money market mutual funds meeting strict criteria (short maturities, daily liquidity, low volatility and sensitivity of less than 0.5); 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.

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, 2009, the Group's main counterparties in respect of managing currency and interest rate risk are BNP Paribas, Calyon, Citibank, HSBC, JP Morgan and Société Générale.

Aged analysis of accounts receivable

At December 31, 2009, "Accounts receivable" totaled €1,326 million and "Provisions for doubtful accounts" stood at €30 million. The low bad debt ratio reflects the fact that most invoices are only issued after the client has validated the services provided.

At end-2009, past due balances totaled €348 million, representing 26.9% of accounts receivable less provisions for doubtful accounts. This breaks down as follows:

in millions of euros	Less than 30 days	More than 30 days and less than 90 days	More than 90 days
Net accounts receivable	**184**	**103**	**61**
As a % of accounts and notes receivable, net of provisions for doubtful accounts	14.2 %	8.0 %	4.7 %

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

IV. CAPITAL MANAGEMENT

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, 2007, 2008 and 2009, 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.

NOTE 24 – FINANCIAL INSTRUMENTS

A) Classification and fair value of financial instruments

The items comprising each financial instrument category along with their basis of measurement are described below:

- items carried at fair value through profit or loss include cash and cash equivalents. Fair value is assessed by reference to prices quoted on an active market;
- available-for-sale financial assets comprise shares in non-consolidated companies, which are carried at fair value in the Consolidated Statement of Financial Position;
- loans and receivables include mainly accounts and notes receivable, and other current and non-current receivables. Loans and receivables are measured at amortized cost using the effective interest rate method (EIR);
- liabilities carried at amortized cost calculated using the effective interest rate method comprise mainly borrowings, accounts and notes payable, and other current and non-current payables;
- derivative instruments are carried at fair value, either directly through the Income Statement or through "Income and expense recognized directly in equity", according to applicable cash flows hedge accounting rules.

The fair value of financial assets and liabilities is mainly calculated as follows:

- the carrying amount of accounts and notes receivable and payable and other current receivables and payables is deemed representative of their fair value in the Consolidated Statement of Financial Position due to their very short maturities;
- the fair value of bond debt is estimated at each period-end based on an average market financing rate and the value of the credit risk incurred by the Capgemini Group for a loan with equivalent residual terms to maturity as each of the three bond issues;
- the carrying amount of obligations under finance leases is deemed to be representative of their fair value in the Consolidated Statement of Financial Position due to the wide variety and maturity of the corresponding debt.

Fair value hierarchy

Financial instruments measured at fair value after initial recognition can be classified as follows:

- Level 1: short-term investments, other than commercial paper, certificates of deposit and term deposits and long-term investments are measured at fair value through the Income Statement by reference to prices quoted on an active market,
- Level 2: derivative instruments are measured by reference to data observable on active markets.

Financial instruments can be analyzed as follows by category:

in millions of euros	CATEGORY: Fair value through the Income Statement	Available-for-sale assets	Loans and receivables	Instruments carried at amortized cost	Derivative instruments	December 31, 2009: Carrying amount	Fair value
Shares in non-consolidated companies	-	1	-	-	-	1	1
Deposits, receivables and other long-term investments	4	-	55	-	-	59	59
Other non-current assets	-	-	13	-	3	16	16
Accounts receivable (net of provisions)	-	-	1,296	-	-	1,296	1,296
Other current receivables	-	-	11	-	8	19	19
Short-term investments	2,109	-	-	-	-	2,109	2,109
Banks	494	-	-	-	-	494	494
FINANCIAL ASSETS	**2,607**	**1**	**1,375**	**-**	**11**	**3,994**	**3,994**
Bonds	-	-	-	(1,166)	-	(1,166)	(1,263)
Obligations under finance leases	-	-	-	(129)	-	(129)	(129)
Other long-term borrowings	-	-	-	(1)	-	(1)	(1)
Other non-current liabilities	-	-	-	(6)	(3)	(9)	(9)
Bank overdrafts	(7)	-	-	-	-	(7)	(7)
Other short-term borrowings	-	-	-	(33)	-	(33)	(33)
Trade payables	-	-	-	(812)	-	(812)	(812)
Other current payables	-	-	-	(39)	(4)	(43)	(43)
FINANCIAL LIABILITIES	**(7)**	**-**	**-**	**(2,186)**	**(7)**	**(2,200)**	**(2,297)**

