June 30, 2006

INTERIM REPORT

CONTENTS

Financial Highlights 3

Interim Financial Review 4

2006 Interim consolidated financial statements 8

This English-language version of this document is a free translation of the original French text. It is not a binding document. In the event of a conflict in interpretation, reference should be made to the French version, which is the authentic text.

FINANCIAL HIGHLIGHTS

(in millions of euros)	Consolidated financial statements	
	First-half 2005	**First-half 2006**
REVENUES	**3,472**	**3,784**
OPERATING EXPENSES	3,410	3,603
OPERATING MARGIN		
- Amount	**62**	**181**
- %	1.8%	4.8%
OPERATING PROFIT		
- Amount	**123**	**139**
- %	3.5%	3.7%
PROFIT FOR THE PERIOD	**58**	**71**
NET MARGIN (%)	1.7%	1.9%
EARNINGS PER SHARE		
- **Weighted average number of ordinary shares**	**131,377,935**	**131,568,116**
Basic earnings per share (in euros)	0.44	0.54
- **Weighted average number of ordinary shares (diluted)**	**132,669,877**	**146,470,095**
Diluted earnings per share (in euros)	0.43	0.53
NET CASH AND CASH EQUIVALENTS at June 30	**498**	**789**
TOTAL NUMBER OF EMPLOYEES at June 30	**59,190**	**63,680**

INTERIM FINANCIAL REVIEW

First-half 2006 business review

In keeping with 2005 trends, demand for Consulting & IT Services over the first six months of 2006 continued to grow at a modest pace. This momentum, now discernable across most of the Group's business regions, was especially pronounced in the more cyclical activities such as Consulting and Technology Services.
Against this positive backdrop, Capgemini recorded growth above market rates thanks to a strong exposure to the cyclical activities, as well as a number of successes in the Outsourcing business, notably in the United Kingdom. Revenues climbed 9.0% on first-half 2005 (based on published figures), or 10.4% on a like-for-like basis (at constant Group structure and exchange rates).
The Group took €4,695 million in orders over the six months to June 30, 2006, a significant improvement (+51%) on the same year-ago period (€3,112 million). This performance was mainly driven by the Outsourcing business, which was awarded two major contracts with General Motors and the extension to the HMRC (Her Majesty's Revenue and Customs) contract. Orders taken by other business lines were up a healthy 11%.
Operating margin[1] for first-half 2006 came in at €181 million, or 4.8% of revenues, an increase of three points on the same year-ago period.
Operating profit[2] was €139 million, up €16 million on first-half 2005, when capital gains on the sale of the North American Healthcare business boosted results.
Profit for the period came in at €71 million, with net finance expense of €20 million and income tax expense of €48 million.
At June 30, 2006, Capgemini had 63,680 employees, compared with 61,036 at January 1.

REVIEW OF OPERATIONS BY GEOGRAPHICAL AREA

	% of total revenues	Growth* versus H1 2005	Operating margin	
			H1 2005	H1 2006
United Kingdom and Ireland	27%	22.2%	3.2%	5.9%
France	24%	9.6%	3.5%	0.7%
North America	17%	-0.1%	-6.6%	4.3%
Benelux	14%	9.8%	8.8%	12.6%
Germany and Central Europe	6%	11.6%	5.9%	9.3%
Nordic countries	6%	2.0%	5.5%	6.4%
Southern Europe	5%	6.9%	1.9%	2.2%
Asia-Pacific	1%	6.8%	0.9%	6.1%

*on a like-for-like basis.

The United Kingdom and Ireland continue to represent the Group's leading business region, posting growth of 22.2% on a like-for-like basis (20.3% based on published figures due to the end-2005 sale of a portion of the interest held in the company Working Links). This solid performance was bolstered by the success of the HMRC contract which was extended with effect from the second quarter, as well as a number of major applications development projects for this client.
Revenues advanced 9.6% in France, on the back of sustained business in Consulting, Technology and Local Professional Services as well as in Outsourcing, where the ramp-up of the Schneider contract more than offsets the impact of terminating other contracts. However, as the projects carried out within the ambit of the Schneider contract proved more complex than initially thought – bringing delays to the project schedule – the revenues recognized during the half year were below what was originally planned.
Revenues in North America remained almost stable (-0.1% on a like-for-like basis, -3.6% based on published figures), feeling the pinch of certain Outsourcing contracts that ended in 2005. In parallel, business was buoyed by the sharp 8.3% increase in revenues for Consulting and Technology Services, confirming the signs of a turnaround first recorded at the end of 2005 following the implementation of the Booster plan. This was further comforted by a 23.1% jump in orders over the second quarter.
Benelux posted a 9.8% rise in revenues spearheaded by the Netherlands, which reported sharp growth in Consulting, Technology and Local Professional Services.

