Cap Gemini

Ordinary and Extraordinary Shareholders' Meeting

April 26, 2007 *

- Notice of meeting
- Agenda
- Summary of the proposed resolutions presented by the Board of Directors
- Proposed resolutions presented by the Board of Directors
- 2006 business review
- Five-year financial summary

* The Meeting has been called on Tuesday, April 10, 2007 at the Company's head office.
If, as is probable, the quorum is not met on first call, the Meeting will be called again on Thursday, April 26, 2007, in accordance with the provisions of the law.

CAP GEMINI

"Société Anonyme" with capital of € 1,152,654,464
Head office: 11 rue de Tilsitt, 75017 Paris
Registered with the Paris Companies Registry under number 330 703 844

Paris, March 23, 2007

NOTICE OF MEETING

The shareholders of Cap Gemini are invited to attend the Ordinary and Extraordinary Shareholders' Meeting called for the first time on Tuesday, April 10, 2007 at 10:00 a.m. at the Company's headquarters and for the second time (*) on:

Thursday, April 26, 2007 at 10:00 a.m.
at Pavillon Gabriel, 5 avenue Gabriel, 75008 Paris

The agenda of the Meeting will be as follows:

AGENDA

ORDINARY SHAREHOLDERS' MEETING

- Management report of the Board of Directors; presentation of the financial statements of the Company and the Group for the year ended December 31, 2006.

- Reports by the Statutory Auditors on the financial statements for the year ended December 31, 2006 and on two agreements governed by article L.225-38 of the French Commercial Code.

- Examination and approval of
  - the 2006 Company financial statements of Cap Gemini SA,
  - the 2006 consolidated financial statements of the Capgemini group,
  - the underwriting agreement entered into with a number of banks including Lazard Frères Banque SA,
  - the registration of the two corporate officers on the list of beneficiaries of the collective pension scheme set up by the Company.

- Appropriation of profit for the year and setting of the amount of the potential dividend payout.

- Renewal of the term of office of Mr. Marcel Roulet, a non-voting director whose term of office expires on the date hereof.

- Authorization to be given to the Board of Directors to enable the Company to buy back its own shares within the limit of a number of shares equal to a maximum of 10% of its share capital .

(*) If, as is probable, the quorum is not met on first call, the Meeting will be called again on Thursday, April 26, 2007.

EXTRAORDINARY SHAREHOLDERS' MEETING

- Authorization to be given to the Board of Directors to cancel shares that would have been acquired by the Company pursuant to the above authorization.
- Authorization to be given to the Board of Directors to potentially allocate shares free of consideration (whether the shares are to be issued or are shares that have been previously bought back by the Company pursuant to the above authorization) to certain employees and corporate officers of the Company and its subsidiaries.
- Updating of the bylaws further to Decree no. 2006-1566 of December 11, 2006.

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Any requests for draft resolutions to be included on the agenda made by shareholders fulfilling the necessary legal requirements must be sent by registered letter with return receipt requested to the company's head office, or by email to assemblee@capgemini.com, within twenty (20) days of the date of publication of this notice.

Shareholders who plan to attend the meeting in person are invited to notify one of the banks mentioned below, in writing. In return, they will be sent an admittance card.

In order to attend the meeting in person or by proxy or to cast a postal vote, shareholders must submit evidence of ownership of their shares. Ownership of the shares is evidenced by an entry in the Company's share register, held by Caceis – CT, in the name of the shareholder (or of the intermediary acting on their behalf if they are domiciled outside France), or in the register of bearer shares held by the applicable authorized intermediary. Such entries must be recorded by 12:00 a.m. (Paris time) on the third working day preceding the Meeting.

In the case of bearer shares, the authorized intermediary must provide a certificate of participation for the shareholders concerned. This should be sent to the Company as an attachment to the postal or proxy voting form or the request for an admittance card in the name of the shareholder, or in the name of the intermediary acting on their behalf if they are domiciled outside France, in order that the entry in the relevant register may be recorded. A certificate will also be issued to any shareholder wishing to participate in the meeting in person, who has not received an admission card by 12:00 a.m. (Paris time) on the third working day preceding the meeting.

All shareholders are entitled to cast postal votes.
A combined postal voting/proxy voting form will be sent, along with the relevant attachments, to all holders of registered shares.
Holders of bearer shares wishing to vote by post or by proxy should request the applicable form and attachments from the Company's head office or from one of the banks mentioned below. Such requests should be made in writing and should reach the Company or bank at least six days prior to the date of the meeting.

Postal or proxy votes will only be taken into account if received at least three days before the meeting at the Company's head office or at Caceis Corporate Trust, Assemblées Générales Centralisées, 14 rue Rouget de Lisle, 92862 Issy-les-Moulineaux Cedex 09; or at least five days before the meeting at one of the following banks:

- Crédit Lyonnais
- Lazard Frères Banque
- BNP Paribas
- IXIS Investor Services
- CACEIS - CT
- Natixis Banques Populaires
- Société Générale

Holders of bearer shares should attach their certificate of participation to their returned forms.

Shareholders who have informed the Company that they wish to participate in the meeting in person, by proxy or by casting a postal vote may not alter their method of participation. However, attendance at the meeting by a shareholder in person will cancel any proxy or postal votes cast.
Shareholders may nevertheless subsequently sell any or all of their shares. In such a case:

- If the sale takes place before 12:00 a.m. (Paris time) on the third working day preceding the meeting, the company will invalidate or amend any related postal votes, proxy, admittance card or certificate of participation. In the case of bearer shares, the authorized intermediary account holder must inform the Company or its authorized representative of the sale, and pass on all necessary information.

