

# Sanford C. Bernstein Strategic Decisions Conference

Nicolas Dufourcq, CFO  
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# Strong H1 results

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

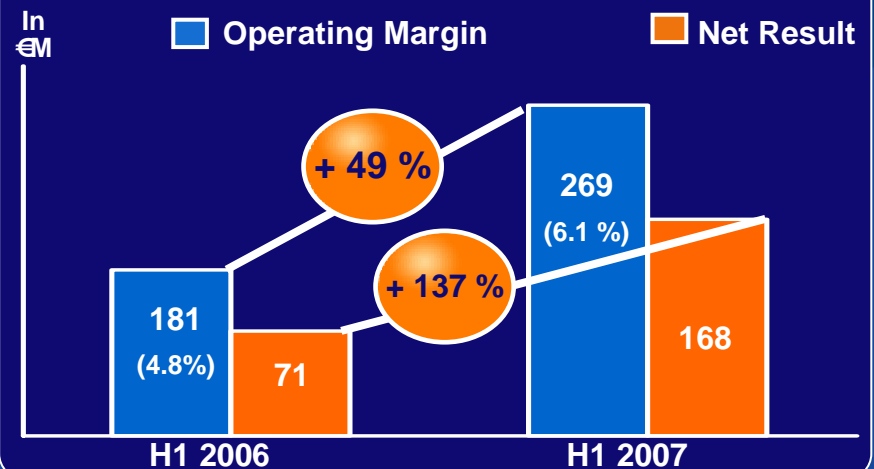
H1 07 / H1 06

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

# 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**

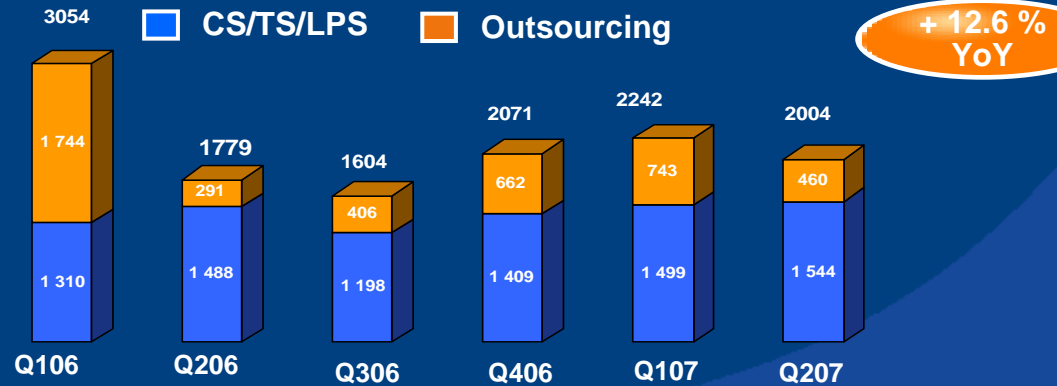
**Implement i<sup>3</sup> focusing on Industrialization and offshore development**

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

**Complete Green SFC transformation**

# 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

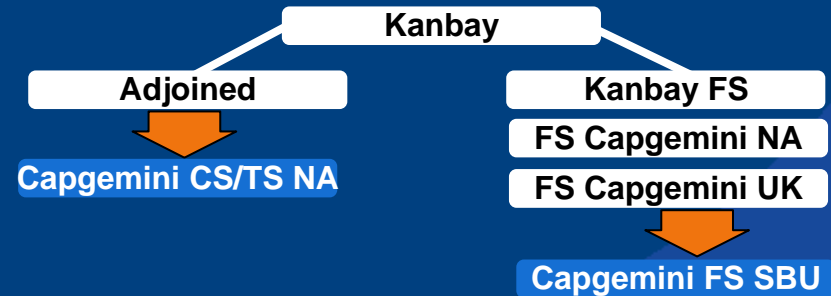
Sogeti testing	+ 163 %
Architecture Services	+ 20 %
OS Application management	+ 39 %

## Boost Outsourcing front end

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

# Complete Kanbay integration and fight for leadership in NA

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



Action Plan on challenges

FS SBU

- ✓ Attrition
- ✓ Capital Market sector
- ✓ Mortgage

CS/TS NA

- ✓ TME Breakthrough
- ✓ Recruitment & Branding

# 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



# Tripled offshore capabilities

	Headcount H1 06	Headcount H1 07
India	4 670	14 965
Poland	1 150	1 954
China	430	527
Morocco	0	27