---

1 Operating margin, defined as the difference between revenues and operating expenses, is the key performance indicator for Group activity. Operating expenses are the total of: the cost of services rendered (expenses incurred during project delivery), selling expenses and general and administrative expenses.

2 Operating profit is obtained by deducting from operating margin other operating income and expense, which include the charge resulting from the deferral of the fair value of stock options granted to employees, as well as non-recurring expenses and income, including restructuring costs and capital gains and losses on asset disposals.

Revenues in Germany and Central Europe surged 11.6% on a like-for-like basis (12.5% based on published figures), fuelled by a robust performance from Consulting and Technology Services, which more than offset the fall-off in Outsourcing operations.
Nordic countries saw like-for-like revenues advance 2.0%, or 1.4% based on published figures, reflecting a good business momentum in Finland, Denmark and at Sogeti, and a more difficult environment in Norway and Sweden for Consulting and Technology Services.
Similarly, the Group's performance in Southern Europe was powered by robust growth in Spain and Portugal, while conditions in Italy remained sluggish.
The Group's policy is to recognize revenue for the region ordering the services. As a result, the full effect of growth in India and China – countries that were involved in a large number of projects – is not reflected in the results reported by the Asia-Pacific region. However, the 80% year-on-year rise in headcount in the Group's Indian business (4,670 employees at end-June 2006) testifies to its robust performance.

Operating margin improved in most areas, and particularly in North America, where profitability was up by more than 10 points period-on-period. This reflects the combined impact of an upturn in profitability for Outsourcing Services – which had been hit by the start-up of the TXU contract in 2005 – and in particular, a return to satisfactory margin growth for Consulting and Technology businesses, which had reported substantial losses in the year-earlier period.
In Benelux, and the Netherlands in particular, strong growth in Consulting, Technology and Local Professional Services significantly drove up profitability.
In France, however, sustained satisfactory margin levels on other activities failed to counter the margin squeeze in the Outsourcing business, and particularly the impact of the delays on the Schneider contract.

REVIEW OF OPERATIONS BY BUSINESS

	% of total revenues	Growth* versus H1 2005	Operating margin	
			H1 2005	H1 2006
Consulting	12.2%	4.4%	1.8%	8.9%
Technology	33.5%	11.3%	3.7%	6.4%
Local Professional Services	16.1%	10.6%	8.0%	8.4%
Outsourcing	38.2%	11.6%	-1.2%	2.0%

*on a like-for-like basis.

Consulting, Technology and Local Professional Services reported 9.7% growth. Operating margin for these businesses came in 3.1 points higher, at 7.4%.

Revenues from Outsourcing Services surged 11.6%, powered by a number of major contracts signed over the last few years. The first benefits from the MAP (Margin Acceleration Plan) launched in September 2005 to increase growth and profitability filtered through, with operating margin up 3.2 points on 2005 to 2.0%, despite being affected by delays in the delivery of the Schneider contract.

Review of consolidated financial statements

Revenues for first-half 2006 came in at €3,784 million, versus €3,472 million in first-half 2005, a rise of 9.0% based on published figures and of 10.4% on a like-for-like basis.

Operating margin for the first six months of 2006 yielded a €181 million profit, compared to a €62 million profit in the same year-ago period, or 4.8% versus 1.8% in first-half 2005.
This rise of 3 points in operating margin reflects a lower increase in the cost of services rendered (expenses incurred during project delivery), and more importantly, a modest fall in selling and administrative expenses, which proves all the more remarkable when set against the growth in revenues.

Net other operating expense came in at €42 million in first-half 2006, compared with net other operating income of €61 million in first-half 2005. The year-earlier period was boosted by €138 million in capital gains realized on disposals, including €123 million on the sale of its North American Healthcare business to Accenture, €15 million on the sale of its 25.22% interest in German-based IS Energy.
Other operating income and expenses comprise restructuring costs of €33 million (down €44 million compared with first-half 2005), including €30 million relating to staff cuts carried out as part of the MAP plan aimed at streamlining the organization of the Outsourcing business. All of the Group's European sites were affected by MAP restructuring measures in first-half 2006.
Finally, they include €8 million in expenses relating to stock options and share grants.

Operating profit came in at €139 million for the six months to June 30, 2006, versus €123 million for first-half 2005.