- If the sale takes place after 12:00 a.m. (Paris time) on the third working day preceding the meeting, it does not have to brought to the Company's attention by the authorized intermediary or taken into consideration by the Company, notwithstanding any agreement to the contrary.

Any written questions that the shareholders may have must be sent by registered letter with return receipt requested to the attention of the Chairman of the Board of Directors at the Company's head office, or by email to assemblée@capgemini.com, at least four working days before the date of the meeting. Such questions should be accompanied by a certificate attesting that the shareholder's shares are registered either in the Company's share register held by Caceis CT, or in the register of bearer shares held by the applicable authorized intermediary.

In accordance with French law, all documents which must be disclosed at the General Meeting will be made available to the shareholders at the Company's head office within the legally applicable timeframe.

The preliminary notice of meeting was published in the *Bulletin des Annonces Légales Obligatoires* on February 23, 2007.

The Board of Directors

SUMMARY OF THE PROPOSED RESOLUTIONS PRESENTED BY THE BOARD OF DIRECTORS

RESOLUTIONS PRESENTED AT THE ORDINARY SHAREHOLDERS' MEETING

First, second, third, fourth and fifth resolutions: approval of the 2006 financial statements of the Company and the Group, deliberation upon the regulated agreements referred to in the Statutory Auditors' special report and appropriation of net income, as required by law.

Sixth resolution: renewal of Mr. Marcel Roulet's term of office as a non-voting Director.

Seventh resolution: authorization to buy back the Company's shares.

RESOLUTIONS PRESENTED AT THE EXTRAORDINARY SHAREHOLDERS' MEETING

Eighth resolution: authorization to cancel shares bought back by the Company.

Ninth resolution: authorization to the Board of Directors to potentially allocate shares free of consideration.

Tenth resolution: updating of the by-laws further to Decree n° 2006-1566 of December 11, 2006.

Eleventh resolution: powers to carry out formalities.

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PROPOSED RESOLUTIONS PRESENTED BY THE BOARD OF DIRECTORS TO THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING

I RESOLUTIONS PRESENTED AT THE ORDINARY SHAREHOLDERS' MEETING

FIRST RESOLUTION
Approval of the 2006 Company financial statements

After hearing the following:
- the management report presented by the Board of Directors,
- the general report of the Statutory Auditors on their audit of the Company financial statements,

the General Shareholders' Meeting approves the Company financial statements for the year ended December 31, 2006, which show profit for the year of €195 million, and gives discharge to the Board of Directors for its management of the Company's affairs during the year.

SECOND RESOLUTION
Approval of the 2006 consolidated financial statements

After hearing the following:
- the Group management report of the Board of Directors for 2006,
- the report presented by the Statutory Auditors,

the General Shareholders' Meeting approves the consolidated financial statements for the year ended December 31, 2006, which show profit for the year of €293 million.

THIRD RESOLUTION
Approval of a regulated agreement relating to the underwriting agreement entered into with parties including Lazard Frères Banque SA

After hearing the special report of the Statutory Auditors on agreements governed by article L.225-38 *et seq*. of the French Commercial Code (*Code de Commerce*), the General Shareholders' Meeting approves the agreement referred to in said report.

FOURTH RESOLUTION
Approval of a regulated agreement relating to the registration of the two corporate officers on the list of beneficiaries of the collective pension scheme set up by the Company

After hearing the special report of the Statutory Auditors on agreements governed by article L.225-38 *et seq*. of the French Commercial Code (*Code de Commerce*), the General Shareholders' Meeting approves the agreement referred to in said report.

FIFTH RESOLUTION

Appropriation of profit for the year and approval of dividend payout

The General Shareholders' Meeting approves the recommendations of the Board of Directors with regard to the appropriation of distributable profit for the year ended December 31, 2006 and accordingly decides to appropriate this distributable profit amounting to €194,560,397.44 as follows:

• to the legal reserve(to increase it to €115,265,446.40, i.e. 10% of the share capital at December 31, 2006), an amount of	€9,999,864.00
• as a dividend to be paid to shareholders, an amount of €0.70 per share, i.e.	€100,857,266.30
• and with the balance being allocated to retained earnings, i.e.	€83,703,267.14
Making a total of	€194,560,397.44

Shareholders are reminded that the dividend accordingly set at €0.70 for each of the 144,081,809 shares bearing dividend rights at January 1, 2006 is eligible for the 40% tax rebate referred to in sub-paragraph 2 of paragraph 3 of article 158 of the French General Tax Code for individuals subject to personal income tax in France. It will be paid as from Monday, April 30, 2007. If the Company holds any of its own shares at the time of this dividend payment, the amount corresponding to the dividend that would have been paid in respect of these shares will be allocated to retained earnings.

Pursuant to article 243 bis of the French General Tax Code, the General Shareholders' Meeting notes that a dividend of €0.50 per share (fully eligible for the 40% tax rebate) was paid for 2005 and that no dividends were paid for 2004 or 2003.

SIXTH RESOLUTION

Renewal of Marcel Roulet's term of office as a non-voting director

Based on the recommendation of the Board of Directors, the General Shareholders' Meeting renews for a two-year period the term of office of the non-voting director Marcel Roulet, whose current term of office expires at the close of this Meeting. Mr. Roulet's new term of office will expire at the close of the General Shareholders' Meeting to be called to approve the financial statements for the year ending December 31, 2008.

