

Oddo TMT Forum

Paris, May 25 2007

Nicolas Dufourcq
CFO



Agenda

- 2006, 2007 and beyond
- The new Financial Services Business Unit



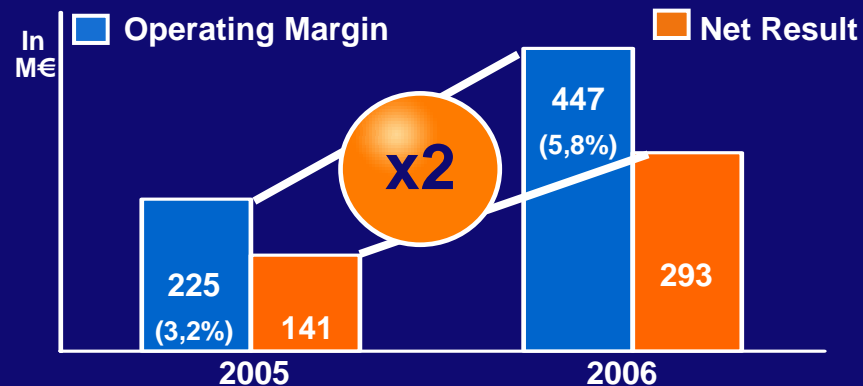
In 2006, Capgemini has recorded very solid progress...

Double digit growth for our 4 disciplines

	FY 06 / FY 05
Consulting Services	+ 10,3 %
Technology Services	+ 12,8 %
SOGETI	+ 10,4 %
Outsourcing Services*	+ 12,6%
TOTAL GROUP	+ 12,1 %

* Revenue CS/TS related to Mega deals (HMRC, Schneider & TXU) reclassified in CS/TS

Doubling operating margin and net result



Dividend : + 40 %

Optimized cost structure and delivery

Cost of services rendered	- 0,4 pt
Selling Expenses	- 1 pt
General and Administrative Expenses	- 1,2 pt
Operating Margin	+ 2,6 pt

Priorities executed

- 1 CONFIRM NORTH AMERICAN TURNAROUND ✓
- 2 IMPLEMENT MAP INITIATIVE ✓
- 3 FOCUS ON ADDING VALUE TO CLIENTS ✓

...and has set itself ambitious 2007 Objectives

Improve operational efficiency

- Focus on low performing units
- Further MAP roll-out
- Favor offshore margin accretion

Develop NA

- New leaders development
- Grow Consulting Services
- Additional vertical offers
- Grow offshore leverage 1:3

Leverage Kanbay Integration

- FSI (NA, UK, test Continental Europe)
- Non-FSI: regional adjustment
- India harmonization

Prepare for step changes in

- Consulting
- BPO

- This will lead us to:**
- **9% growth & 7.0% operating margin in 2007**
 - **above market growth & 8.5% operating margin in 2008**

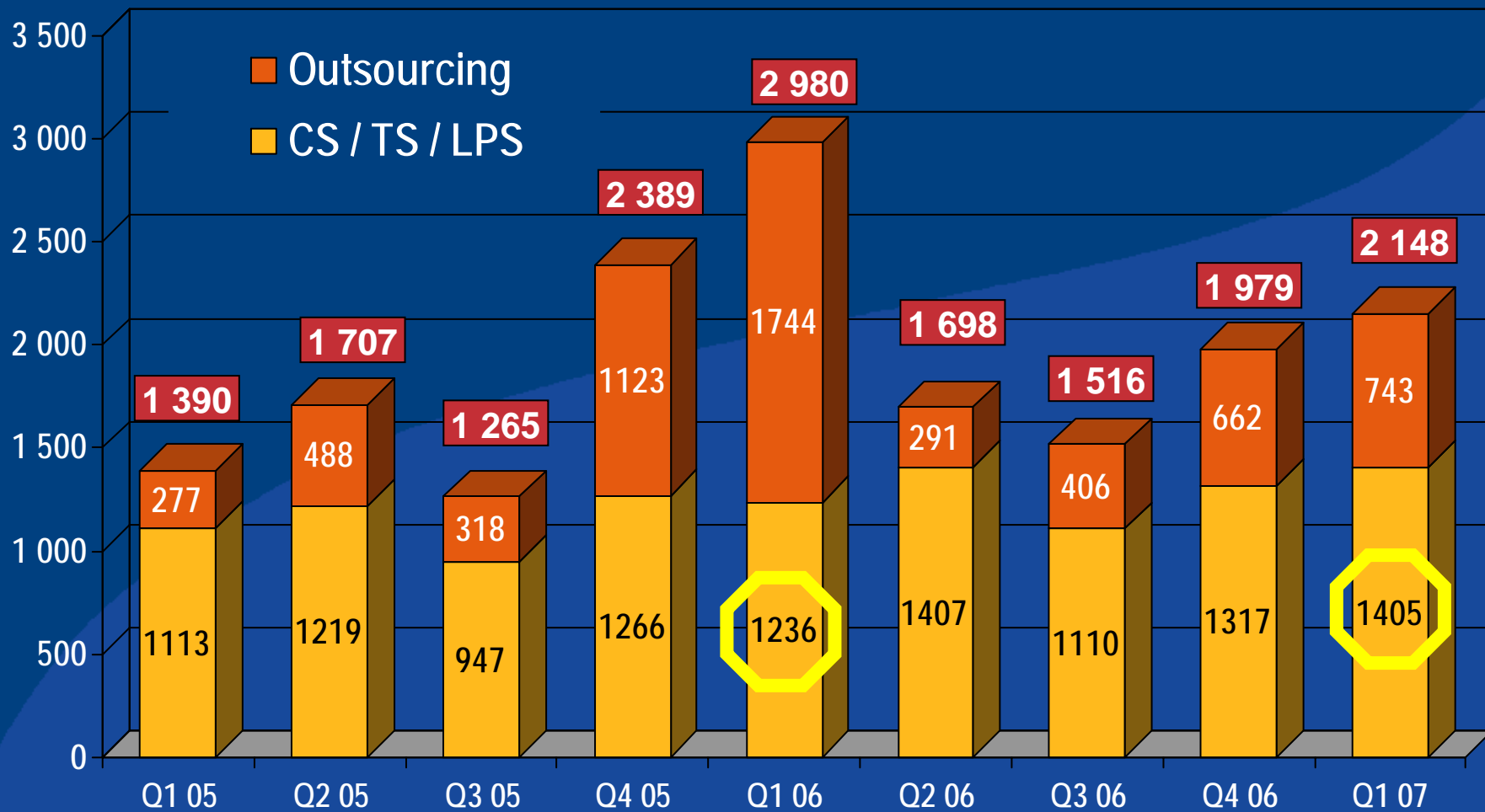
Q1 was another strong quarter across the board