Net finance expense stood at €20 million in first-half 2006, compared with €9 million for the six months to June 30, 2005. The decrease is mainly attributable to:

- interest expenses on the bonds convertible and/or exchangeable into new or existing shares issued on June 16, 2005 ("OCEANE 2005"), totaling €9 million, versus a non-material expense in first-half 2005;

- interest expenses of €6 million related to changes in the valuation at market value of the interest rate swap relating to the June 24, 2003 bond issue ("OCEANE 2003"), compared to financial income of €7 million in first-half 2005;
- partially offset by a €14 million rise in income from cash and cash equivalents, mainly due to the reinvestment of funds generated by the June 16, 2005 bond issue ("OCEANE 2005") and the increase in interest rates, particularly in Europe.

Income tax expense came to €48 million for first-half 2006 and includes:
- deferred income tax expense of €26 million, related mainly to the utilization of deferred tax assets previously recognized on tax losses of the French group for €21 million;
- current income tax expense of €22 million, relating mainly to tax on profits of €17 million, mainly in Canada and the Netherlands, and taxes not based on taxable income of €5 million, mainly in the US and Italy.

Profit for the period was €71 million in first-half 2006, versus €58 million in first-half 2005. At June 30, 2006, diluted earnings per share stood at €0.53 based on 146,470,095 shares, versus €0.43 at June 30, 2005 based on 132,669,877 shares.

CONSOLIDATED BALANCE SHEET

Consolidated shareholders' equity stands at €2,916 million, an increase of €166 million compared with December 31, 2005. This chiefly reflects:
- the recognition of actuarial gains net of deferred taxes related to provisions for pensions and other post-retirement benefits in first-half 2006 (€166 million, or €176 million excluding the impact of currency fluctuations and the deferred tax effect);
- net profit for the period (€71 million);
- the payment of dividends to shareholders for an amount of 66 million, or €0.50 per share;
- a €15 million decrease in translation adjustments.

Non-current assets stood at €3,253 million at June 30, 2006, a decrease of €100 million compared with December 31, 2005, mainly related to the following changes:
- a €32 million reduction in goodwill and other intangible assets caused by fluctuations in the US dollar and pound sterling, leading to a decrease of €27 million over the period. The decrease in this item is also related to amortization expense of €16 million, partly offset by acquisitions of software for an amount of €9 million;
- a €28 million decrease in property, plant and equipment resulting mainly from depreciation expense of the period of €63 million, partly offset by acquisitions of computer equipment (€44 million);
- a €42 million fall in deferred tax assets, due mainly to the utilization of deferred tax assets recognized on losses of the French tax group (€21 million), the tax effect relating to actuarial gains on provisions for pensions and other post-retirement benefits (€8 million) and exchange rate fluctuations over the period, particularly the US dollar.

Provisions for pensions and other post-retirement benefits amounted to €552 million compared with €707 million at December 31, 2005. This decrease reflects a net actuarial gain of €176 million relating mainly to an increase in the pension obligation discount rate of about 0.5 point in the United Kingdom (over an approximate period of 20 years) leading to a decrease of approximately 10% of the present value of the obligation which amounted to €1,572 million at December 31, 2005.

Accounts and notes receivable, mainly comprising trade receivables, amounted to €2,438 million at June 30, 2006, versus €2,048 million at December 31, 2005. Trade receivables net of advances received from customers amounted to €1,463 million at June 30, 2006, versus €1,189 million at December 31, 2005.

Accounts and notes payable, consisting mainly of trade payables, amounts due to personnel and accrued taxes, amounted to €2,739 million at June 30, 2006, versus €2,556 million at December 31, 2005.

At June 30, 2006, cash and cash equivalents stood at €789 million, compared with €904 million at December 31, 2005. The €115 million decrease reflects mainly:
- €17 million in cash flow provided by operations stemming from:
  - cash flow from operations before net finance costs and income tax, in an amount of €248 million;
  - working capital requirements of €231 million after tax, due mainly to the development of major Outsourcing contracts, namely HMRC, TXU and Schneider.
- €33 million in cash flow used in investing activities, related primarily to acquisitions of non-current assets.
- payment of a dividend to shareholders totaling €66 million.

Comments on the Cap Gemini S.A. financial statements

Cap Gemini S.A.'s combined operating revenue and interest income for first-half 2006 was €143 million, compared with €364 million for first-half 2005. Excluding the impact of the interim dividend paid by its Dutch subsidiary Capgemini NV within the scope of the reorganization of Sogeti-Transiciel operations in Benelux during the first six months of 2005, combined operating revenue and interest income leapt 38%, fuelled by growth in royalties on higher revenues, and a rise in income from investments in line with the increase in cash and cash equivalents.

Profit before tax came in at €109 million for first-half 2006, compared with €426 million for first-half 2005. The year-earlier figure included the interim dividend paid by the Dutch subsidiary and a capital gain stemming from the reorganization of Swedish operations.