Total Offshore	6 250	Offshore Ratio 9.8 %	17 473	Offshore Ratio 21.8 %
Total Group	63 680		79 981	

India

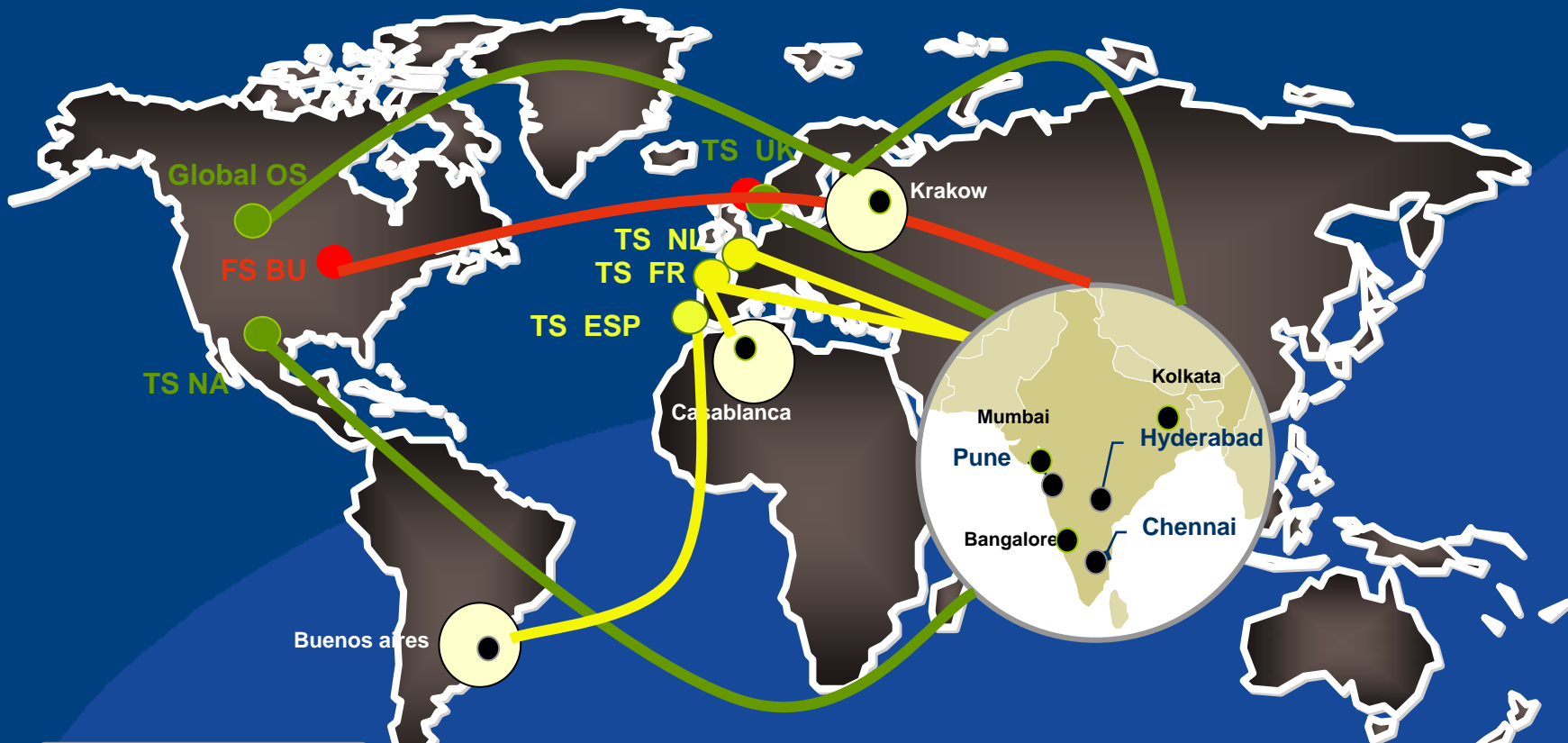
Other

- ✓ 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
- ✓ OSS 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

