

# Cheuvreux Autumn Conference

## September 26, 2007

**Paul Hermelin, CEO**



# Strong H1 results

## 5<sup>th</sup> semester with double digit growth

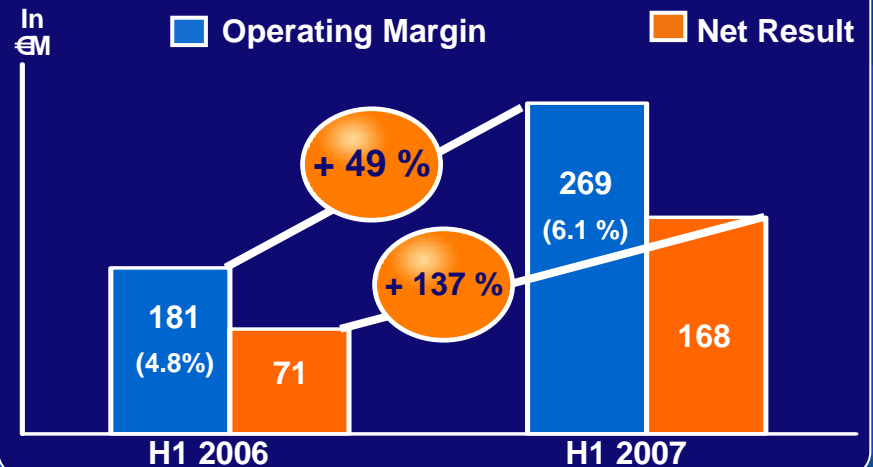
H1 07 / H1 06

Consulting Services	- 1.8 %
Technology Services	+ 15.4 %
SOGETI	+ 7.8 %
Outsourcing	+ 13.0 %

**GROUP TOTAL + 11.5 %**

+16.2 % at current rates and perimeter

## Solid improvement of Op. Margin & Net Result



## Operating improvement driven by Gross margin

Gross Margin	+ 1.2 pt
Selling Expenses	- 0.2 pt
General and Administrative Expenses	+ 0.1 pt

**Operating Margin + 1.3 pt**

## Reaching headcount of 80 000 employees

**+16 301 new employees (YoY)**

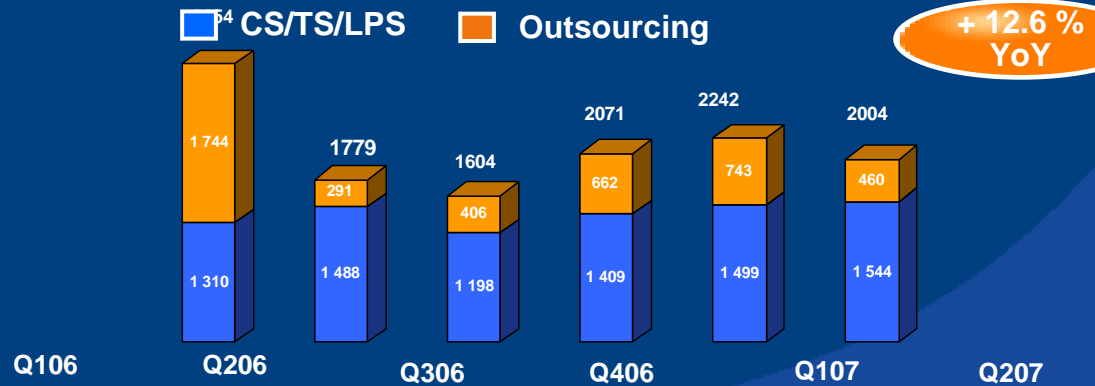
**+25.6 %**

+ 180 % Offshore

+ 8.9 % Onshore

# Leverage solid market demand

## Bookings (in €M)



## H1 CS/TS/LPS Book to Bill ratio

North America

1.18

Europe

1.08

Global

1.10

## Funnel & Offerings

### 07 Jan-Jul Funnel Evolution

CS	stable
TS	+ 17 %
OS	+ 55 %

### Hot Offerings Bookings

Sogeti testing	+ 163 %
Architecture Services	+ 20 %
OS Application management	+ 39 %

## Boost Outsourcing front end

- ✓ Continue small deals lead generation
- ✓ Action plan for medium and big deals

# Accelerate MAP implementation & expand BPO footprint

Record MAP first benefits

Revenues H1 07 / H1 06

+ 13 %

Op. Margin H1 07 / H1 06

+ 2.5 pts

Improve Offshore Ratio

Offshore Ratio H1 06

1 / 3.6

Offshore Ratio H1 07

1 / 1.9

Continue renegotiation & purchasing efforts

Renegotiation  
(impact on 2007 OM)

€15 M

Purchasing  
(Impact on 2007 OM)

€30 M

Expand BPO footprint

H1 revenue growth  
Europe and Asia

+ 68%

Offshore headcount

2 700

# Reshape our consulting business

## First benefits of new European organisation

- ✓ H1 growth: +6.6%; acceleration in H2
- ✓ Transnational operations (cross-country deals, key resources mobility...)
- ✓ Improved retention & attraction