in millions of euros	CATEGORY: Fair value through the Income Statement	Available-for-sale assets	Loans and receivables	Instruments carried at amortized cost	Derivative instru-ments	December 31, 2008: Carrying amount	Fair value
Shares in non-consolidated companies	-	2	-	-	-	2	2
Deposits, receivables and other long-term investments	3	-	40	-	-	43	43
Other non-current assets	-	-	20	-	1	21	21
Accounts receivable (net of provisions)	-	-	1,576	-	-	1,576	1,576
Other current receivables	-	-	12	-	2	14	14
Short-term investments	1,290	-	-	-	-	1,290	1,290
Banks	578	-	-	-	-	578	578
FINANCIAL ASSETS	**1,871**	**2**	**1,648**	**-**	**3**	**3,524**	**3,524**
Bonds (non-current portion)	-	-	-	(891)	-	(891)	(892)
Obligations under finance leases	-	-	-	(119)	-	(119)	(119)
Other long-term borrowings	-	-	-	(11)	-	(11)	(11)
Other non-current liabilities	-	-	-	(15)	(7)	(22)	(22)
Bank overdrafts	(2)	-	-	-	-	(2)	(2)
Other short-term borrowings	-	-	-	(11)	-	(11)	(11)
Trade payables	-	-	-	(821)	-	(821)	(821)
Other current payables	-	-	-	(53)	(90)	(143)	(143)
FINANCIAL LIABILITIES	**(2)**	**-**	**-**	**(1,921)**	**(97)**	**(2,020)**	**(2,021)**

in millions of euros	CATEGORY: Fair value through the Income Statement	Available-for-sale assets	Loans and receivables	Instruments carried at amortized cost	Derivative instru-ments	December 31, 2007: Carrying amount	December 31, 2007: Fair value
Shares in non-consolidated companies	-	3	-	-	-	3	3
Deposits, receivables and other long-term investments	2	-	27	-	-	29	29
Other non-current assets	-	-	32	-	3	35	35
Accounts receivable (net of provisions)	-	-	1,528	-	-	1,528	1,528
Other current receivables	-	-	143	-	10	153	153
Short-term investments	1,594	-	-	-	-	1,594	1,594
Banks	648	-	-	-	-	648	648
FINANCIAL ASSETS	**2,244**	**3**	**1,730**	**-**	**13**	**3,990**	**3,990**
Bonds (non-current portion)	-	-	-	(864)	-	(864)	(854)
Obligations under finance leases	-	-	-	(150)	-	(150)	(150)
Other long-term borrowings	-	-	-	(90)	-	(90)	(90)
Other non-current liabilities	-	-	-	(16)	(18)	(34)	(34)
Bank overdrafts	(91)	-	-	-	-	(91)	(91)
Other short-term borrowings	-	-	-	(141)	-	(141)	(141)
Trade payables	-	-	-	(863)	-	(863)	(863)
Other current payables	-	-	-	(29)	(2)	(31)	(31)
FINANCIAL LIABILITIES	**(91)**	**-**	**-**	**(2,153)**	**(20)**	**(2,264)**	**(2,254)**

B) Impacts of financial instruments on the Income Statement

The impacts of financial instruments on the Income Statement (see Note 6 – Net finance costs and Note 7 – Other financial income and expense), are included within net financial expense, with the exception of instruments relating to operating transactions, loans and receivables and accounts and notes payable, which are reported within operating profit.

C) Maturity of financial liabilities

The amounts indicated below correspond to the undiscounted value of future contractual cash flows.

Future cash flows relating to the “OCEANE 2003”, “OCEANE 2005” and “OCEANE 2009” bonds were estimated based on contractual nominal interest rates (2.5%, 1% and 3.5%, respectively) and on the assumption that the bonds would be redeemed in full at maturity (see Note 16 – Net cash and cash equivalents).

Future cash flows relating to the interest rate swap taken out in respect of “OCEANE 2003” bonds classified under financial liabilities were estimated on the basis of market interest rates at year-end.
The contractual cash flows associated with “Obligations under finance leases” represent contractual repayments of the notional liability.

in millions of euros	December 31, 2009						
	Contractual maturity	Carrying amount	Contractual cash flows	Less than 1 year	1 to 2 years	2 to 5 years	Beyond 5 years
“OCEANE 2003 “ bonds	2010	192	192	192	-	-	-
Interest rate swap relating to “OCEANE 2003” bonds (1)	2010	-	-	-	-	-	-
“OCEANE 2005” bonds	2012	463	508	4	4	500	-
“OCEANE 2009” bonds	2014	524	670	14	20	636	-
Obligations under finance leases	2010 to 2014	129	129	43	37	49	-
Other long-term borrowings	2011 to 2015	1	1	na	-	-	1
Other non-current liabilities	2011 to 2014	9	9	na	5	4	-
Bank overdrafts	2010	7	7	7	na	na	na
Other short-term borrowings	2010	20	20	20	na	na	na
Trade payables	2010	812	812	812	na	na	na
Other payables	2010	43	43	43	na	na	na
TOTAL FINANCIAL LIABILITIES		**2,200**	**2,391**	**1,135**	**66**	**1,189**	**1**