Outlook for second-half 2006

Thanks to its solid performance in first-half 2006, the Group confirms its targets for the full year of close to 10% like-for-like revenue growth, with an operating margin of over 5.5% (versus 3.2% in 2005).

2006 INTERIM CONSOLIDATED FINANCIAL STATEMENTS

STATUTORY AUDITORS' REVIEW REPORT
FOR THE 2006 INTERIM FINANCIAL REPORTING

This is a free translation into English of the Statutory Auditors' review report issued in the French language and is provided solely for the convenience of English speaking readers.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders of Cap Gemini S.A.

In our capacity as Statutory Auditors of the Company and as required by article L. 232-7 of the French Commercial Code "Code de commerce", we have reviewed the accompanying condensed interim consolidated financial statements of Cap Gemini S.A. and its subsidiaries for the six months ended June 30, 2006, and verified the information contained in the interim management report.

These condensed interim consolidated financial statements are the responsibility of the Board of Directors. Our responsibility, based on our review, is to report our conclusions on these financial statements.

We conducted our review in accordance with the professional standards applicable in France. A review of interim consolidated financial statements consists of making inquiries, primarily of the persons responsible for financial and accounting matters, and applying analytical and any other appropriate procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that all material matters have been identified. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements have not been properly prepared, in all material respects, in accordance with IAS 34 – Interim Financial Reporting, as adopted by the European Union.

In accordance with the professional standards applicable in France, we have also verified the information given in the interim management report commenting on the condensed interim consolidated financial statements that were the subject of our review.

We have no matters to report as to its fair presentation and its consistency with the condensed interim consolidated financial statements.

Paris, September 7, 2006

The Statutory Auditors

PricewaterhouseCoopers Audit

Bernard Rascle

KPMG Audit
Department of KPMG SA

Frédéric Quélin
Partner

CONSOLIDATED STATEMENTS OF INCOME FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2005 AND JUNE 30, 2006

in millions of euros	Notes	First-half 2005 (1)		First-half 2006	
		Amount	%	Amount	%
Revenues	4	**3,472**	**100**	**3,784**	**100**
Cost of services rendered	5	2,705	77.9	2,915	77.0
Selling expenses	5	274	7.9	265	7.0
General and administrative expenses	5	431	12.4	423	11.2
Operating margin		**62**	**1.8**	**181**	**4.8**
Other operating income and expense, net	6	61	1.7	(42)	(1.1)
Operating profit		**123**	**3.5**	**139**	**3.7**
Finance costs, net	7	(11)	(0.3)	(9)	(0.2)
Other financial income and expense, net	8	2	0.1	(11)	(0.3)
Finance expense, net		**(9)**	**(0.2)**	**(20)**	**(0.5)**
Income tax expense	9	(56)	(1.6)	(48)	(1.3)
Profit for the period		**58**	**1.7**	**71**	**1.9**
Attributable to:					
Equity holders of the parent		58	1.7	71	1.9
Minority interests		-	-	-	-

(1) Certain reclassifications have been made compared with the amounts originally reported within "Finance expense, net" in the 2005 interim and annual reports in order to provide a better presentation of the accounts.

	Note	First-half 2005	First-half 2006
Weighted average number of ordinary shares		**131,377,935**	**131,568,116**
Basic earnings per share (in euros)	10	0.44	0.54
Weighted average number of ordinary shares (diluted)		**132,669,877**	**146,470,095**
Diluted earnings per share (in euros)	10	0.43	0.53

CONSOLIDATED BALANCE SHEETS AT DECEMBER 31, 2005 AND JUNE 30, 2006

ASSETS in millions of euros	Notes	December 31, 2005 (1)	June 30, 2006
Goodwill	11	1,809	1,787
Other intangible assets	11	142	132
Property, plant and equipment	11	399	371
Total fixed assets		**2,350**	**2,290**
Deferred tax		828	786
Non-current receivables		175	177
TOTAL NON-CURRENT ASSETS		**3,353**	**3,253**
Accounts and notes receivable	12	1,868	2,253
Other receivables		180	185
Short-term investments	13-14	1,805	1,726
Cash	13	416	299
TOTAL CURRENT ASSETS		**4,269**	**4,463**
TOTAL ASSETS		**7,622**	**7,716**