	Q1 07 / Q4 06	Q1 07 / Q1 06
Consulting / Technology Services	3.7%	12.3%
Kanbay	1.5%	26.9%
Local Professional Services	4.6%	8.1%
CS / TS / LPS / Kanbay	3.7%	12.0%
Outsourcing Services	4.8%	18.1%
TOTAL GROUP	4.1%	14.2%

At constant rates and perimeter, including Kanbay

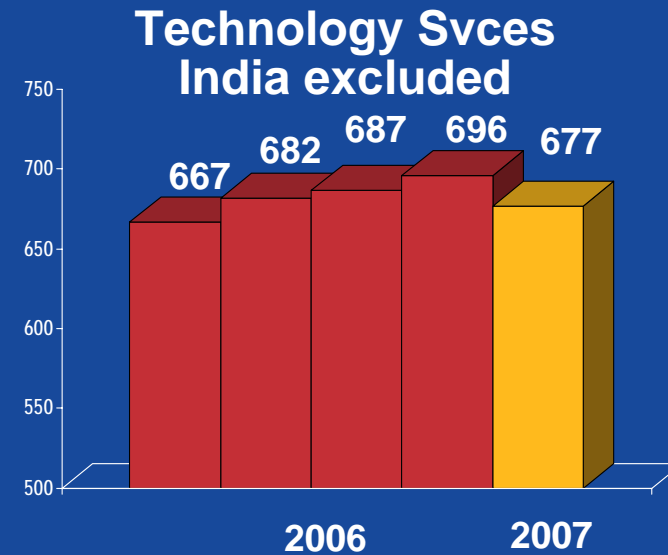
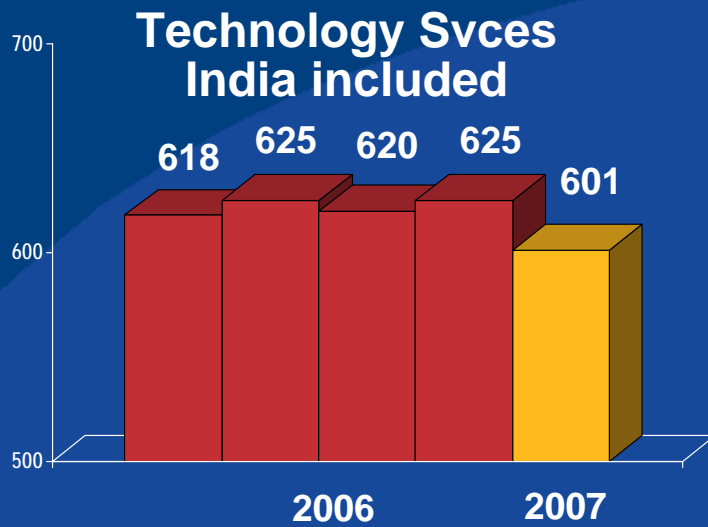
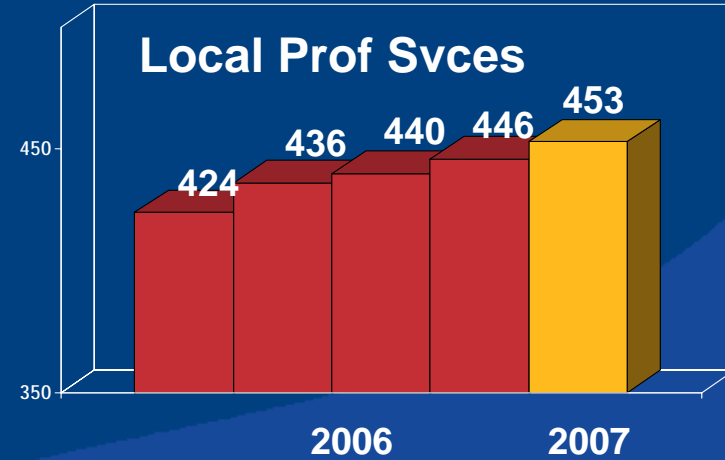
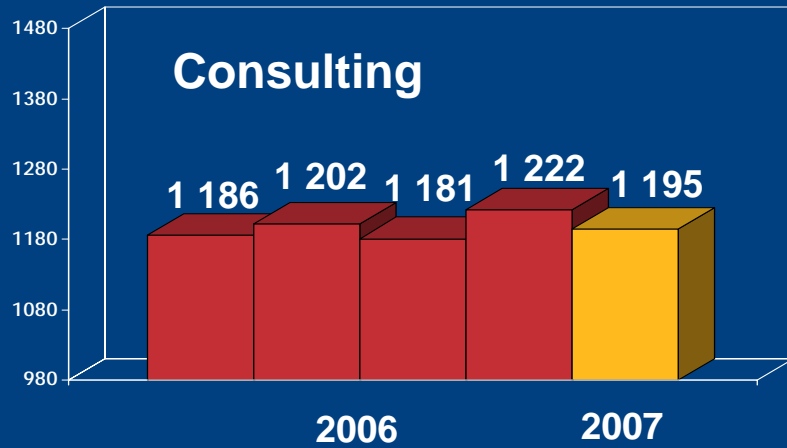
Bookings up 14% yoy in Consulting, Technology and Local Professional Services point to sustained growth