(1) The interest rate swap taken out in connection with “OCEANE 2003” bonds is shown in the Consolidated Statement of Financial Position at a value of close to nil due to its imminent liquidation, which took place on January 4, 2010 at the same time as the definitive repurchase of the “OCEANE 2003” bonds.

in millions of euros	December 31, 2008						
	Contractual maturity	Carrying amount	Contractual cash flows	Less than 1 year	1 to 2 years	2 to 5 years	Beyond 5 years
“OCEANE 2003” bonds	2010	453	483	12	471	-	-
Interest rate swap relating to “OCEANE 2003” bonds (1)	2010	-	-	-	-	-	-
“OCEANE 2005” bonds	2012	446	512	4	4	504	-
Obligations under finance leases	2009 to 2014	119	119	34	27	50	8
Other long-term borrowings	2010 to 2015	11	11	na	10	-	1
Other non-current liabilities	2010 to 2011	22	22	na	20	2	-
Bank overdrafts	2009	2	2	2	na	na	na
Other short-term borrowings	2009	3	3	3	na	na	na
Trade payables	2009	821	821	821	na	na	na
Other payables	2009	143	143	143	na	na	na
TOTAL FINANCIAL LIABILITIES		**2,020**	**2,116**	**1,019**	**532**	**556**	**9**

(1) The interest rate swap taken out in connection with “OCEANE 2003” bonds is shown in the Consolidated Statement of Financial Position caption “Other non-current assets” at end-2008, and is not therefore included in financial liabilities.

in millions of euros	December 31, 2007						
	Contractual maturity	Carrying amount	Contractual cash flows	Less than 1 year	1 to 2 years	2 to 5 years	Beyond 5 years
"OCEANE 2003" bonds	2010	442	495	12	12	471	-
Interest rate swap relating to "OCEANE 2003" bonds	2010	4	(2)	3	3	(8)	-
"OCEANE 2005" bonds	2012	430	517	4	4	509	-
Obligations under finance leases	2008 to 2014	150	150	45	33	55	17
Other long-term borrowings	2009 to 2014	90	168	1	11	2	154
Other non-current liabilities	2008 to 2009	30	30	14	16	-	-
Bank overdrafts	2008	91	91	91	na	na	na
Other short-term borrowings	2008	133	133	133	na	na	na
Trade payables	2008	863	863	863	na	na	na
Other payables	2008	31	24	24	na	na	na
TOTAL FINANCIAL LIABILITIES		**2,264**	**2,469**	**1,190**	**79**	**1,029**	**171**

NOTE 25 – OPERATING SEGMENTS

As indicated in Note 1-S – 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.

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

A) Analysis of the Income Statement by geographic area

The Income Statement for 2009 breaks down as follows by geographic area:

in millions of euros	North America	France	United Kingdom and Ireland	Benelux	Germany and Central Europe	Nordic countries	Southern Europe and Latin America	Asia-Pacific	Not allocated (1)	Eliminations	Total
Revenues											
- external (2)	1,590	1,949	1,852	1,397	531	488	434	130	-	-	8,371
- inter-geographic area	39	98	64	33	93	12	33	358	-	(730)	-
TOTAL REVENUES	**1,629**	**2,047**	**1,916**	**1,430**	**624**	**500**	**467**	**488**	**-**	**(730)**	**8,371**
OPERATING MARGIN (2)	**77**	**121**	**165**	**122**	**51**	**35**	**10**	**69**	**(55)**	**-**	**595**
% revenues	*4.9*	*6.2*	*8.9*	*8.7*	*9.7*	*7.3*	*2.3*	*na*	*-*	*-*	*7.1*
OPERATING PROFIT	**55**	**65**	**137**	**30**	**27**	**21**	**(9)**	**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 sub-contracting carried out in India.

