

CM-CIC – La Bourse rencontre l'informatique

Gilles Taldu, CEO Outsourcing Europe

Paris le 9 décembre 2008





Outsourcing within Capgemini

- Historical presence notably in the U.K. through Hoskyns (acquired in 1990) but limited in size
- **Decision to develop this recurrent business post Y2K crisis**
- Need to sign mega deals in order to get critical mass and analyst recognition (Aspire/Schneider/TXU/GM): size acquired but mixed experiences profit wise
- **A €B+ business, representing 1/3 of Group revenues**
- Low to mid-single digit growth as the strong sales momentum more than compensates the decrease of the mega-deals
- Strong footprint in the UK (former Hoskyns/Aspire) ; utilities (Canada) ; public sector.
- **Successful profitability plan (MAP):** Operating Margin from 0% in H1 05 to 4.7% in H1 08

Clients' attention turning to outsourcing – significant increase of opportunities



Outsourcing Europe Business Unit

- **€1.2B in revenues – 9,000 FTEs (incl. offshore)**
- **50 % UK**
- **4 major deals signed in 2007 (Learning and Skill Council, Shire, Rijkswaterstaadt, Maxeda)**
- **Double digit growth in 2007/2008**
- **2,000 more FTEs in offshore in 2007/2008**
- **Strong public sector (UK/BE)**
- **Massive profitability swing: €100m + from 2006 to 2008(e)**

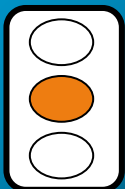
- **UK: the pillar**
- **The Netherlands: the rising star**
- **Schneider: recovered**
- **France and Germany: work in progress**
– early sign of market take-off -
offshore readiness a key advantage

2009: continue transformation & leverage robust pipeline



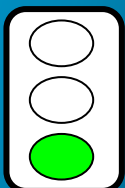
A strong Q3 despite some warning signs

Local Slowdowns



- **Deceleration in Spain**
- **Decline in TS Denmark**
- **Alerts in some CS practices: Germany, Nordic countries, the Netherlands and the Telecom-Media sector**