M€



At budget rates, constant perimeter and excluding Kanbay

Charge-out rates – Pricing is solid even though adding offshore dilutes the average



At constant rates and perimeter, excluding Kanbay

But the leverage is stronger than it seems

- Average salary increase onshore : 4%
- Average salary increase offshore : 14%

- Group average remuneration cost evolution : -3.4%
- Onshore average remuneration cost evolution : -1.0%
- India average remuneration cost evolution : -13.5%

- CSS / VP ratio excluding India : 34 → 37
- CSS / VP ratio including India : 38 → 45

- COR P&C excluding India : +2.4%
- ADRC P&C excluding India : +0.2%

- COR P&C including India : +0.4%
- ADRC P&C excluding India : -1.8%

Agenda

- 06, 07 and beyond

- **The new Financial Services Business Unit**



Capgemini and Kanbay bring together unique, but highly complementary capabilities



- **Clients:** Access to significant client base
- **Offers:** More focused on business offers
 - E.g., assessing banking multi-channel management
- **Geography:** Strongest in Europe
- **Delivery:** Local presence
- **Positioning:** Global presence
- **Access to talent in India:** Mumbai, Bangalore, Kolkata
- **Clients:** Ability to create long term relationships
- **Offers:** More focused on technology offers with domain strength
 - E.g., cards processing
- **Geography:** Strongest in North America
- **Delivery:** One-team global delivery model
- **Positioning:** Domain knowledge down to the keyboards
- **Access to talent in India:** Pune, Hyderabad, Chennai

Combined Capabilities

- Deliver end-to-end industry solutions (business and technical) capabilities to clients around the world, specifically in the Financial Services
- Provide our services seamlessly in one-team 'global' delivery model

End-to-end solutions cover the spectrum of Financial Services client needs

Deep Vertical Knowledge: "Down to the Keyboard"
Banking, Insurance and Capital Markets

Management Consulting

Technology Integration

Application Development

Outsourcing & Maintenance

Transformational BPO

End-to-End Solutions Offering

Global Rightshore™ Delivery Platform

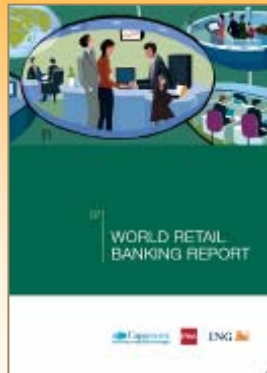
Improving operational efficiencies beyond cost:

- Transcend Technology cycles
- Advise and deliver business and technology solutions to address management issues

From sector expertise

From benchmarks to best practices, global or local, Capgemini brings the latest in industry innovation and insights with 4 global reports to help organizations be more competitive and responsive to market demands.

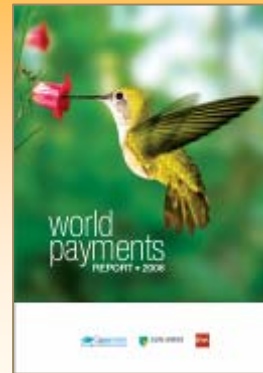
WORLD RETAIL BANKING REPORT



WORLD WEALTH REPORT



WORLD PAYMENTS REPORT



WORLD INSURANCE REPORT



To industry leading next generation delivery model

Next-Gen value based global delivery model

- Transformational solutions through pooling of industry & technology capabilities
- Business Agility by true Integration with client's business & people
- Value derived from innovation, speed to market, risk sharing and focus on providing the appropriate Total Cost of Ownership (TCO)
- Highly sustainable competitive advantage
- Providing IT development, Outsourcing, & Business Process Outsourcing