SEVENTH RESOLUTION

Authorization to be given to the Board of Directors to enable the Company to buy back its own shares within the limit of a number of shares equal to a maximum of 10% of its share capital

In accordance with articles L.225-209 *et seq.* of the French Commercial Code and European Commission Regulation no. 2273/2003 of December 22, 2003 which came into effect on October 13, 2004, and after hearing the report presented by the Board of Directors, the General Shareholders' Meeting grants the Board of Directors an authorization to enable the Company to buy back its own shares on the open market.

This authorization is given to allow the Company, if required (in descending order of priority):
- to enter into a share management process with an investment services provider within the scope of a liquidity agreement in accordance with the ethics charter recognized by the AMF;

- to remit the shares thus purchased to holders of securities convertible, redeemable, exchangeable or otherwise exercisable for Cap Gemini SA shares upon exercise of the rights attached thereto, in accordance with the applicable Stock Exchange regulations;
- to purchase shares to be retained with a view to remitting them in future in exchange or payment for potential external growth transactions;
- to award shares to employees and corporate officers (on the terms and by the methods provided for by law), in particular in connection with stock option plans, plans involving the allocation of shares free of consideration, or company savings plans;
- to cancel the shares thus purchased subject to adoption of the eighth resolution of the Extraordinary Shareholders' Meeting included in the agenda of this Shareholders' Meeting.

The transactions described above may be carried out by any method allowed under the applicable laws and regulations, including through the use of derivative instruments and by means of a block purchase or transfer of shares.

The share buybacks may be carried out at any time, except during the suspension periods specified in the General Regulations of the *Autorité des marchés financiers*.

The General Shareholders' Meeting resolves that the maximum purchase price for shares under the buyback program may not exceed €70 per share and that, in accordance with article L 225-209 of the French Commercial Code, the maximum number of shares that may be acquired under this resolution may not exceed 10% of the Company's issued capital as of December 31, 2006, corresponding to 14,408,180 shares. The total funds invested in the share buybacks may therefore not exceed €1,008,572,600 (€70 x 14,408,180 shares).

In the case of a capital increase paid up by capitalizing additional paid-in capital, reserves, profit or other amounts by allocating shares free of consideration during the period of validity of this authorization, as well as in the case of a stock-split or reverse stock-split, the above maximum price per share will be adjusted based on the ratio between the number of shares issued and outstanding before and after the transaction.

The General Shareholders' Meeting gives full powers to the Board of Directors (including the power of delegation subject to the applicable law) to:
- implement this authorization;
- place any and all buy and sell orders and enter into any and all agreements, in particular for the keeping of registers of share purchases and sales, in accordance with the applicable Stock Exchange regulations;
- carry out any and all filings and other formalities and generally do whatever is necessary.

The Board of Directors will be required to report to the shareholders at each Annual General Meeting on all of the transactions carried out during the year under this authorization.

This authorization is given for a period of 18 months as from the date of this Shareholders' Meeting, and replaces the authorization given in the twentieth resolution adopted by the Ordinary Shareholders' Meeting of May 11, 2006.

II RESOLUTIONS PRESENTED AT THE EXTRAORDINARY SHAREHOLDERS' MEETING

EIGHTH RESOLUTION

Authorization to be given to the Board of Directors to cancel shares acquired by the Company pursuant to the seventh resolution

After hearing the report of the Board of Directors and the special report of the Statutory Auditors, the General Shareholders' Meeting authorizes the Board of Directors, with the possibility of delegating such powers, to:

- cancel – in accordance with article L.225-209 of the French Commercial Code – on one or several occasions at its sole discretion, all or some of the Capgemini shares held by the Company, provided that the aggregate number of shares cancelled in any given period of twenty-four months does not exceed 10% of the Company's capital; and to reduce the capital accordingly;

- charge the difference between the purchase price of the cancelled shares and their par value to additional paid-in capital or any distributable reserves.

The General Shareholders' Meeting gives full powers to the Board of Directors to use the authorization given in this resolution, to amend the bylaws to reflect the new capital and to carry out all necessary formalities. These powers may also be delegated.

This authorization is granted for a period of 24 months as from the date of this Shareholders' Meeting and replaces the authorization given in the twenty-first resolution adopted by the Extraordinary Shareholders' Meeting of May 11, 2006.

NINTH RESOLUTION

Authorization to be given to the Board of Directors to potentially allocate shares free of consideration (whether the shares are to be issued or are shares that have been previously bought back by the Company)

In accordance with articles L. 225-197-1 *et seq.* of the French Commercial Code, and after hearing the report of the Board of Directors and the Statutory Auditors' special report, the General Shareholders' Meeting:

- authorizes the Board of Directors, on one or several occasions, to allocate, free of consideration, existing shares or shares to be issued, to employees or corporate officers of the Company and/or companies or economic interest groups that are related to it under the conditions set out in article L 225-197-2 of the French Commercial Code, or to certain categories of such employees or corporate officers;

- resolves that, without prejudice to the effect of the adjustments mentioned below, the total number of shares allocated without consideration may not exceed 0.5% of the Company's share capital (i.e. 720,000 shares);

- resolves that the allocation of the shares to their beneficiaries shall only be definitive at the end of a minimum vesting period of 2 years as from the allocation of such shares by the Board of Directors. However, the shares may be definitively allocated in the event of death or incapacity of a beneficiary, corresponding to Category 2 or 3 disability as defined in article L. 341-1 of the French Social Security Code;