The Income Statement for 2008 breaks down as follows by geographic area:

in millions of euros	North America	France	United Kingdom and Ireland	Benelux	Germany and Central Europe	Nordic countries	Southern Europe and Latin America	Asia-Pacific	Not allocated (1)	Eliminations	Total
Revenues											
- external (2)	1,668	2,077	1,922	1,303	592	578	449	121	-	-	8,710
- inter-geographic area	34	80	75	36	93	17	28	366	-	(729)	-
TOTAL REVENUES	**1,702**	**2,157**	**1,997**	**1,339**	**685**	**595**	**477**	**487**	**-**	**(729)**	**8,710**
OPERATING MARGIN (2) (3)	**91**	**148**	**164**	**183**	**82**	**55**	**23**	**56**	**(58)**	**-**	**744**
% revenues	*5.5*	*7.1*	*8.5*	*14.0*	*13.9*	*9.5*	*5.2*	*na*	*-*	*-*	*8.5*
OPERATING PROFIT	**80**	**96**	**131**	**171**	**54**	**51**	**14**	**49**	**(60)**		**586**
						Net finance costs					2
						Other financial income					86
						Other financial expense					(107)
						Income tax expense					(116)
						PROFIT FOR THE YEAR					**451**
						PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY					**451**

(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 sub-contracting carried out in India.
(3) Certain items relating to operations in 2008 have been reclassified between geographical areas for comparison purposes with 2009.

The income Statement for 2007 break down as follows by geographic area:

in millions of euros	North America	France	United Kingdom and Ireland	Benelux	Germany and Central Europe	Nordic countries	Southern Europe and Latin America	Asia-Pacific	Not allocated (1)	Elimina-tions	Total
Revenues											
- external (2)	1,721	1,971	2,230	1,168	558	539	390	126	-	-	8,703
- inter-geographic area	20	70	74	34	74	18	30	286	-	(606)	-
TOTAL REVENUES	**1,741**	**2,041**	**2,304**	**1,202**	**632**	**557**	**420**	**412**	**-**	**(606)**	**8,703**
OPERATING MARGIN (2)	**111**	**86**	**152**	**176**	**74**	**45**	**21**	**32**	**(57)**	**-**	**640**
% revenues	*6.5*	*4.4*	*6.8*	*15.0*	*13.3*	*8.4*	*5.5*	*na*	-	-	*7.4*
OPERATING PROFIT	**84**	**68**	**76**	**167**	**70**	**42**	**18**	**28**	**(60)**	**-**	**493**
						Net finance costs					(4)
						Other financial income					35
						Other financial expense					(38)
						Income tax expense					(48)
						Share of profit of associates					2
						PROFIT FOR THE YEAR					**440**
						PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY					**440**

(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 sub-contracting carried out in India.

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

Depreciation, amortization and other expenses with no cash impact break down as follows for 2009:

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

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

Depreciation, amortization and other expenses with no cash impact break down as follows for 2008:

in millions of euros	North America	France	United Kingdom and Ireland	Benelux	Germany and Central Europe	Nordic countries	Southern Europe and Latin America	Asia-Pacific	Not allocated	Total
Depreciation and amortization expense	(41)	(29)	(30)	(21)	(24)	(7)	(5)	(19)	(1)	(177)
Net charge to provisions (1)	(12)	(1)	7	1	2	(1)	1	(4)	-	(7)
TOTAL	**(53)**	**(30)**	**(23)**	**(20)**	**(22)**	**(8)**	**(4)**	**(23)**	**(1)**	**(184)**

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

Depreciation, amortization and other expenses with no cash impact break down as follows for 2007:

in millions of euros	North America	France	United Kingdom and Ireland	Benelux	Germany and Central Europe	Nordic countries	Southern Europe and Latin America	Asia-Pacific	Not allocated	Total
Depreciation and amortization expense	(43)	(29)	(47)	(15)	(25)	(6)	(6)	(20)	(1)	(192)
Net charge to provisions (1)	(2)	(16)	(12)	(3)	(2)	-	-	(1)	-	(36)
TOTAL	**(45)**	**(45)**	**(59)**	**(18)**	**(27)**	**(6)**	**(6)**	**(21)**	**(1)**	**(228)**