Engagement-based delivery leveraging human assets

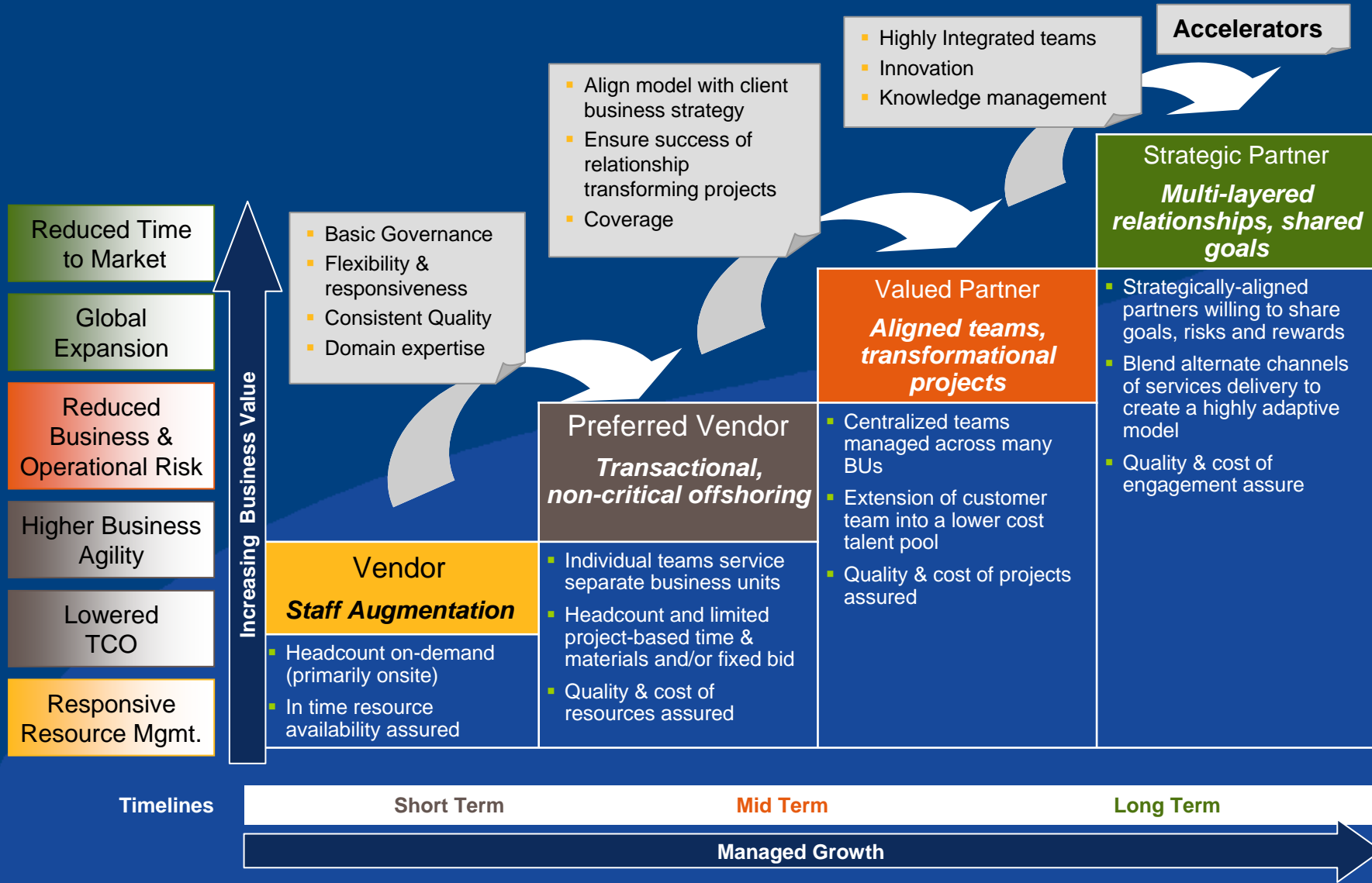
- High value technology solutions
- Integrated usage of near-shore, onsite, offshore and client teams to maximize leverage – over 1:4
- Value derived from TCO perspective
- Competitive advantage sustainable only in short term

Transactional project based onsite-offshore delivery model

- Move commodity work to low cost centers
- Cost-per-hour versus TCO mentality
- Value derived from labor arbitrage
- Competitive advantage not sustainable



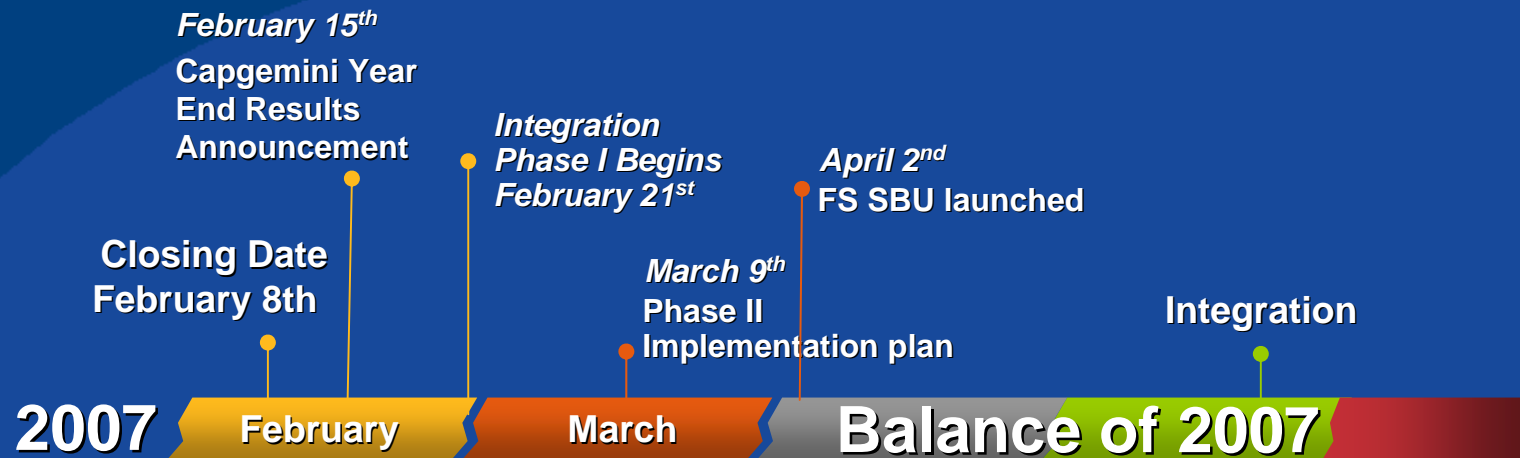
Allow to build lasting relationships through collaboration