Key Markets Dynamism

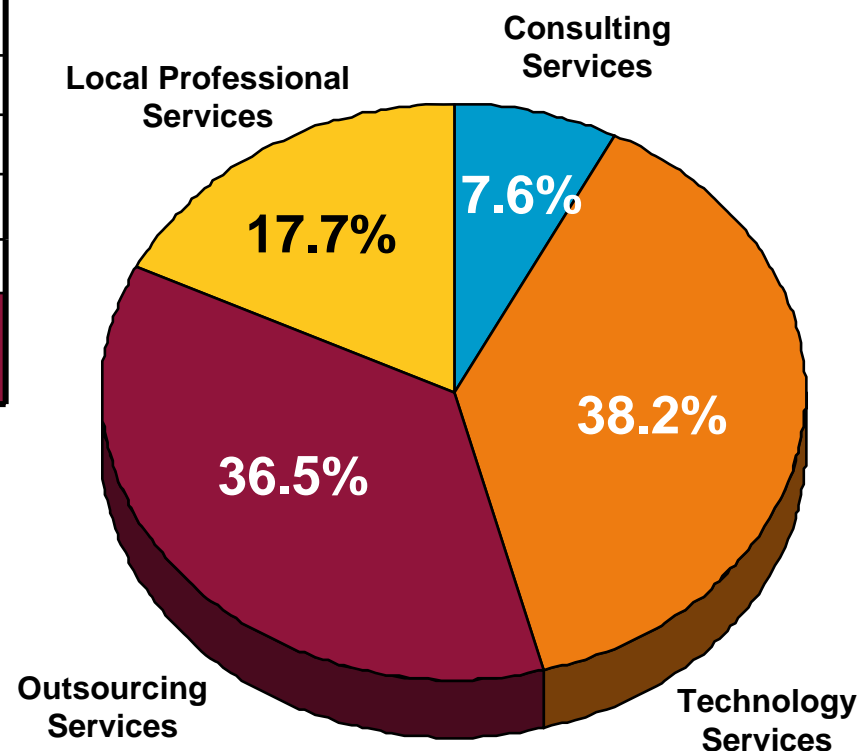


- **Sustained growth in Europe, same level as Q2 YoY**
 - **Strong momentum in Italy with double digit growth**
 - **Sustained growth in France**
- **A 1.1% growth in North America despite the economic context**
- **Growth in the Financial sector**
 - **Offshore needs in Continental Europe, new projects with BPM and risks management components, continuity of major projects**
- **Bookings growth of 6.6% on Projects and Consulting activities**
- **Promising funnel in OS with growing number of opportunities and higher BPO demand**



Q3 revenue growth by discipline

	Year-on-year Q3 08 / Q3 07
Consulting Services	1.6%
Technology Services	3.0%
Local Professional Services	10.0%
CS / TS / LPS	4.7%
Outsourcing Services	8.6%
TOTAL GROUP	6.1%

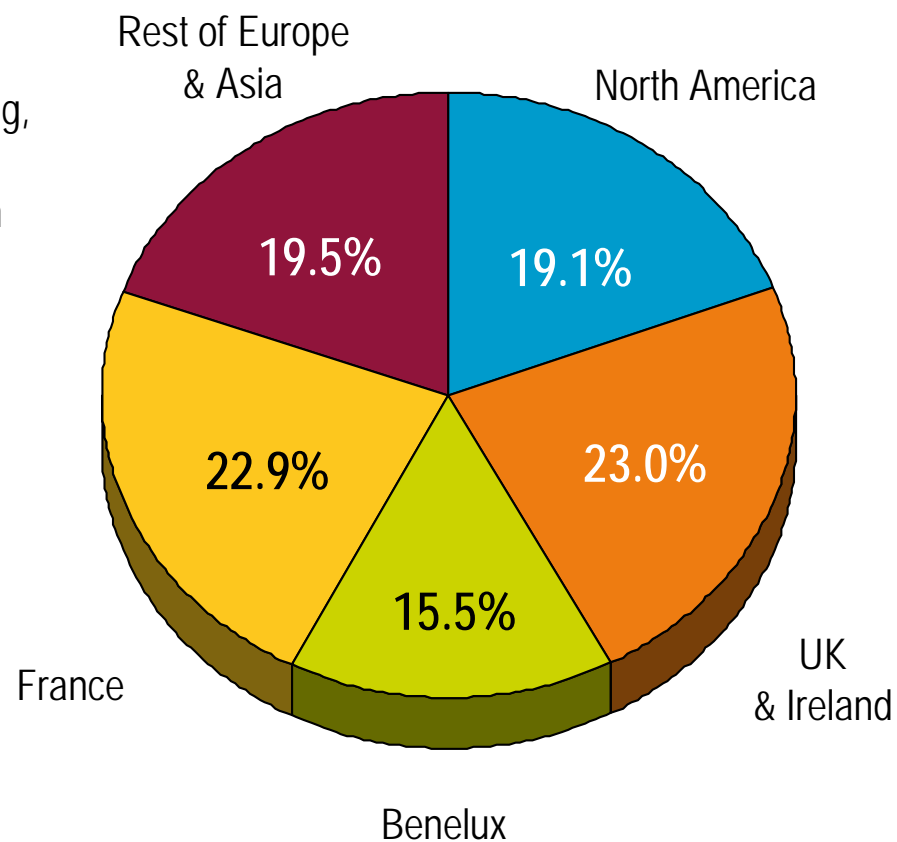
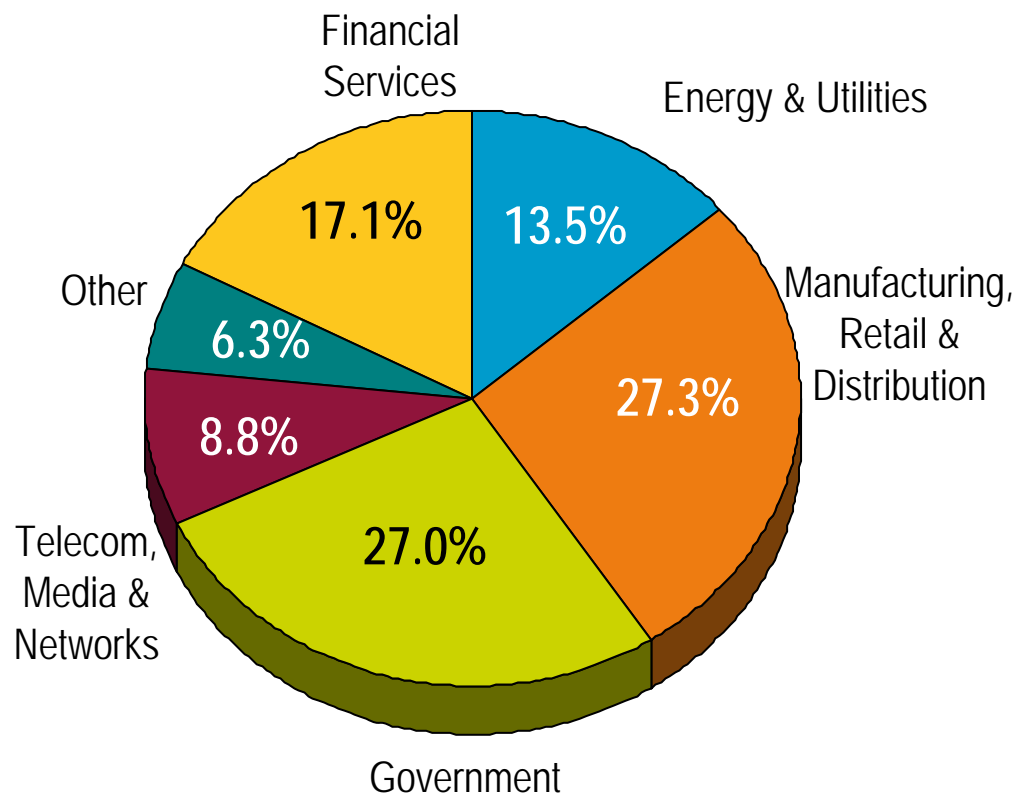