- sets the minimum period for retention of the shares by their beneficiaries at 2 years as from their definitive allocation. However, no minimum retention period is required in the event of death or incapacity of a beneficiary, corresponding to the above-mentioned categories under the French Social Security Code;

- notes that, as an exception to the above minimum retention period, for shares allocated to corporate officers who fall within the scope of article L.225-197-1, II paragraph 4 of the French Commercial Code, the Board of Directors may decide that the shares may not be transferred by the beneficiaries before the termination of their duties, or may set the quantity of shares that said officers will be required to hold in registered form until the termination of their duties;

- notes that if the allocation concerns shares to be issued, this authorization will automatically entail the waiver of shareholders' pre-emptive rights to purchase such shares;

- gives powers to the Board of Directors to implement this authorization, and in particular:
  - to define the terms and conditions for the issue(s) and, in such an event, the criteria for allocating the shares and defining the beneficiaries thereof;
  - to decide, in the event that transactions are carried out during the vesting period that affect the Company's issued capital, whether or not to adjust the number of the shares allocated in order to protect the rights of the beneficiaries and, if appropriate, define the terms and conditions of such adjustment;
  - to draw any amount from the reserves and/or additional paid-in capital of the Company in order to carry out the capital increase or increases following the definitive allocations of shares to be issued, to set the entitlement dates applicable to the new shares, and to amend the by-laws accordingly;
  - to carry out all formalities and, more generally, to do whatever is necessary.

This authorization is given for a period of 38 months as from the date of this General Shareholders' Meeting.

TENTH RESOLUTION

Updating of the bylaws further to Decree no. 2006-1566 of December 11, 2006

The General Shareholders' Meeting resolves to amend the third, fourth, fifth and sixth paragraphs of article 19 of the Company's bylaws (relating to Annual General Meetings) to read as follows:

"General Shareholders' Meetings shall be called by the Board of Directors.
They shall be held either at the Company's registered office or at any other premises in the same "département" or an adjoining "département", as specified in the notice of meeting.

The voting right attached to shares is proportionate to the capital represented by the shares. All shares have the same par value and they therefore all carry one voting right.

Shareholders may participate in General Meetings in person, by proxy or by casting a postal vote, subject to submitting evidence of their identity and ownership of the shares. Ownership of the shares is evidenced by an entry in the Company's share register in the name of the shareholder (or of the intermediary acting on their behalf if they are domiciled outside France), or in the register of bearer shares held by the applicable authorized intermediary. Such entries must be recorded by 12:00 a.m. (Paris time) on the third working day preceding the Meeting and any related notices must be filed at the address indicated in the notice of meeting.
In the case of bearer shares, the authorized intermediary shall provide a certificate of participation for the shareholders concerned.

Shareholders who have informed the Company that they wish to participate in a Meeting in person, by proxy or by casting a postal vote may not alter their method of participation. However, attendance at a Meeting by a shareholder in person shall cancel any proxy or postal votes cast.

To be taken into account, postal votes or proxy forms must be received by the Company at least three days prior to the date of the Meeting.

Where a shareholder has given proxy to a third party and has also sent in a postal voting form, if there is any difference in the two votes, the postal vote will be taken into account and the proxy ignored.

General Shareholders' Meetings shall be chaired by the Chairman of the Board of Directors or in his absence, by a director specially authorized for this purpose by the Board of Directors. If such a director has not been appointed to chair the meeting, the General Shareholders' Meeting itself shall appoint a chairman.

Minutes of General Shareholders' Meetings shall be drafted and copies certified and distributed in accordance with the law."

ELEVENTH RESOLUTION

Powers to carry out formalities

The General Shareholders' Meeting authorizes the bearer of a copy or extract of the minutes of this Meeting to execute all filing, publication and other formalities required under French law.

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2006 BUSINESS REVIEW

• General comments

Demand for consulting and IT services strengthened significantly in 2006 following last year's modest performance. After several years during which their main (and sometimes only) aim was to scale back IT expenditure, in 2006 our clients not only sought to upgrade their IT systems, but also expressed a genuine interest in the competitive advantages offered by new technologies – especially Service Oriented Architecture. This groundswell was apparent in all of the countries in which the Group has operations, and particularly in those activities with a higher degree of sensitivity to economic cycles and/or technological innovation, such as Consulting and Technology Services, as well as the Local Professional Services business.

1. Operations by region

Against this positive backdrop, Capgemini Group's growth outperformed the market thanks to a strong presence in Consulting, Technology and Local Professional Services, coupled with a number of major contract wins in the Outsourcing Services segment which continued to spearhead growth. The year-on-year growth in revenues for 2006 is 10.7% on a published basis and 12.1% like-for-like (factoring out the effect of currency fluctuations and changes in scope). Underlying growth in the second-half jumped 13.7% compared to the prior-year period.

The geographical breakdown of this performance shows underlying growth of 23.7%, or 22.3% based on published figures, with the appreciation in sterling offsetting the impact of the sale of a portion of the Group’s interest in Working Links. In 2006 the **United Kingdom & Ireland** area bolstered its position as the Group's top-performing region in terms of revenue – which pushed past the €2 billion mark – and accounted for 27.6% of the Group total. This primarily reflects a sharp increase in the contribution of the Outsourcing Services activity due to the startup of several major contracts (including the contract with the London Metropolitan Police), as well as higher volumes on the contract signed at the end of 2004 with the United Kingdom tax authority, Her Majesty's Revenue and Customs (HMRC). This contract was extended in second-quarter 2006 to cover Customs & Excise following its incorporation into HMRC, and a number of add-on application developments were also done for this client during the year. Consulting and Technology Services businesses also contributed to the Group's robust performance in this region, delivering growth in excess of 8% despite allocating considerable resources to assist Outsourcing Services in developing applications for HMRC. In accordance with Group policy, the corresponding revenues were recorded by the Outsourcing Services segment.
Lastly, Sogeti deepened its European footprint by expanding its business into the United Kingdom & Ireland, although this had no material impact in 2006.