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

C) 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, 2009, assets and liabilities break down as follows by geographic area:

in millions of euros	North America	France	United Kingdom and Ireland	Benelux	Germany and Central Europe	Nordic countries	Southern Europe and Latin America	Asia-Pacific	Not allocated (1)	Eliminations	Total
Assets by geographic area:											
- external	961	1,625	922	1,228	536	351	274	218	38	-	6,153
- inter-geographic area	37	61	29	21	24	7	10	47	10	(246)	-
TOTAL ASSETS BY GEOGRAPHIC AREA	**998**	**1,686**	**951**	**1,249**	**560**	**358**	**284**	**265**	**48**	**(246)**	**6,153**
						Deferred tax assets					887
						Current income tax receivable					54
						Short-term investments					2,109
						Derivative instruments					10
						TOTAL ASSETS					**9,213**
Liabilities by geographic area:											
- external	472	932	1,088	358	167	148	163	124	8	-	3,460
- inter-geographic area	54	53	30	36	20	18	13	14	8	(246)	-
TOTAL LIABILITIES BY GEOGRAPHIC AREA	**526**	**985**	**1,118**	**394**	**187**	**166**	**176**	**138**	**16**	**(246)**	**3,460**
						Total equity					4,213
						Deferred tax liabilities					153
						Current income tax payable					52
						Borrowings					1,328
						Derivative instruments					7
						TOTAL EQUITY AND LIABILITIES					**9,213**

At December 31, 2008, assets and liabilities break down as follows by geographic area:

in millions of euros	North America	France	United Kingdom and Ireland	Benelux	Germany and Central Europe	Nordic countries	Southern Europe and Latin America	Asia-Pacific	Not allocated (1)	Elimina-tions	Total
Assets by geographic area:											
- external	1,004	1,802	877	1,509	491	341	266	205	39	-	6,534
- inter-geographic area	44	63	31	21	27	10	11	108	11	(326)	-
TOTAL ASSETS BY GEOGRAPHIC AREA	**1,048**	**1,865**	**908**	**1,530**	**518**	**351**	**277**	**313**	**50**	**(326)**	**6,534**
						Deferred tax assets					863
						Current income tax receivable					39
						Short-term investments					1,290
						Derivative instruments					3
						TOTAL ASSETS					**8,729**
Liabilities by geographic area:											
- external	460	1,035	960	411	175	150	156	92	10	-	3,449
- inter-geographic area	73	63	56	45	27	24	11	18	9	(326)	-
TOTAL LIABILITIES BY GEOGRAPHIC AREA	**533**	**1,098**	**1,016**	**456**	**202**	**174**	**167**	**110**	**19**	**(326)**	**3 449**
						Total equity					3,939
						Deferred tax liabilities					138
						Current income tax payable					74
						Borrowings					1,032
						Derivative instruments					97
						TOTAL EQUITY AND LIABILITIES					**8,729**

At December 31, 2007, assets and liabilities break down as follows by geographic area:

in millions of euros	North America	France	United Kingdom and Ireland	Benelux	Germany and Central Europe	Nordic countries	Southern Europe and Latin America	Asia-Pacific	Not allocated (1)	Elimina-tions	Total
Assets by geographic area:											
- external	1,134	1,765	1,101	1,076	537	361	238	204	166	-	6,582
- inter-geographic area	31	58	26	15	19	7	8	49	67	(280)	-
TOTAL ASSETS BY GEOGRAPHIC AREA	**1,165**	**1,823**	**1,127**	**1,091**	**556**	**368**	**246**	**253**	**233**	**(280)**	**6,582**
						Deferred tax assets					907
						Current income tax receivable					31
						Short-term investments					1,594
						Derivative instruments					13
						TOTAL ASSETS					**9,127**
Liabilities by geographic area:											
- external	562	1,016	1,293	288	195	173	152	76	47	-	3,802
- inter-geographic area	60	91	35	36	26	18	9	(4)	9	(280)	-
TOTAL LIABILITIES BY GEOGRAPHIC AREA	**622**	**1,107**	**1,328**	**324**	**221**	**191**	**161**	**72**	**56**	**(280)**	**3 802**
						Total equity					3,851
						Deferred tax liabilities					138
						Current income tax payable					71
						Borrowings					1,245
						Derivative instruments					20
						TOTAL EQUITY AND LIABILITIES					**9,127**

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

Acquisitions of intangible assets and property, plant and equipment break down as follows:

At December 31 *(in millions of euros)*	2007	2008	2009
North America	30	21	36
France	40	35	37
United Kingdom and Ireland	55	26	23
Benelux	20	40	26
Germany and Central Europe	17	16	11
Nordic countries	14	8	3
Southern Europe and Latin America	8	5	8
Asia-Pacific	24	26	17
TOTAL	**208**	**177**	**161**

The acquisition cost 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 (€119 million), which excludes acquisitions of assets held under finance leases (€42 million).

II. 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;
- "Outsourcing Services" manages all or part of a company's IT or business process needs,
- "Local Professional Services" provides assistance and support to internal IT teams within client companies.