EQUITY AND LIABILITIES in millions of euros	Notes	December 31, 2005 (1)	June 30, 2006
Share capital		1,053	1,054
Additional paid-in capital		2,229	2,233
Retained earnings and other reserves		(673)	(442)
Profit for the period		141	71
CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS		**2,750**	**2,916**
Minority interests		-	-
TOTAL EQUITY		**2,750**	**2,916**
Long-term financial debt	13-14	1,145	1,158
Deferred tax		121	124
Provisions for pensions and other post-retirement benefits	15	707	552
Non-current provisions		14	20
Other non-current liabilities		138	123
TOTAL NON-CURRENT LIABILITIES		**2,125**	**1,977**
Short-term financial debt and bank overdrafts	13-14	171	70
Accounts and notes payable		2,490	2,679
Current provisions		20	14
Current income tax liabilities and other payables		66	60
TOTAL CURRENT LIABILITIES		**2,747**	**2,823**
TOTAL EQUITY AND LIABILITIES		**7,622**	**7,716**

(1) The balance sheet at December 31, 2005 was restated in accordance with the revised IAS 19 (see Note 2 – "Change in accounting method") and "Financial assets" were reclassified to "Non-current receivables".

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2005 AND JUNE 30, 2006

in millions of euros	Notes	First-half 2005 (1)	First-half 2006
Profit for the period		**58**	**71**
Impairment of goodwill	11	6	1
Depreciation, amortization and write-downs of fixed assets	11	91	79
Net additions to provisions (excluding current assets)	15	12	26
Unrealized gains and losses on changes in fair value	8	(7)	6
Gains and losses on disposals of assets	6	(138)	-
Expense relating to stock options and share grants	6	4	8
Finance costs, net	7	11	9
Income tax expense	9	56	48
Cash flows from operations before finance costs, net and income tax (A)		**93**	**248**
Income tax paid (B)		(10)	(16)
Change in accounts and notes receivable, net		(53)	(415)
Change in accounts and notes payable, net		145	271
Change in other receivables and payables, net		(85)	(71)
Change in operating working capital (C)		**7**	**(215)**
NET CASH FROM OPERATING ACTIVITIES (D=A+B+C)		**90**	**17**
Acquisitions of property, plant and equipment and intangible assets		(53)	(35)
Proceeds from disposals of property, plant and equipment and intangible assets		10	2
		(43)	**(33)**
Payments related to derivative instruments		(16)	-
Proceeds from disposals of businesses and consolidated companies	6	164	-
Net proceeds from disposals of non-consolidated companies and other investing activities		2	-
		150	**-**
Effect of changes in Group structure		(5)	-
NET CASH FROM/(USED IN) INVESTING ACTIVITIES (E)		**102**	**(33)**
Increase in share capital		-	4
Dividends paid		-	(66)
Proceeds from new borrowings		425	35
Repayments of borrowings		(142)	(60)
Finance costs, net	7	(11)	(9)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES (F)		**272**	**(96)**
NET CHANGE IN CASH AND CASH EQUIVALENTS (G=D+E+F)		**464**	**(112)**
Effect of exchange rate movements on cash and cash equivalents (H)		13	(11)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD (I)		**1,232**	**2,136**
CASH AND CASH EQUIVALENTS AT END OF PERIOD (G+H+I)		**1,709**	**2,013**

(1) The effect of exchange rate movements included in “Change in operating working capital” was reclassified under "Effect of exchange rate movements on cash and cash equivalents".

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2005 AND JUNE 30, 2006

in millions of euros	Number of shares	Share capital	Additional paid-in capital	Treasury stock	Consolidated retained earnings and other reserves	Translation adjustments	Total equity (1)
At January 1, 2005	**131,383,178**	**1,051**	**2,226**	**-**	**(511)**	**(10)**	**2,756**
Increase in share capital upon exercise of options	5,000	-	-	-	-	-	-
Valuation of stock options (2)	-	-	-	-	4	-	4
Income and expense recognized directly in equity	-	-	-	-	(23)	21	(2)
Profit for the period	-	-	-	-	58	-	58
At June 30, 2005	**131,388,178**	**1,051**	**2,226**	**-**	**(472)**	**11**	**2,816**
At January 1, 2006	**131,581,978**	**1,053**	**2,229**	**(18)**	**(530)**	**16**	**2,750**
Increase in share capital upon exercise of options	171,518	1	3	-	-	-	4
Valuation of stock options (2)	-	-	-	-	6	-	6
Dividends paid out for 2005 (3)	-	-	-	-	(66)	-	(66)
Elimination of treasury stock and gains on treasury shares	-	-	1	(1)	2	-	2
Income and expense recognized directly in equity	-	-	-	-	164	(15)	149
Profit for the period	-	-	-	-	71	-	71
At June 30, 2006	**131,753,496**	**1,054**	**2,233**	**(19)**	**(353)**	**1**	**2,916**

(1) At June 30, 2006, minority interests amounted to nil.
(2) The method for measuring and recognizing stock options is described in Note 10 – "Shareholders' equity".
(3) Dividends paid to shareholders for 2005 totaled €66 million (€0.5 per share).