Q3 2008

At constant rates and perimeter



Q3 2008 revenues by sector & main geographies





Accelerating our transformation

Short term i³ Local Plans

Covering all i³ components

- **Intimacy:** account management and go-to-market plans
- **Industrialization:** pyramid targets with offshore and onshore structures
- **Innovation:** Google Apps partnership, Cloud Computing agreement with Amazon Web Services, etc...

Zoom on Spain

- Reshaping pyramids with significant onshore transformation
- Standardizing all delivery methods
- Contracts renegotiation to extend offshored work
- Account executives training in offshore selling

Zoom on Sweden

- Onshore transformation with no/very limited recruitments
- Increased strategic accounts (in size and number) with joint account plans
- Sales force training and improved sales processes



Costs Contention Policy

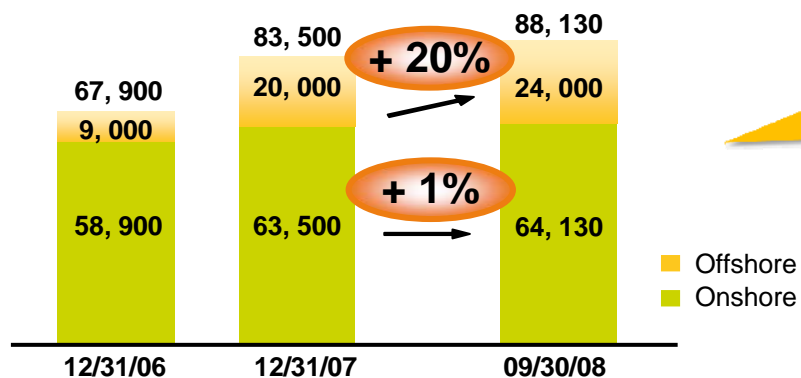
- **Decreasing onshore headcounts, excluding Sogeti**
- **Reduction of subcontractors in Projects & Consulting activities**
- **Acceleration of support functions offshorization**