Revenues break down as follows by business:

	2007		2008		2009	
in millions of euros	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Consulting Services	753	9	695	8	558	7
Technology Services	3,349	38	3,396	39	3,345	40
Outsourcing Services	3,189	37	3,076	35	3,049	36
Local Professional Services	1,412	16	1,543	18	1,419	17
TOTAL	**8,703**	**100**	**8,710**	**100**	**8,371**	**100**

Operating margin breaks down as follows by business:

	2007		2008		2009	
in millions of euros	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Consulting Services	79	10.5	89	12.8	64	11.4
Technology Services	299	8.9	348	10.2	230	6.9
Outsourcing Services	150	4.7	167	5.4	218	7.2
Local Professional Services	169	12.0	198	12.9	138	9.7
Not allocated	(57)	-	(58)	-	(55)	-
TOTAL	**640**	**7.4**	**744**	**8.5**	**595**	**7.1**

NOTE 26 – NUMBER OF EMPLOYEES

A) AVERAGE NUMBER OF EMPLOYEES BY GEOGRAPHIC ARE

	2007		2008		2009	
	Employees	%	Employees	%	Employees	%
North America	8,564	11	8,650	10	8,032	9
France	20,595	26	21,056	24	20,496	23
United Kingdom and Ireland	8,791	11	8,147	9	8,042	9
Benelux	9,167	12	10,021	12	11,795	13
Germany and Central Europe	5,814	7	6,880	8	7,649	8
Nordic countries	3,818	5	4,057	5	3,894	4
Southern Europe and Latin America	6,476	8	7,479	9	7,939	9
Asia-Pacific	15,832	20	20,049	23	22,230	25
Not allocated	156	-	156	-	161	-
TOTAL	**79,213**	**100**	**86,495**	**100**	**90,238**	**100**

B) NUMBER OF EMPLOYEES AT DECEMBER 31 BY GEOGRAPHIC AREA

	2007		2008		2009	
At December 31	Employees	%	Employees	%	Employees	%
North America	8,857	11	8,379	9	7,950	9
France	20,979	25	21,242	23	19,865	22
United Kingdom and Ireland	8,482	10	7,985	9	7,844	9
Benelux	9,492	11	12,291	13	11,163	12
Germany and Central Europe	6,274	8	7,534	8	7,724	9
Nordic countries	3,942	5	4,049	5	3,681	4
Southern Europe and Latin America	6,836	8	7,913	9	8,114	9
Asia-Pacific	18,487	22	22,078	24	24,008	26
Not allocated	159	-	150	-	167	-
TOTAL	**83,508**	**100**	**91,621**	**100**	**90,516**	**100**

NOTE 27 – OFF BALANCE-SHEET COMMITMENTS

A) 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 in 2004 with HM Revenue & Customs, Schneider Electric Industries and Euroclear, the contract signed in 2005 with the Metropolitan Police and the contracts signed in 2009 with Ontario Power Generation Inc., Environmental Agency and Renault SA. The Group has also granted certain customers limited financial guarantees totaling €266 million at December 31, 2009, and bank guarantees totaling €57 million at year-end. The new limited financial guarantees issued by the Group during 2009 mainly concern the clients Renault, Environment Agency and Ontario Power Generation.

B) Commitments given and received in connection with investments

The call options granted to the Group by NTT Data Corporation and DOC@POST were exercised during the year.

C) Other commitments given

At December 31 *(in millions of euros)*		2007	2008	2009
On non-cancelable leases	I	798	810	865
Other commitments given	II	63	55	53
TOTAL		**861**	**865**	**918**

I. The Group's commitments under non-cancelable leases break down as follows:

in millions of euros	Computer equipment	Offices	Vehicles	Other	Total
Y+1	12	153	64	1	230
Y+2	12	133	45	1	191
Y+3	9	113	24	1	147
Y+4	2	89	6	-	97
Y+5	1	62	-	-	63
Y+6 and beyond	-	137	-	-	137
At December 31, 2009	**36**	**687**	**139**	**3**	**865**
At December 31, 2008	**13**	**641**	**153**	**3**	**810**
At December 31, 2007	**25**	**639**	**124**	**10**	**798**

At December 31, 2009, commitments given under non-cancelable leases mainly concern Benelux (€238 million), France (€183 million), North America (€114 million), the United Kingdom (€101 million) and Germany and Central Europe (€89 million). Lease payments recognized in the Income Statement during the year totaled €262 million.

II. Other commitments given relate mainly to:

- bank guarantees given to the tax authorities in connection with tax disputes in France and Spain;
- commitments relating to employees in the Netherlands;
- conditions precedent regarding the definitive grant of subsidies in Spain;
- firm purchase commitments relating to goods or services.