STATEMENT OF RECOGNIZED INCOME AND EXPENSE FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2005 AND JUNE 30, 2006

in millions of euros	First-half 2005	First-half 2006
Profit for the period	**58**	**71**
Purchase of a call on Capgemini shares to neutralize the dilutive impacts of the "OCEANE 2003" convertible/exchangeable bonds issued on June 24, 2003 (1)	(16)	-
Issue of "OCEANE 2005" convertible/exchangeable bonds on June 16, 2005 (2)	40	-
Actuarial gains and losses related to provisions for pensions and other post-retirement benefits (3)	(28)	174
Deferred taxes recognized in equity (4)	(15)	(8)
Translation adjustments	21	(15)
Other	(4)	(2)
Income and expense recognized directly in equity	**(2)**	**149**
Total recognized income and expense	**56**	**220**

(1) Simultaneously to the "OCEANE 2005" issue, the Group decided to neutralize in full the potential dilutive impact of the "OCEANE 2003" convertible bonds issued on June 24, 2003 for a nominal amount of €460 million and due on January 1, 2010 via the purchase of a call option for €16 million (before tax) on approximately 9 million Capgemini shares, representing the total number of shares underlying the "OCEANE 2003" convertible bond issue.
(2) On June 16, 2005, Cap Gemini S.A. issued bonds convertible and/or exchangeable into new or existing Capgemini shares ("OCEANE 2005") for a nominal amount of €437 million. These bonds mature on January 1, 2012 (see Note 18 – "Net cash and cash equivalents" in the 2005 annual report).
(3) See Note 2 – "Change in accounting method" for first-half 2005 and Note 15 – "Provisions for pensions and other post-retirement benefits" for first-half 2006.
(4) In 2005, the deferred tax is related to the equity component of the bonds issued on June 16, 2005 (see (2) above) and to the actuarial gains and losses recognized in equity. In 2006, deferred tax is related to the actuarial gains and losses recognized in equity for first-half 2006.

NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – Accounting policies

The 2006 interim consolidated financial statements have been prepared in accordance with the recognition and measurement principles set out in the International Financial Reporting Standards. These international accounting standards comprise the IFRSs, IASs (International Accounting Standards) and the related interpretations endorsed by the European Union at June 30, 2006 and published in the Official Journal of the European Union.

The Group also takes account of the positions adopted by “Syntec Informatique” – an organization representing major consulting and computer services companies in France – on the application methods for IFRSs.

The interim report for the six months ended June 30, 2006 has been prepared in accordance with IAS 34 – “Interim Financial Reporting”. These condensed interim financial statements include comparative data consisting of the statement of income for the six months ended June 30, 2005 and the balance sheet at December 31, 2005. The financial statements for the six months ended June 30, 2006 should be read in conjunction with the information contained in the 2005 annual report.

The accounting policies are the same as those applied by the Group in preparing its consolidated financial statements at December 31, 2005, except for the change in accounting method in first-half 2006, details of which are set out in Note 2 – “Change in accounting method”.

Certain reclassifications have been made in relation to the amounts originally reported in the 2005 interim and annual reports in order to provide more accurate information.

The Group did not opt for early application of certain standards and interpretations adopted by the IASB or IFRIC (International Financial Reporting Interpretations Committee) and by the European Union at June 30, 2006. This essentially concerns:

- IFRS 7 – “Financial Instruments: Disclosures”,
- Amendment to IAS 1 – “Presentation of Financial Statements: Capital Disclosures”.

The consolidated financial statements and related notes for the six months ended June 30, 2006 were approved by the Board of Directors on September 6, 2006.

Note 2 – Change in accounting method

As part of the application of the revised IAS 19, effective January 1, 2006, the Group has decided to recognize in equity all actuarial gains and losses calculated in connection with obligations under defined benefit plans in the period in which they arise. It will not use the corridor method, which consists of recognizing the portion of net cumulative unrecognized actuarial gains and losses that exceeds the greater of (i) 10% of the present value of the defined benefit obligation and (ii) 10% of the fair value of any plan assets at the balance sheet date, over the average remaining service lives of plan participants.

This change in accounting method was applied retrospectively in accordance with the transitional provisions of the revised IAS 19 and had the following impacts:

- In the statements of income, this change in accounting method does not have any impact on the income statements reported for 2005 and previous years as actuarial gains and losses fell within the thresholds stipulated by the corridor method.

- In the balance sheet, this change of method resulted in all cumulative actuarial gains and losses – previously unrecognized due to the application of the corridor method – and the corresponding deferred tax impacts being recorded under provisions for pensions and other post-retirement benefits, with a contra-entry to shareholders' equity.