The integration process is fully on track

Maintain highest levels of Customer Satisfaction while preserving and leveraging Kanbay deep domain expertise and growth momentum

- Provide the same high quality services our customers expect.
“Business as usual”
- Enhance clients’ experience as we integrate our product offerings and technological capabilities
- Financial Services India Platform to be leveraged by Capgemini European clients

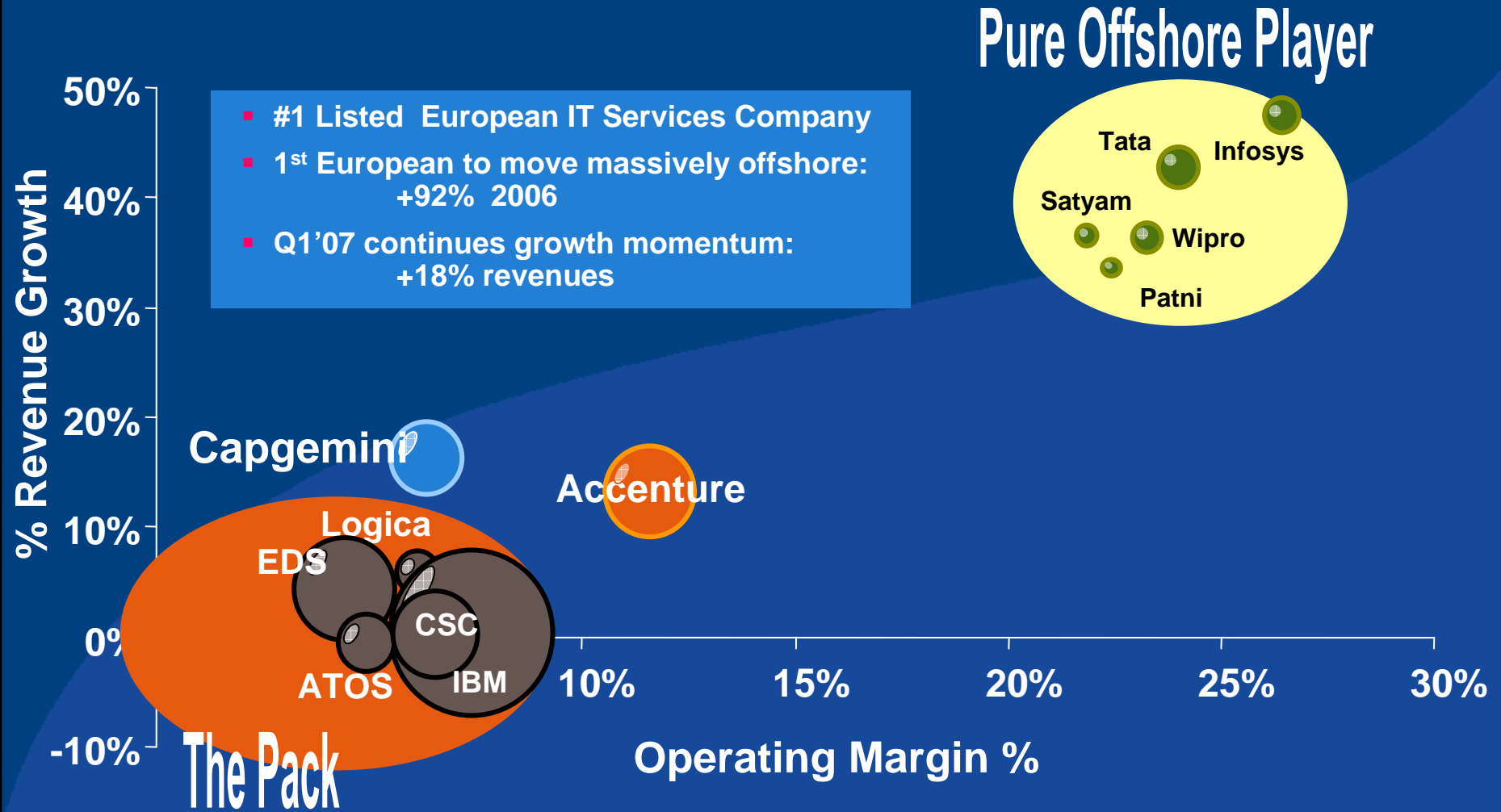


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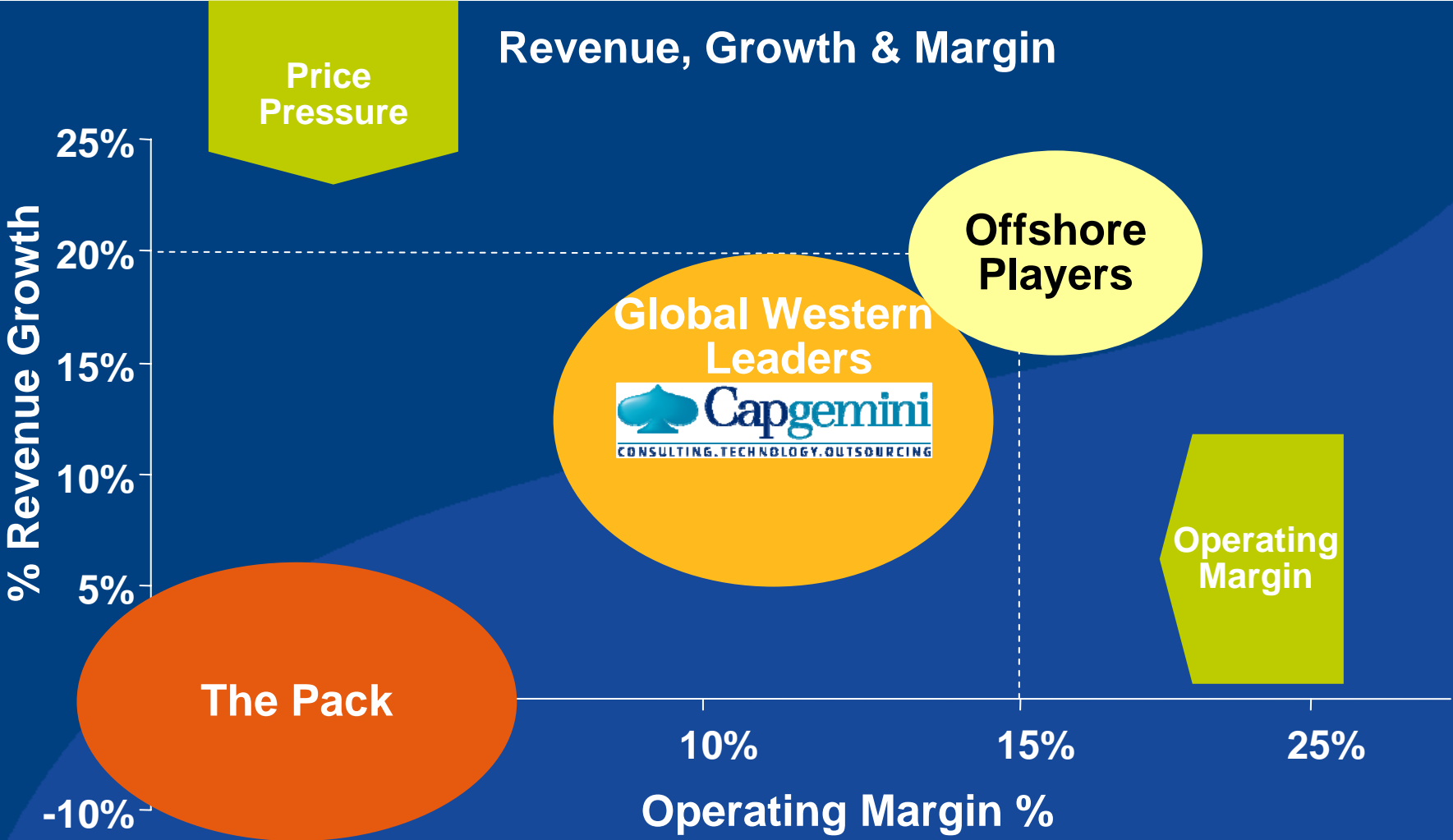