D) Borrowings secured by assets

Some borrowings are secured by assets recorded in the Consolidated Statement of Financial Position. At December 31, 2009, these related to finance leases for an amount of €129 million.

NOTE 28 – RELATED-PARTY TRANSACTIONS

A) Associates

Associates are equity-accounted companies over which the Group exercises significant influence (see Note 30 – List of the main consolidated companies by country). Transactions with these companies in 2009 were carried out on an arm's length basis, and volumes were not material.

B) Other related-parties

In 2009, no material transactions were carried out with:

- shareholders holding significant voting rights in the 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.

C) Management compensation

The table below provides a breakdown of compensation due in respect of 2009 to members of the Group's management – which includes the Group operating management structure present at each year-end (29 members in 2009 and 28 members in 2008) – and the Chairman of the Board of Directors, as well as attendance fees payable to non-salaried directors and non-voting directors.

in thousands of euros	2007	2008	2009
Short-term benefits excluding employer payroll taxes (1)	21,387	21,493	21,422
Short-term benefits: employer payroll taxes	4,463	3,771	4,133
Post-employment benefits (2)	693	756	909
Share-based payment (3)	1,976	1,210	1,741

(1) Includes gross wages and salaries, bonuses, profit-sharing, directors' fees and benefits in kind.
(2) Including mainly statutory retirement termination payments.
(3) Representing the annual expense relating to the granting of stock options and performance shares

NOTE 29 – SUBSEQUENT EVENTS

On February 2, 2010, the Group announced the acquisition of the purchasing solutions provider, IBX. This Stockholm-based company has 240 employees in Europe and the United States and reports annual revenues of approximately €30 million.

On January 4, 2010, the Group redeemed the remaining "OCEANE 2003" bonds outstanding, for an amount of €197 million.

At the Combined Shareholders' Meeting, the Board of Directors will recommend a dividend payout of €0.80 per share in respect of 2009, compared to a dividend of €1 per share in 2008 and 2007.

NOTE 30 – LIST OF THE MAIN CONSOLIDATED COMPANIES BY COUNTRY

At December 31, 2009, the main consolidated companies were as follows:

Country	Consolidated company	% interest	Consolidation Method
GERMANY	Capgemini Deutschland GmbH	100.00%	FC
	Capgemini Deutschland Holding GmbH	100.00%	FC
	Capgemini Outsourcing Services GmbH	100.00%	FC
	Capgemini SD&M A.G.	100.00%	FC
	Sogeti Deutschland GmbH (Berlin)	100.00%	FC
	Cap Gemini Telecom Media & Networks Deutschland GmbH	100.00%	FC
	Sogeti High Tech GmbH	100.00%	FC
ARGENTINA	Capgemini Argentina S.A.	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
	Sogeti S.A./N.V. (Belgium)	100.00%	FC
	Sogeti International 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 Ldta (Brazil)	100.00%	FC
CANADA	Capgemini New Brunswick Inc.	100.00%	FC
	Capgemini Canada Inc.	100.00%	FC
	Inergi Inc.	100.00%	FC
	Inergi L.P.	100.00%	FC

FC = Full consolidation
EM = Equity method

Country	Consolidated company	% interest	Consolidation Method
CANADA	New Horizons System Solutions L.P.	100.00%	FC
	New Horizons System Solutions Inc.	100.00%	FC
	Capgemini Financial Services Canada Inc.	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
	SSS Hangzhou Ltd. (China)	48,83%	EM
	Capgemini Financial Services HK Ltd.	100,00%	FC
DENMARK	Capgemini Danmark AS	100.00%	FC
	Sogeti Danmark AS	100.00%	FC
UNITED ARAB EMIRATES	Capgemini Middle East FZ LLC	100.00%	FC
SPAIN	Capgemini España, S.L.	100.00%	FC
	Sogeti España, S.L.	100.00%	FC
UNITED STATES	Capgemini America Inc.	100.00%	FC
	Capgemini Applications Services LLC	100.00%	FC
	Capgemini Holding Inc.	100.00%	FC
	Capgemini U.S. 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 GP LLC	100.00%	FC
	Capgemini Energy Holdings LLC	100.00%	FC
	Capgemini Energy L.P.	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
	Kanbay Managed Solutions Inc.	80.00%	FC
	Strategic Systems Inc. (US)	48.83%	EM
	Strategic Back-Office Solutions Inc.	48.83%	EM
FINLAND	Capgemini 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