France's contribution to consolidated revenues remains practically unchanged at 23.6%, with overall growth of 9.1% resulting from contrasting developments. Consulting and Technology Services, which account for almost one-half of the Group's activity in France, posted double-digit growth. The greater Paris region reported a particularly vigorous performance, on the back of an increase in headcount and improved utilization rates. Local Professional Services also contributed to the region's overall growth, even though the focus on profitability meant that certain commitments taken on in prior years were not renewed. Finally, Outsourcing Services revenues expanded by a modest 6%, with the sharp increase in services delivered under the Schneider Electric contract partially offset by the termination of certain contracts and the disposal of a portion of the maintenance business.

North America, which in 2006 accounts for 17.4% of total Group revenues, posted like-for-like growth of 3.8%. Based on published figures, the Group's North American activity contracted by 0.9% due to the combined effect of the sale of the Healthcare business in July 2005 and the slight depreciation of the US dollar. Outsourcing Services in this region reported moderate growth, with

expanded business under the TXU contract and the ramp-up of new contracts (including with General Motors) dampened by the termination of two Outsourcing contracts related to the Healthcare business sold in 2005.
Sogeti posted double-digit growth thanks mainly to a sharp rise in headcount that helped scale back the businesses' sub-contracting costs.
The region's biggest success story in 2006 was the recovery of the Consulting and Technology Services business, where better staff utilization rates and increased use of the Group's India-based assets outweighed the impact of employee cutbacks. In the Technology Services business, the Group's Indian employees dedicated to North American operations now represent more than one-half of the headcount physically present in this region.

Benelux delivered a 9.4% year-on-year rise in revenues in 2006 and represents 13.6% of the total Group figure. Growth was mainly driven by the Netherlands, in particular the Technology Services segment, which increased both headcount and sales prices amid a favorable trading environment. Sogeti also contributed strongly to growth in the region by posting a remarkable 20% surge in revenues. In contrast, the termination of a major contract led to a significant fall in Outsourcing revenues.

Revenues in the **Central Europe** region (Germany, Switzerland, Austria and the Eastern European countries) surged 16% on the previous year (14.2% based on published figures, which include the impact of the acquisitions of Ad-hoc Management in Switzerland and FuE in Germany). The region accounts for 6.7% of Group revenues in 2006. Growth was particularly buoyant in the Technology Services segment in Germany – as a result of both increased headcount and sales prices – as well as among the Eastern European countries. As the Group’s policy is to recognize revenues for the region ordering the services, the strong growth momentum reported by the Business Process Outsourcing activity – for which Poland is the main production platform – is not reflected in the geographical breakdown.

Revenues in the **Nordic** region advanced 6.2% and now account for 5.7% of the Group total. This performance was spurred by sharp growth in Finland and Denmark despite stagnating Consulting and Technology Services demand in Sweden and Norway. Sogeti scored strong growth gains in Sweden, however, buoyed by favorable conditions that allowed the Group to improve staff utilization rates and increase headcount.

Southern Europe (Italy, Spain, Portugal) accounts for just 4.4% of consolidated revenues in 2006. The region delivered a 9.4% increase in revenues thanks to sustained business in Spain and Portugal, offset in part by a fall-off in Italian business.

The **Asia-Pacific** region posted 6.1% growth for the year. After adjusting for the currency effect and the disposal of the Japanese Consulting Services business in 2005, regional growth comes in at 20.6% – due in particular to a strong showing by Australian operations. China, on the other hand, overcame a tough start to the year to recover strongly in the second half. Lastly, although it did not have an impact on revenues for the region (which are recorded by the ordering region), the Group's production staff numbers in India continued on an upward trend, surging from 3,550 to 6,979 at end-2006 (including 719 transfers as a result of the acquisition of Indigo from the Unilever group).

2. Operations by business segment

Outsourcing Services was once again the Group's main growth driver in 2006, delivering a 16.1% increase in revenues on a like-for-like basis. The impact of the ramp-up of major contracts concluded in recent years (Schneider Electric in France, HMRC and the London Metropolitan Police in the United Kingdom, and General Motors in the United States) more than compensated for the decision to terminate a number of contracts, notably in France and in the Netherlands. The Group's other activities’ growth was not as strong (8.8% for Consulting Services, 9.5% for Technology Services and 10.4% for Local Professional Services), but each captured additional market share. The specific skill sets of the Consulting and Technology Services businesses are frequently leveraged for major Outsourcing Services contracts. Accordingly, once the revenues earned on the Group’s three largest Outsourcing contracts are broken down into the specific type of work carried out, revenue growth for Outsourcing Services proper slips to 12.6% from 16.1%, while growth in revenues for other segments is no longer single-digit but close to 12%. On this basis, all four Group disciplines delivered double-digit growth in 2006.