## Revitalization program launched in NA

- ✓ Sectors of excellence: Life sciences, retail, manufacturing
- ✓ Prepare set up of a CS Business unit in NA

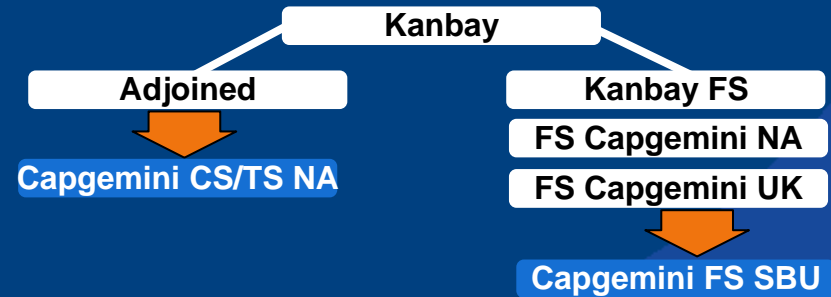
## Globally managed priorities in 2008

- ✓ Global Accounts
- ✓ Key HR process
- ✓ 1 or 2 Global Sectors
- ✓ Global Marketing and Communications

# Complete Kanbay integration and fight for leadership in NA

New operational structure in April 2007,  
Back to market in Q2

Growth protected from integration impact



Kanbay Revenues  
H106/H107

+19.4 %

H1 new accounts  
in FS BU

21

Action Plan on remaining challenges

FS SBU

- ✓ Attrition
- ✓ Capital Market sector

CS/TS NA

- ✓ TME Breakthrough
- ✓ Recruitment & Branding



# Tripled offshore capabilities

	Headcount H1 06		Headcount H1 07
India	4 670	<b>X 3</b>	14 965
Poland	1 150		1 954
China	430		527
Morocco	0		27
<b>Total Offshore</b>	<b>6 250</b>	<b>Offshore Ratio 9.8 %</b>	<b>17 473</b>
<b>Total Group</b>	<b>63 680</b>		<b>79 981</b>
		<b>Offshore Ratio 21.8 %</b>	