  Retrospective impacts of this change of method are set out below:

BALANCE SHEET (in millions of euros)	**January 1, 2005**	**June 30, 2005**	**December 31, 2005**
Cumulative increase in provision for pensions and other post-retirement benefits	35	65	259
Cumulative increase in deferred tax assets	3	2	17
Cumulative impact on equity	**(32)**	**(63)**	**(242)**

Therefore, at December 31, 2005, actuarial gains and losses recognized retrospectively correspond to a €259 million net actuarial loss – €244 million being related to funded defined benefit plans and €15 million being

related to unfunded defined benefit plans (see Note 20 – "Provisions for pensions and other post-retirement benefits" in the 2005 annual report).

For first half 2006, the application of the new method led to a €174 million net actuarial gain (excluding deferred taxes) and a €2 million translation adjustment both recognized in equity, with a corresponding €176 million decrease in provisions for pensions and other post-retirement benefits (see Note 15 – "Provisions for pensions and other post-retirement benefits" and the "Statement of recognized income and expense for the six months periods ended June 30, 2006").

Note 3 – Changes in Group structure

A) Full-year 2005

The main changes in Group structure in 2005 were as follows:

- In January 2005, the Group sold its 25.22% stake in IS Energy, in Germany, for €21 million, further to the end-2004 exercise by E.ON of the call option it held on IS Energy's shares.
- On June 16, 2005, the Group sold its US healthcare business to the Accenture Group for €143 million.
- On August 12, 2005, the Group entered into an alliance with the Japanese Group NTT Data Corporation and sold its 95% stake in Capgemini Japan K.K. for €30 million.
- On December 22, 2005, the Group converted half of the ordinary shares it held in the UK-based company Working Links (Employment) Limited – representing a stake of 16.5% – into preference shares.

B) First-half 2006

There were no changes in Group structure during the first-half of 2006.

Note 4 – Revenues

Revenues break down as follows by geographic area:

in millions of euros	First-half 2005		First-half 2006	
	Amount	**%**	**Amount**	**%**
North America	685	20	660	17
United Kingdom and Ireland	864	25	1,040	27
Nordic countries	215	6	218	6
Benelux	468	13	514	14
Germany and Central Europe	216	6	243	6
France	826	24	906	24
Southern Europe	160	5	171	5
Asia-Pacific	38	1	32	1
Total	**3,472**	**100**	**3,784**	**100**

The period-on-period increase in revenues is 9% on a current exchange rates and Group structure basis and 10.4% on a like-for-like basis (constant exchange rates and Group structure).

Note 5 – Operating expenses by nature

The analysis of expenses by nature is as follows:

in millions of euros	First-half 2005	First-half 2006
Personnel costs	2,147	2,223
Travel expenses	160	167
	2,307	**2,390**
Purchases and sub-contracting expenses	883	987
Rent and local taxes	124	135
Depreciation, amortization and provisions	96	91
Total	**3,410**	**3,603**

Note 6 – Other operating income and expense

in millions of euros	First-half 2005	First-half 2006
Restructuring costs	(77)	(33)
Impairment of goodwill	(1)	(1)
Expenses relating to stock options and share grants	(4)	(8)
Capital gains on the sale of consolidated companies or businesses	138	-
Other operating income	5	-
Total	**61**	**(42)**

In first-half 2005, other operating income mainly includes the following items:

- **Restructuring costs:**

  - €26 million in costs directly related to workforce reduction measures, mainly in North America and in Europe.
  - €51 million in other restructuring costs, all of which relate to measures taken to streamline the Group's real estate assets in North America.

- **Capital gains on the sale of consolidated companies or businesses:**

  - In January 2005, the Group sold its 25.22% stake in IS Energy, in Germany, for €21 million, further to the end-2004 exercise by E.ON of the call option it held on IS Energy's shares. This transaction generated a capital gain of €15 million.
  - On June 16, 2005, the Group sold its US healthcare business to the Accenture Group for €143 million, generating a capital gain of €123 million.

In first-half 2006, other operating income and expense, net mainly consists of restructuring costs:

- €30 million in costs directly related to workforce reduction measures within the scope of the "MAP" program for streamlining the Group's outsourcing activities. In first-half, these costs concerned all of the Group's European operations.
- €3 million in other restructuring costs, which mainly relate to measures taken to streamline the Group's real estate assets, principally in the United Kingdom.