FC = Full consolidation
EM = Equity method

Country	Consolidated company	% interest	Consolidation Method
FRANCE	SCI Paris Etoile	100.00%	FC
	Capgemini Consulting S.A.S.	100.00%	FC
	Capgemini Finance et Services S.A.S.	100.00%	FC
	Capgemini Industrie et Distribution S.A.S.	100.00%	FC
	Capgemini Est S.A.S.	100.00%	FC
	Capgemini Ouest S.A.S.	100.00%	FC
	Capgemini Sud S.A.S.	100.00%	FC
	Capgemini Outsourcing Services S.A.S.	100.00%	FC
	Capgemini OS Electric S.A.S.	100.00%	FC
	Capgemini Telecom Media Défense S.A.S.	100.00%	FC
	IACP Informatique S.A.S.	100.00%	FC
	Sogeti S.A.S.	100.00%	FC
	Sogeti IDF S.A.S.	100.00%	FC
	Sogeti Régions S.A.S.	100.00%	FC
	Sogeti Services S.A.S.	100.00%	FC
	Sogeti High Tech S.A.S.	100.00%	FC
GUATEMALA	Capgemini Business Services Guatemala S.A.	100.00%	FC
HUNGARY	Capgemini Magyarorszag Kft	100.00%	FC
INDIA	InQA Test Labs Private Ltd. (India)	100.00%	FC
	Capgemini Business Services (India) Ltd.	51.00%	FC
	Capgemini India Private Ltd.	100.00%	FC
	Pune Software Park Pvt. Ltd. (India)	100.00%	FC
IRELAND	Sogeti Ireland Ltd.	100.00%	FC
	Insight Test Services (Holding) Ltd.	100.00%	FC
	Insight Test Services (Management) Ltd.	100.00%	FC
	Insight Test Services Ltd.	100.00%	FC
ITALY	Capgemini Italia S.p.A.	100.00%	FC
LUXEMBOURG	Sogeti Luxembourg S.A.	100.00%	FC
	Capgemini Reinsurance Company S.A.	100.00%	FC
	Sogeti PSF S.A. (Luxembourg)	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
NETHERLANDS	Capgemini Outsourcing B.V.	100.00%	FC
	Capgemini Interim Management B.V.	100.00%	FC
	Capgemini Nederland B.V.	100.00%	FC
	Capgemini Sourcing B.V.	100.00%	FC
	Capgemini Educational Services B.V.	100.00%	FC
	Capgemini N.V.	100.00%	FC
	Capgemini Datacenter Amsterdam B.V.	100.00%	FC
	Sogeti Nederland B.V.	100.00%	FC
	Capgemini International B.V.	100.00%	FC
	Capgemini Retail Solutions B.V.	100.00%	FC
	Capgemini Shared Services B.V.	100.00%	FC
	Capgemini Business Services B.V.	100.00%	FC
	Independent Interim v.o.f	50.00%	FC

FC = Full consolidation
EM = Equity method

Country	Consolidated company	% interest	Consolidation Method
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
	Capgemini Sophia TS S.r.o.	70.00%	FC
ROMANIA	Capgemini Services Romania s.r.l.	100.00%	FC
UNITED KINGDOM	Capgemini UK Plc.	100.00%	FC
	CGS Holdings Ltd.	100.00%	FC
	Sogeti Ltd.	100.00%	FC
	Capgemini Financial Services UK Ltd.	100.00%	FC
	SSS Holding Corporation Ltd.	48.83%	EM
	Strategic System Solution Ltd.	48.83%	EM
	Strategic Back Office Solutions Ltd.	48.83%	EM
	Strategic Training Solutions Ltd.	48.83%	EM
	Bizzkidz Ltd.	48.83%	EM
	Sogeti UK Ltd.	100.00%	FC
	Qbit Ltd.	100.00%	FC
SINGAPORE	Capgemini Asia Pacific Pte Ltd.	100,00%	FC
	SSS Pte Ltd. (Singapore)	48,83%	EM
	Capgemini Singapore Pte Ltd.	100,00%	FC
SLOVAKIA	Capgemini Slovensko, S.r.o.	100.00%	FC
SWEDEN	Capgemini AB (Sweden)	100.00%	FC
	Capgemini Sverige AB	100.00%	FC
	Sogeti Sverige AB	100.00%	FC
SWITZERLAND	Capgemini Suisse S.A.	100.00%	FC
	Capgemini SD&M Schweiz A.G.	100.00%	FC
	Sogeti Suisse S.A.	100.00%	FC
VIETNAM	IACP Asia	100.00%	FC

FC = Full consolidation
EM = Equity method