3. Headcount

At December 31, 2006, Group headcount had risen 11.2% year-on-year, to 67,889 from 61,036 at end-2005. This 6,853 increase in numbers reflects:

* 20,087 additions consisting of:
    - 18,592 new hires;
    - 1,495 transfers in connection with Group acquisitions or Outsourcing Services contracts signed with certain clients.
* and 13,234 departures (just over 20% of the average headcount for the year), breaking down as:
    - 10,650 resignations (16.5% of the average headcount);
    - 856 transfers outside the Group further to the sale of certain business operations;
    - 1,728 layoffs.

Among the 18,592 new hires in 2006:

. 5,238 employees were recruited by the Group's three offshore platforms: India (3,897), China and Poland.

. 4,282 employees were recruited by Sogeti for its Local Professional Services activity where the nature of the work often requires local hires. However, headcount in Consulting and Technology Services and the onshore segment of Outsourcing Services grew by just 3.0%, which is a clear reflection of the deep-seated changes our businesses are undergoing.

4. Order book

In 2006, the Group took €8,198 million in orders, up more than 20% on the prior-year figure (€6,831 million). New orders for the Outsourcing Services activity alone accounted for €3,164 million (38.6% of the total), boosted by the extension to the 2003 Inland Revenue contract following the Inland Revenue’s merger with Customs & Excise to form Her Majesty's Revenue and Customs (HMRC). Another major contract was entered into with General Motors, which has retained Capgemini as a strategic partner in the comprehensive overhaul of its IT system. There were also a couple of notable successes for the Business Process Outsourcing activity, including contracts signed with Zurich Financial Services, Tetra Pak and SKF.
Excluding Outsourcing Services, new orders climbed more than 10% year on year, to €5,034 million.

5. Profitability

Operating margin grew sharply in 2006 for the second consecutive year. Operating margin is calculated by deducting operating expenses – comprising the cost of services rendered (expenses incurred during project delivery), selling expenses and general and administrative expenses – from revenues. Operating margin for 2006 was almost double the year-earlier figure (€447 million versus €225 million) and now represents 5.8% of revenues.

The breakdown by geographic area shows that this performance was driven by North America, which posted a €72 million operating profit for 2006 versus a €26 million operating loss in 2005. The upturn in profitability in the North America region is first and foremost the reward for aggressive efforts to revive the Consulting and Technology Services businesses which, having incurred heavy losses in 2005, ended 2006 with an operating margin of above 6%. Outsourcing Services also made a major contribution to this performance, recovering from the negative impact of major outlays required to ramp up the TXU contract in 2005 to deliver a positive operating margin in 2006.

The United Kingdom & Ireland region reported an operating margin of 7.7% for the year, and its contribution to the overall improvement in Group operating margin is comparable to that of North America in absolute terms. While Outsourcing Services had the biggest impact in value terms, chiefly as a result of the extensive added-value services provided under the HMRC contract, the

Consulting and Technology Services businesses registered the most significant improvement in their margins. Overall, the United Kingdom & Ireland region generated more than one-third of the Group's overall operating margin.
Profitability in France, however, narrowed significantly: year-on-year improvements in operating margin recorded by the Consulting, Technology and Local Professional Services activities were more than offset by a slump in the operating margin of the Outsourcing Services business. Delays in completing the Global Core Systems project for Schneider Electric, coupled with under-estimations of the complexity and ongoing management costs associated with that company's IT infrastructures, severely dented the performance of this business.

An analysis of operating margin by business shows that each segment contributed to the Group's overall improvement in margins. The jump of more than five percentage points in the operating margin of Consulting Services reflects an increase in headcount and an attendant shift in the age pyramid following the extensive recruitment of young consultants. The Netherlands and the United States turned in the best performance, delivering improved contribution rates on the back of lower selling, general and administrative expenses.
The Technology Services activity saw a jump of more than two percentage points in its operating margin to 7.5%, thanks in particular to improved staff utilization rates and fewer project overruns, as well as a tight rein on selling, general and administrative expenses, which remained steady year on year.
The Local Professional Services segment scored further profitability gains, lifting its already-robust 9.1% profitability showing in 2005 to 9.8% in 2006. This performance reflects a sharp increase in average sales prices, as well as a slight fallback in staff utilization rates as a consequence of the recruitment drive.
Finally, the Outsourcing Services activity added three percentage points to its operating margin, outperforming its end-2005 Margin Acceleration Program (MAP) targets while absorbing the extra costs incurred on the Schneider Electric contract.

6. Significant events

On February 8, 2007, Kanbay's Annual Shareholders' Meeting voted 99% in favor of the company's acquisition by Capgemini in accordance with the terms and conditions as announced on October 26, 2006. The total cost of the acquisition amounted to USD 1.25 billion and was settled in cash. Established in 1989, this Chicago-based company has a worldwide headcount of around 6,900 and supplies a range of highly integrated services focused on the financial services, consumer products and telecommunications sectors. Fitting seamlessly into the Group's investment strategy, this acquisition:

- significantly deepens the Group's footprint in India, from 6,000 to 12,000 employees,
- expands the Group's range of services in North America,
- propels the Group into a leading position in the financial services sector.

This acquisition laid the foundations for the Group's latest development plan aimed at accelerating the improvement in profitability, increasing resistance to downturns and outperforming market growth. This plan has been baptized I^3 (I Cubed) – referring to its three key levers : industrialization, innovation and intimacy.

● Comments on Capgemini Group's consolidated financial statements

Highlights of Capgemini **consolidated** financials are:

➢ **Consolidated revenue** amounted to €7,700 million for the year ended December 31, 2006, a rise of 10.7% based on published figures and 12.1% like-for-like.