India

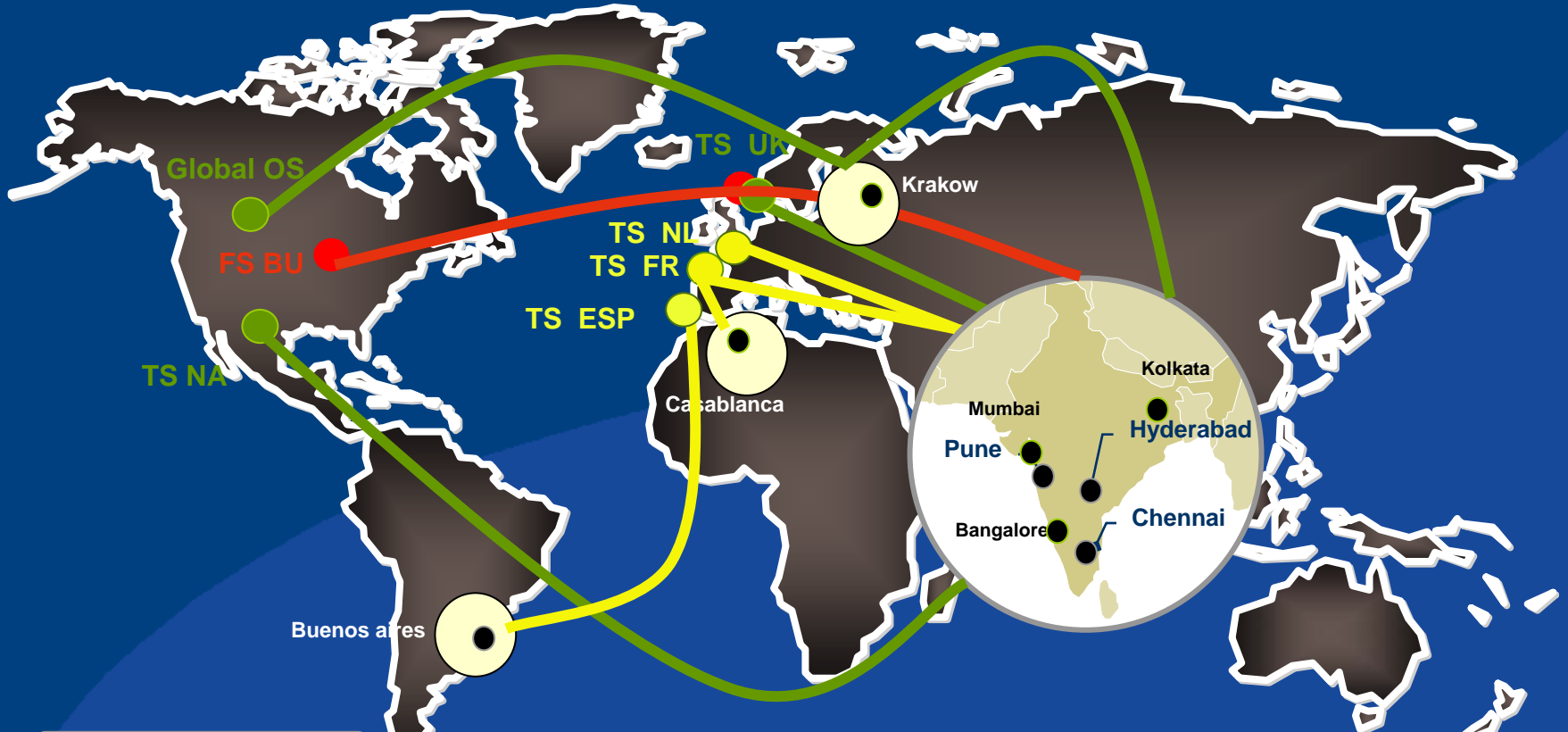
Other

- ✓ 14 965 employees: twice the # of 31/12/06
- ✓ Over 300 clients served from India
- ✓ 4 400 collaborators working on 9 biggest contracts

- ✓ Opening of the Morocco Centre in Q1
- ✓ Growth of offshore Poland Activities by 89 %
- ✓ Opening of operations in Argentina

# Start operational deployment of i<sup>3</sup> Transformation Plan

## Industrialization



**Sub contracting**

Partial workload sub-contracted offshore

**Strong interface**

Strong offshore interface to support onshore added-value services

**Seamless**

Offshore P&L integrated with onshore BU. Onshore industrialization

**Fully integrated**

Fully-leveraged model with shared responsibilities



# Start operational deployment of i<sup>3</sup> Transformation Plan

## Innovation

### Invest in 4 areas of domain expertise

- ✓ Financial Services payment
- ✓ Telco Open Source services and billing systems
- ✓ Retail
- ✓ Automotive

### Develop Business Application Consulting

- ✓ > 2 % of H1 07 bookings (> €70 M)

## Intimacy

### Support 30 GMA/CMA\*

### Develop Account portfolio tool

### Change account mgt for biggest clients

\* Group Managed Accounts / Country Managed Accounts

# H1 revenues growth by geography

	Current			Current		Organic	
	Current			Sequential	Year on year	Sequential	Year on year
	H1 2006	H2 2006	H1 2007	H1 07 / H2 06	H1 07 / H1 06	H1 07 / H2 06	H1 07 / H1 06
<b>North America</b>	660	681	865	27.1%	31.1%	4.3%	12.5%
<b>Europe &amp; Asia</b> of which :	3 124	3 235	3 532	9.2%	13.1%	8.0%	11.3%
<b>UK &amp; Ireland</b>	1 040	1 086	1 174	8.2%	12.9%	6.7%	10.4%
<b>France</b>	906	910	988	8.4%	9.1%	8.4%	9.1%
<b>Benelux</b>	514	532	571	7.3%	10.9%	7.3%	10.9%
<b>Germany &amp; Central Europe</b>	243	271	278	2.5%	14.2%	-0.7%	8.0%
<b>Nordic</b>	218	223	265	19.0%	21.5%	19.1%	21.5%
<b>Iberia</b>	128	123	144	16.6%	12.9%	15.6%	11.9%
<b>Asia Pacific</b>	32	45	61	36.8%	89.8%	8.9%	43.5%
<b>Italy</b>	43	45	51	12.7%	18.7%	12.7%	18.7%
<b>TOTAL</b>	<b>3 784</b>	<b>3 916</b>	<b>4 397</b>	<b>12.3%</b>	<b>16.2%</b>	<b>7.2%</b>	<b>11.5%</b>

# Operating margin by discipline

	H1 2006	H2 2006	FY 2006	H1 2007
Consulting Services	8.9%	11.5%	10.1%	8.1%
Technology Services	6.4%	8.5%	7.5%	7.7%
Local Professional Services	8.4%	11.2%	9.8%	9.6%
<b>CS / TS / LPS</b>	<b>7.4%</b>	<b>9.7%</b>	<b>8.6%</b>	<b>8.5%</b>
Outsourcing	2.0%	4.1%	3.1%	4.5%
<b>Total Operations <sup>(1)</sup></b>	<b>5.4%</b>	<b>7.5%</b>	<b>6.4%</b>	<b>6.8%</b>
<b>GROUP</b>	<b>4.8%</b>	<b>6.8%</b>	<b>5.8%</b>	<b>6.1%</b>

<sup>(1)</sup> before headquarters' expenses

At current rates and perimeter

# Capgemini double track

**Improve short term performance in current good market conditions**

**Deliver successful Kanbay Integration / Fight for market leadership in NA**

**Leverage strong market demand**  
Boost OS front-end  
Rebalance business development from time & material to projects

**Improve cost management**  
Reduce Sub-contracting

**Transform the group and deliver our 2007 strategic objectives**

**Complete MAP implementation and expand BPO footprint**

**Implement i<sup>3</sup> focusing on Industrialization and offshore development**

**Roll out a renewed ambition for Consulting Services**

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