First half 2007 Results

# Income statement: overview

M€	H1 2006	H2 2006	H1 2007	H1 2007 vs H1 2006
<b>Revenues</b>	<b>3 784</b>	<b>3 916</b>	<b>4 397</b>	<b>16.2 %</b>
Operating expenses	- 3 603	- 3 650	- 4 128	
<b>Operating margin</b>	<b>181</b>	<b>266</b>	<b>269</b>	
(% Revenues)	4.8 %	6.8 %	6.1 %	+ 1.3 pt
Other operating Income & expense, net	- 42	- 71	- 40	
<b>Operating profit</b>	<b>139</b>	<b>195</b>	<b>229</b>	
(% Revenues)	3.7 %	5.0 %	5.2 %	+ 1.5 pt
Finance Expense, net	- 20	- 8	- 3	
Share of result of associates			1	
Income tax expense	- 48	35	- 59	
<b>Profit for the period</b>	<b>71</b>	<b>222</b>	<b>168</b>	
<b>Net cash and cash equivalents (end of period)</b>	<b>789</b>	<b>1 632</b>	<b>452</b>	
<b>Number of employees (end of period)</b>	<b>63 680</b>	<b>67 889</b>	<b>79 981</b>	

+ 11.5 % in  
Organic

# Costs structure by nature

	H1 2006	H2 2006	H1 2007
<b>Revenues</b>	3 784	3 916	4 397
<b>Personnel costs</b>	- 2 223	- 2 113	- 2 498
<i>% of Revenues</i>	58.7%	54.0%	56.8%
<b>Purchases and subcontracting expenses</b>	- 987	- 1 081	- 1 182
<i>% of Revenues</i>	26.1%	27.6%	26.9%
<b>Travel expenses</b>	- 167	- 173	- 198
<i>% of Revenues</i>	4.4%	4.4%	4.5%
<b>Rent and local taxes</b>	- 135	- 133	- 143
<i>% of Revenues</i>	3.6%	3.4%	3.3%
<b>Depreciation, amortization &amp; provisions</b>	- 91	- 150	- 107
<i>% of Revenues</i>	2.4%	3.8%	2.4%
<b>Total Operating expenses</b>	- 3 603	- 3 650	- 4 128
<i>% of Revenues</i>	- 95.2%	- 93.2%	- 93.9%
<b>Operating Margin</b>	181	266	269
<i>% of Revenues</i>	4.8%	6.8%	6.1%

# H1 revenues growth by discipline

	H1 07 / H2 06	H1 07 / H1 06
Consulting Services	7.2%	- 1.8%
Technology Services (incl. Kanbay)	8.9%	15.4%
Local Professional Services	7.6%	7.8%
<b>CS / TS / LPS</b>	<b>8.3%</b>	<b>10.7%</b>
Outsourcing Services	5.4%	13.0%
<b>TOTAL GROUP</b>	<b>7.2%</b>	<b>11.5%</b>

At constant rates and perimeter

# 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

# 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 geography

	H1 2006			H2 2006			H1 2007		
	Revenues	Op. Margin	%	Revenues	Op. Margin	%	Revenues	Op. Margin	%
North America	660	28	4.3%	681	44	6.4%	865	47	5.4%
UK & Ireland	1 040	61	5.9%	1 086	103	9.5%	1 174	78	6.7%
France	906	6	0.7%	910	-1	-0.1%	988	25	2.5%
Benelux	514	65	12.6%	532	77	14.5%	571	82	14.3%
Germany & Central Europe	243	23	9.3%	271	29	11.0%	278	33	11.7%
Nordic	218	14	6.4%	223	18	8.3%	265	19	7.3%
Iberia	128	5	3.8%	123	9	7.6%	144	8	5.4%
Asia Pacific	32	2	6.1%	45	11	23.8%	61	9	15.2%
Italy	43	-1	-2.4%	45	2	3.9%	51	0	0.7%
Not allocated <sup>(1)</sup>		-22			-26			-32	
<b>TOTAL</b>	<b>3 784</b>	<b>181</b>	<b>4.8%</b>	<b>3 916</b>	<b>266</b>	<b>6.8%</b>	<b>4 397</b>	<b>269</b>	<b>6.1%</b>

<sup>(1)</sup> items not allocated correspond to headquarters' expenses

At current rates and perimeter

# Deutsche Bank 2007 European Technology Conference

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