➢ **Operating expenses** advanced 7.8% to €7,253 million, compared to €6,729 million in 2005.

An analysis of **costs by type** reveals:

- personnel costs amounting to €4,676 million, up by €192 million or 4.3% – representing a lower rate of increase than recorded for revenues (see above) and average headcount (7.2%). This was attributable to the fact that the bulk of the year's hires (i) were recruited in India, where salaries are lower, and (ii) targeted young – and therefore less expensive – consultants.
  Personnel costs represent 60.7% of consolidated revenues in 2006 compared to 64.5% in 2005, despite a higher proportion of variable compensation paid.
  In 2006, travel expenses increased in line with revenues and represent 4.4% of the consolidated figure.
- a 14.4% rise in purchases and sub-contracting expenses to €2,068 million, which now represent 26.9% of revenues compared to 26% in 2005. This stems partly from the occasional need to use sub-contractors to meet customer demand, and also from certain major Outsourcing Services contracts for which the Group calls on partners to ensure a more comprehensive and efficient range of services.
- a notable 11.7% increase in rent and local tax expenditure to €268 million in 2006, fueled in part by the return of French "taxe professionnelle" to normal levels.

The **analytical breakdown** of expenses confirms that – as in 2005 – the improvement in operating margin is linked primarily to the tight rein on selling, general and administrative expenses. In 2006, these costs represent just 17.3% of revenues, compared to 19.5% in 2005. This trend is even more striking in absolute terms, for while revenues pushed forward by 10.7%, selling, general and administrative costs actually dipped marginally. The cost of services rendered – corresponding to the costs incurred during the execution by the Group of client projects – improved slightly to end the year at 76.9% of revenues compared with 77.3% in 2005. However, the extra cost involved in bringing in external service providers to assist with new Outsourcing Services business – notably on the HMRC contract – dented the progress achieved in scaling back the costs incurred by the Group itself.

- **Operating margin** yielded a €447 million profit, compared with a €225 million profit in 2005, which represents 5.8% of revenues versus 3.2% in 2005.

  Operating margin advanced in all geographic areas except France, where profitability gains reported by the Consulting Services and Technology Services businesses failed to counter the impact of difficulties on the Schneider Electric contract.

- **Net other operating expense** came in at €113 million in 2006, compared with €11 million in 2005. The change in this item reflects the absence of significant gains on the sale of consolidated companies and businesses, which in 2005 amounted to €166 million, and the €70 million reduction in restructuring costs from €164 million in 2005 to €94 million in 2006.
  In 2006, the bulk of these restructuring costs were incurred within the scope of the Margin Acceleration Program (MAP) aimed at streamlining the Group's Outsourcing activities, breaking down as (i) €67 million in costs directly related to workforce reduction measures, mainly in Europe; (ii) €16 million relating to measures undertaken to streamline the Group's real estate assets, chiefly in the United Kingdom; and (iii) €11 million in industrialization costs and migration costs in connection with the offshoring of Group activities.

- **Operating profit** came in at €334 million in 2006, versus €214 million the previous year.

- **Net finance costs** for 2006 amounted to €28 million compared with €38 million in 2005. This improvement is essentially attributable to a €14 million decline in gross finance costs, with the €24 million increase in income from investment of cash and cash equivalents comfortably offsetting the €10 million rise in interest expense incurred chiefly on the OCEANE convertible/exchangeable bond issue of June 16, 2005 (OCEANE 2005).

Around one-third of the increase in income from investment of cash and cash equivalents stems from the reinvestment of the proceeds from the OCEANE 2005 bond issue, with the balance attributable to the compound effect of a rise in net cash from operating activities and higher interest rates.

Net other financial expense increased by €4 million, mainly as a result of the change in the marked to market value of the OCEANE 2003 bond issue interest rate swap. This generated €5 million in financial expense in 2006, compared to financial income of €1 million in 2005.

- **Income tax expense** was only €13 million in 2006, broken down as follows:
  - €49 million in current income taxes.
  - €36 million in net deferred tax income, the €94 million income resulting from the recognition of deferred tax assets in various countries, including France for €40 million, having been partially offset by the utilization of tax loss carry-forwards previously recognized in assets (€58 million including €43 million in France).

- **Attributable profit for the year** came in at €293 million in 2006, versus €141 million in 2005. In 2006, basic earnings per share are €2.21 compared to €1.07 a year earlier. Diluted earnings per share, determined on the basis of the average weighted number of ordinary shares outstanding in the year, came in at €2.07 for a total of 147,241,326 shares, versus €1.06 in 2005 for a total of 138,472,266 shares.

- **Net consolidated cash and cash equivalents** totaled €1,632 million in 2006, compared with €904 million in 2005.

Outlook for 2007

The Capgemini Group has set the following objectives for 2007:

- to successfully integrate the Kanbay teams;
- to strengthen sector expertise, with an emphasis on the development of the Consulting business;
- to continue the improvement in Outsourcing profitability, notably by developing the Business Process Outsourcing activity;
- to invest in innovation, industrialization and client relations (through its i^3 program).

Having built a budget around a framework of hypotheses combining sustained growth in demand, and taking into account the Kanbay integration, the Group should post revenue growth of 8% in 2007 (at constant rates and perimeter), and continue the improvement of its operating margin.