More than 27% of Capgemini is now offshore

Limited Onshore Recruitments

- Headcount evolution -



Onshore staff evolution YTD

Group excluding Sogeti - 330

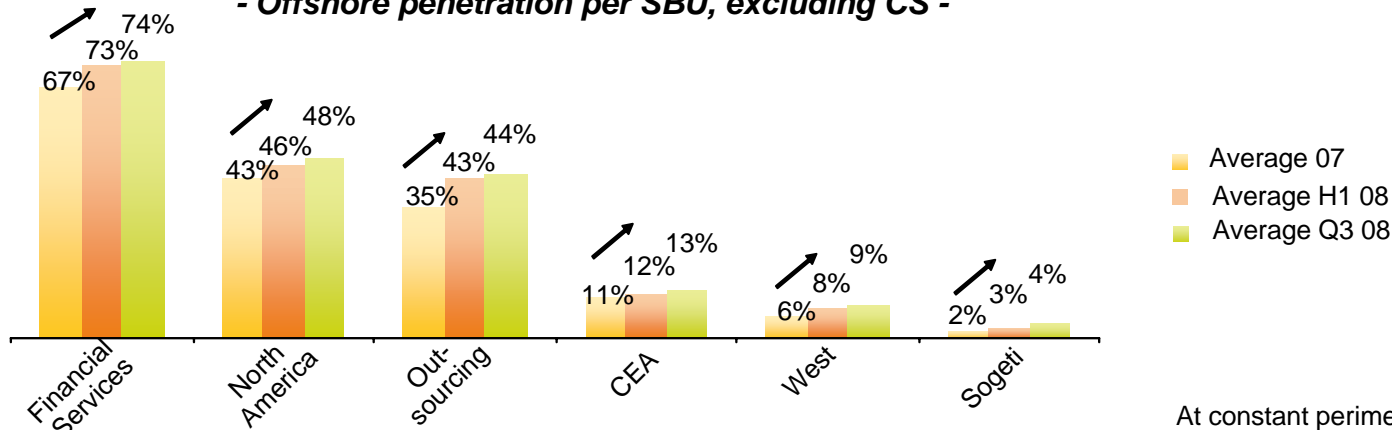
Offshore staff evolution YTD

Total	+4,000
India	+2,700
Other locations	+1,300

3

2/3 of the units meet or exceed 08 offshore objectives already in Q3

- Offshore penetration per SBU, excluding CS -





Investing to reinforce our leading position

Increased Client Intimacy

- Adapted offer portfolio to meet our clients' new market conditions
- Reinforced inter-discipline Country Boards for strategic accounts management in 6 big countries
- Empowered Group Client Executives to drive key account strategy

Cross Discipline Emphasis

- Creation of a ~100 top managers community across business units to leverage discipline diversity
- Emphasis on Group standards and values to cultivate cross-discipline activities

A Capgemini Consulting Global SBU

- Global account development
- Specific identity creation
- Attractive model for the best talents
- Effective implementation in January 09

FS SBU Scope Extension

- In 2008: US, the UK, the Netherlands and Southern Asia
- In January 2009
 - France
 - Belgium
 - China
 - Switzerland



A healthy and reinforced Group

- A strong Q3 despite economic turbulences
 - 6.1% organic growth, ahead of objectives
 - Market share gains with new client references
 - Solid bookings level, higher than in Q3 07

- Renewed confidence in our key assets
 - Unique combination of a best-in-class global delivery network and local deeply rooted intimacy
 - Strong and experienced management team that acts quickly
 - Balanced business mix reinforcing the Group's resilience
 - Outstanding balance sheet

2008 guidance reiterated: Organic Growth: 4% to 5% and Operating Margin: 8.5%

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