IT Services today: a tale of two worlds

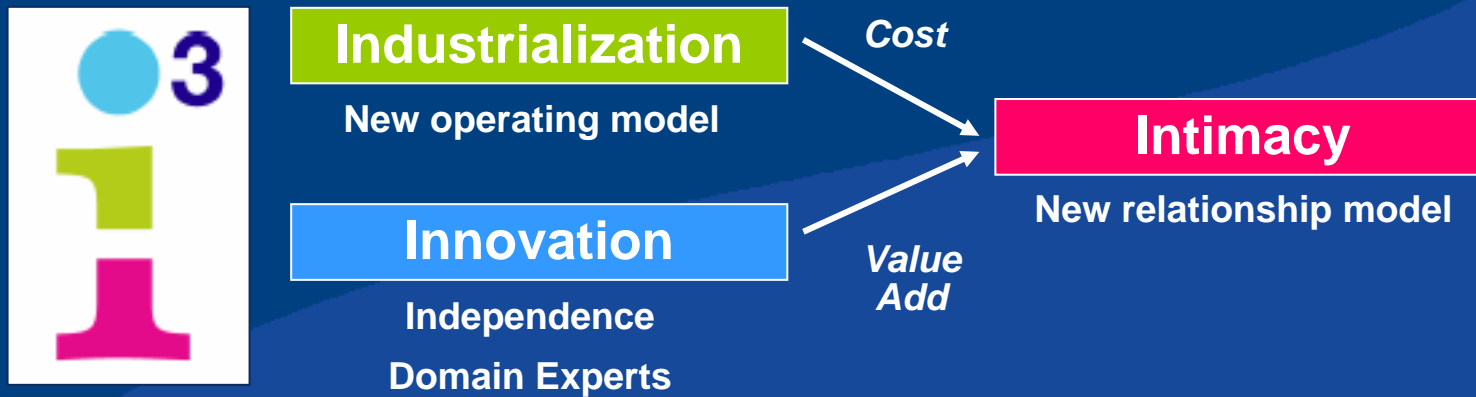


The landscape is due to change

Revenue, Growth & Margin

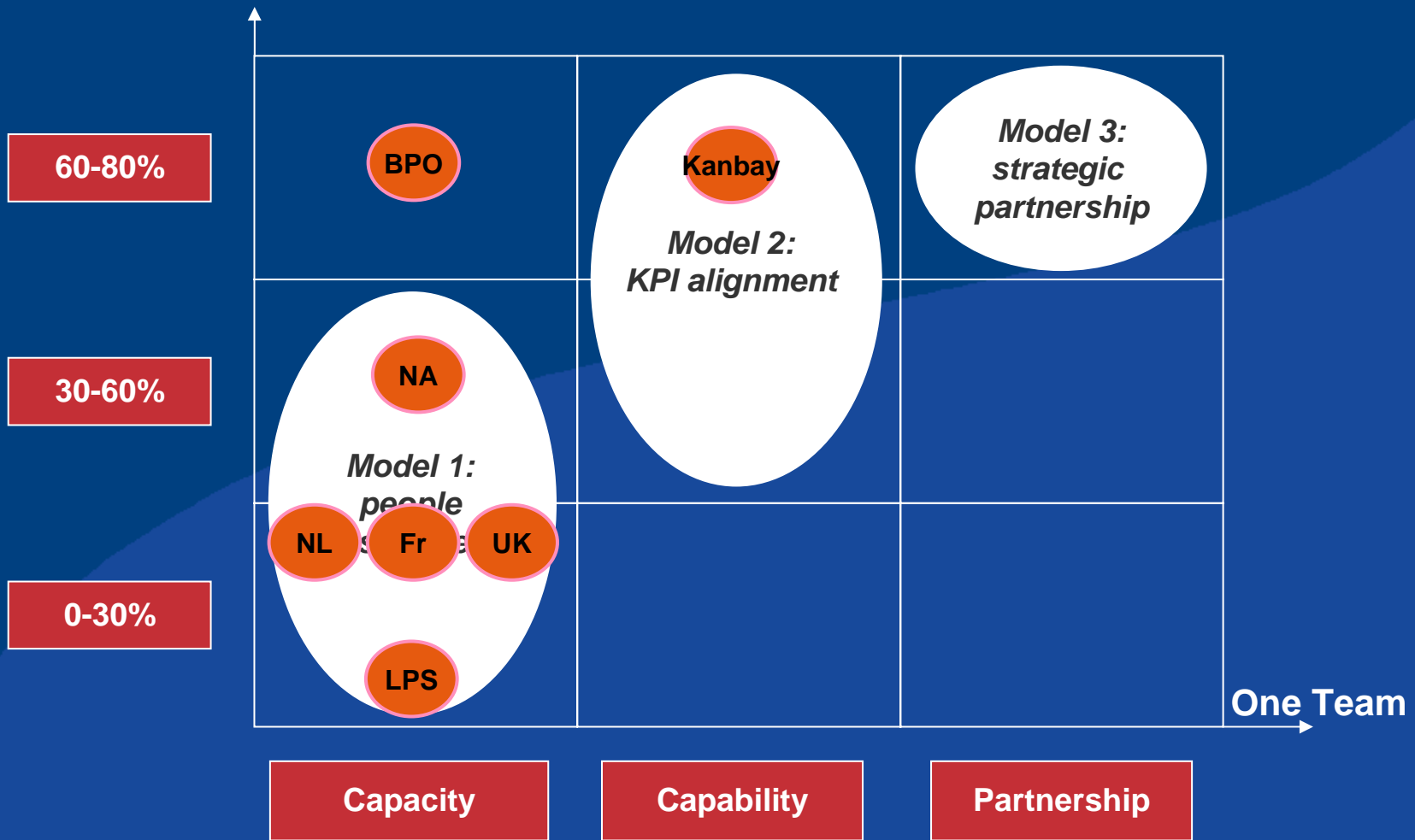


An in-depth transformation is needed



Industrialization will drive us towards the right model

Offshore leverage



With operating Margin improvement from all P&L components

Revenues

- Offshore centric offers (SAP, BPO, IM, etc...)

Direct costs

- Offshore leverage increases in TS from 15% to 35%
- Reduction of the blended ADRC