Comments on the Cap Gemini S.A. financial statements

Salient figures are:

- The Company's **operating revenue** for the year ended December 31, 2006 amounted to €183 million (including €182 million in royalties received from subsidiaries) compared with €162 million for 2005 (including €161 million in royalties). This increase was attributable to the growth in Group revenues.

- **Operating income** came in at €148 million compared to the year-earlier figure of €133 million. The improved performance stems chiefly from higher royalties, offset in part by a €6 million rise in operating expenses that was mainly attributable to advertising.

- **Net interest income** amounted to €21 million, compared to €28 million in the previous year, reflecting:

    - €193 million in income corresponding mainly to dividends received from subsidiaries (€23 million), interest income on cash and cash equivalents (€41 million), and releases of provisions on investments in subsidiaries in the United Kingdom, Spain, Germany and Italy (€100 million).

    - €172 million in expenses corresponding chiefly to a total of €123 million of provisions on investments in certain subsidiaries (in Germany, Italy, Poland, Ireland, France and Asia-Pacific) and to interest expense on the OCEANE 2003 and 2005 bonds.

- **Net other income** came to €3 million (against net other expense of €9 million in 2005), mainly attributable to net proceeds on the sale of treasury shares acquired within the scope of the liquidity contract and treasury shares returned to Cap Gemini S.A. under the terms of the agreements entered into with Ernst & Young at the time of the acquisition of its consulting business.

- After accounting for a tax benefit of €23 million, **the Company posted a profit** of €195 million in 2006, compared with a €173 million profit in 2005.

At the Annual Shareholders' Meeting of May 11, 2006, the Board of Directors recommended, as a sign of Cap Gemini's return to profitability and the Board's confidence in the future of the Group, a departure from the traditional practice of distributing to shareholders one-third of consolidated profit for the year and to distribute instead one-half. Following the approval of the shareholders, the Company paid a €0.50 dividend on each of the 131,581,978 shares making up the share capital at December 31, 2005.

This year, the Board of Directors recommends a return to the policy of distributing one-third of consolidated profit for the year, despite the sharp 9.5% year-on-year rise in the number of shares resulting primarily from the issue of shares in connection with the December 2006 cash capital increase (11,397,310 shares). Based on consolidated profit of €293 million in 2006, this recommendation – if accepted – would result in the payment of a **€0.70 dividend** on each of the 144,081,809 shares carrying dividend rights at January 1, 2006, representing a total amount of €100,857,266.30 or 34% of consolidated profit.
As profit distributable by the parent company amounts to €194,560,397.44, the balance would be allocated to:

- the legal reserve in the amount of €9,999,864.00, bringing the total legal reserve to €115,265,446.40 and thereby entirely funded;
- retained earnings for the remaining amount (€83,703,267.14).

The Board of Directors recommends setting the first date for payment of the dividend at Monday April 30, 2007. This dividend will be eligible for the 40% tax rebate referred to in sub-paragraph 2, paragraph 3 of article 158 of the French Tax Code for individuals subject to personal income tax in France.

Pursuant to article 243 *bis* of the French Tax Code, the Shareholders' Meeting is also reminded that a € 0.50 dividend per share was distributed for the 2005 financial year (fully eligible for the 40% tax rebate), but that no dividend was distributed for 2004 and 2003.

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FIVE-YEAR FINANCIAL SUMMARY

(in thousand of euros)	2002	2003	2004	2005	2006
I-SHARE CAPITAL AT YEAR-END					
Share capital	1 003 833	1 049 323	1 051 065	1 052 656	1 152 654
Number of common shares outstanding	125 479 105	131 165 349	131 383 178	131 581 978	144 081 808
Maximum number of future shares to be created :					
- through exercise of equity warrants	10 951 340	10 004 465	12 289 150	13 101 800	10 518 710
- through conversion fo convertible bonds	-	9 019 607	9 019 607	20 830 417	(1) 20 830 416
- through warrants related to Transiciel acquisition	-	503 602	508 600	315 790	(2) -
II-OPERATIONS AND RESULTS OF THE CURRENT YEAR					
Operating revenue	161 566	135 966	129 798	162 321	183 111
Operating revenue and financial revenue	248 051	174 595	875 502	547 112	375 552
Income before taxes, amortization and provisions	(1 522 824)	107 909	(491 441)	394 551	202 467
Income tax	(91 990)	(4 554)	(42 758)	(21 501)	23 104
Net income / (losses)	(4 135 355)	(41 682)	(948 715)	173 440	194 560
Distributed income	0	0	0	65 790	(3) 100 857
III-EARNINGS PER SHARE (in euros)					
Earnings after taxes,					
but before amortization and provisions	(11,40)	0,86	(3,42)	3,16	1,24
Net earnings	(32,96)	(0,32)	(7,22)	1,32	1,35
Dividend per share, net	0	0	0	0,50	(3) 0,70
IV-EMPLOYEE DATA					
Average number of employee during the year	-	-	-	-	-
Total payroll	-	-	-	-	-
Total benefits	-	-	-	-	-

(1) Cap Gemini SA decided to neutralize in full the potential dilutive impact of the OCEANE bonds issued on June 24, 2003 and due January 1, 2010, through the acquisition from Société Générale in June 2005 of a call option on a number of shares equal to the underlying number of shares of this OCEANE, and with an exercise price and maturity matching those of the OCEANE.

(2) 312 127 Cap Gemini shares have been created in august 2006 following the exercice of the warrants issued in the context of the Transiciel acquisition

(3) Subject to approval by the Extraordinary Shareholders' Meeting of April 26, 2007 (April 10, 2007 on first call).