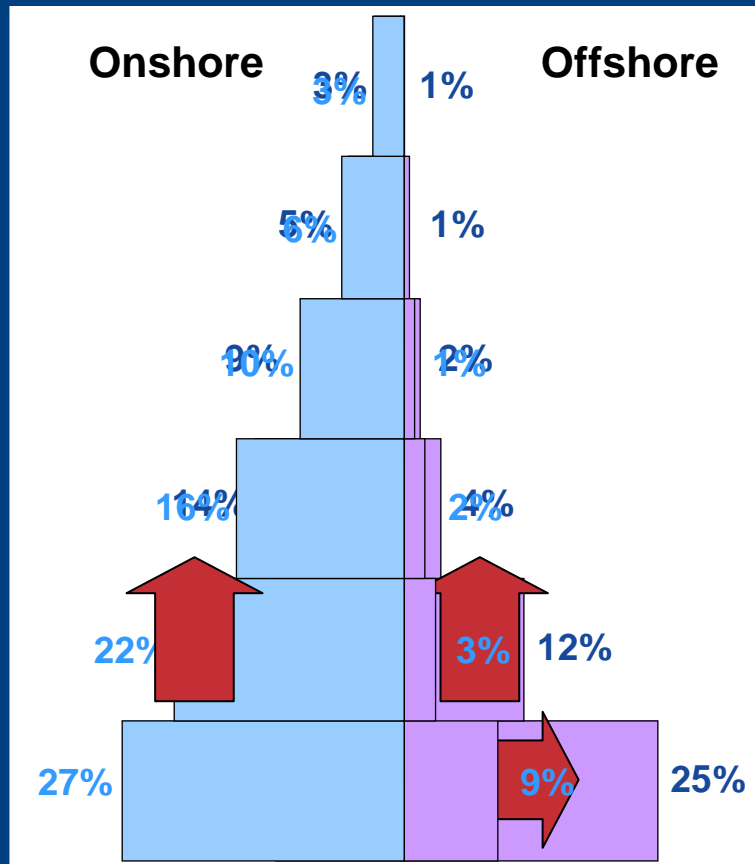
Indirect costs

- Bench expansion in offshore countries

SG&A

- Business Development and Support Functions moved offshore

And requires a deep transformation of our organization



Onshore transformation

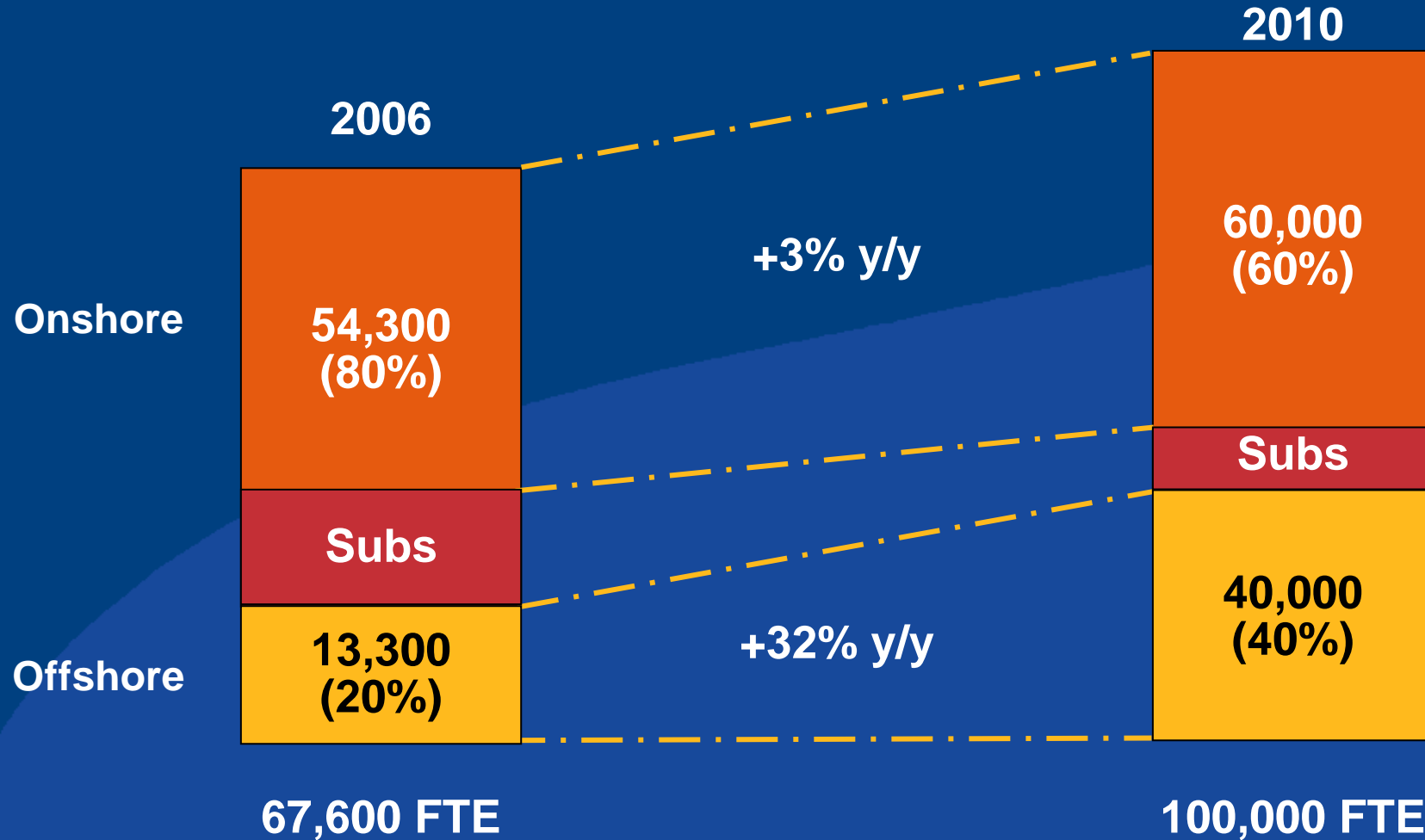
- Transfer of “bench” and contractors offshore
- Sector expertise, engagement management, architecture, functional design
- Innovation

Offshore transformation

- Stronger client and project management capabilities
- Moving from a capacity to a capability management logic

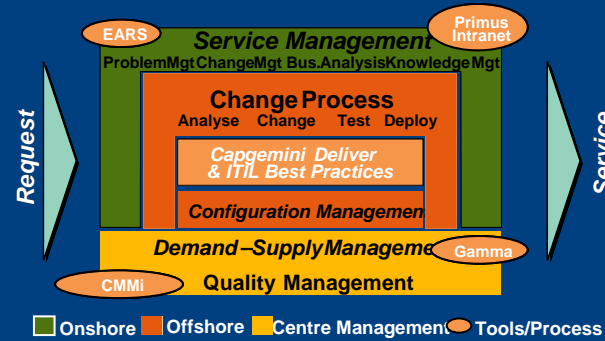
But can be done smoothly assuming benign market conditions

Billing consultants



And requires standardized processes, methods and tools

Processes



- Global processes for sales, delivery, knowledge, risk, staffing, people management

Methods



- Cappgemini's proprietary DELIVER™ 2.0 methodology
- Distributed Delivery Frameworks for SAP, Oracle, BI, Testing, ADI, etc...

Tools



- Collaborative tools, enabling sales & delivery from multiple locations

Conclusion: a strong ambition and the means to it

- Strong momentum sustained in 2007
- We are actively preparing the Capgemini 2010 format
- We want to be one of the 5 industry shapers

Sustainable Performance Throughout the Cycle

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