Note 7 – Finance costs, net

Finance costs, net can be analyzed as follows:

in millions of euros	First-half 2005 (1)	First-half 2006
Gross borrowing costs	(22)	(34)
Income from cash and cash equivalents	11	25
Finance costs, net	**(11)**	**(9)**

(1) Certain expenses included in "Other financial income and expense, net" in first-half 2005 were reclassified under "Finance costs, net" for an amount of €5 million. These consist mainly of interest expenses relating to (i) the recognition (at amortized cost) of a financial debt following the reinstatement in the balance sheet of carry back tax credits sold in 2003 and 2004, and (ii) the put option held by the TXU group.

Gross borrowing costs

Gross borrowing costs can be broken down as follows:

in millions of euros	First-half 2005	First-half 2006
Interest on convertible bonds	(9)	(22)
Other interest expenses	(13)	(12)
Total	**(22)**	**(34)**

The period-on-period change in gross borrowing costs is mainly attributable to the interest expense on bonds convertible and/or exchangeable into new or existing shares issued on June 16, 2005 ("OCEANE 2005") in an amount of €9 million.

Other interest expenses mainly include interest on finance leases and notional interest linked to the put option held by the TXU group and to the recognition (at amortized cost) of a financial debt following the reinstatement in the balance sheet of carry back tax credits sold in 2003 and 2004.

Income from cash and cash equivalents

The increase in income from cash and cash equivalents reflects mainly the reinvestment of funds generated by the June 16, 2005 bond issue ("OCEANE 2005") and the increase in interest rates, particularly in Europe.

Note 8 – Other financial income and expense, net

Other financial income and expense, net consists of:

in millions of euros	First-half 2005 (1)	First-half 2006
Measurement of financial instruments at fair value	8	2
Capital gains on the sale of investments in non-consolidated companies	2	-
Exchange gains and other	4	4
Total other financial income	**14**	**6**
Measurement of financial instruments at fair value	-	(8)
Impairment of investments in non-consolidated companies	(3)	-
Net interest cost on defined benefit plans	(4)	(4)
Expenses related to the measurement of financial liabilities in accordance with the amortized cost method	(2)	(2)
Exchange losses and other	(3)	(3)
Total other financial expenses	**(12)**	**(17)**
Total other financial income and expense, net	**2**	**(11)**

(1) Certain expenses included in "Other financial income and expense, net" in first-half 2005 were reclassified under "Finance costs, net" for an amount of €5 million. These consist mainly of interest expenses relating to (i) the recognition (at amortized cost) of a financial debt following the reinstatement in the balance sheet of carry back tax credits sold in 2003 and 2004, and (ii) the put option held by the TXU group.

The period-on-period change in other financial income and expense, net, arises principally from changes in the valuation at market value of the interest rate swap relating to the June 24, 2003 bond issue ("OCEANE 2003"). This generated €7 million in financial income during first-half 2005, compared to financial expense of €6 million during first-half 2006.

Note 9 – Income tax expense

Income tax expense can be analyzed as follows:

in millions of euros	First-half 2005	First-half 2006
Current income taxes	(18)	(22)
Deferred income taxes	(38)	(26)
Total	**(56)**	**(48)**

Current income tax expense at June 30, 2006 comprises:

- €17 million in income taxes on profits, especially relating to the Netherlands and Canada.
- €5 million in taxes not based on taxable income, mainly related to North America and Italy.

Deferred income tax expense at June 30, 2006 primarily reflects the €21 million utilization in France of deferred tax assets on tax loss carryforwards previously recognized due to taxable net income of the period.

Note 10 – Shareholders' equity

A) Stock option plans and share grants

The main features of these plans and their bases of calculation are set out in Note 9.A – "Stock option plans and share grants" of the 2005 annual report.

Stock option plans

At the May 24, 1996, May 23, 2000 and May 12, 2005 Annual Shareholders' Meetings, the Directoire and the Board of Directors, respectively, were given a five-year authorization in respect of the May 24, 1996 and May 23, 2000 plans, and an authorization period of 38 months in respect of the May 12, 2005 plan, to grant stock options to a certain number of Group employees on one or several occasions.

During first-half 2006, no new stock option plans were put in place and no new options to existing plans were allocated during the same period.

Based on the calculation parameters used to determine fair value according to the Black & Scholes method, the total amount to be amortized between 2006 and 2010 in respect of the five allocations which fall within the scope of IFRS 2 amounted to €15.7 million. During first-half 2006, the expense recognized in “Other operating income and expense, net” amounted to €6 million.

Share grants made in connection with agreements signed in the context of the acquisition of Ernst & Young's consulting business

The expense for first-half 2006 calculated according to the rules of IFRS 2 amounted to €2 million and is recorded under “Other operating income and expense, net”.

B) Earnings per share

Basic earnings per share

Basic earnings per share are calculated in the same way as at June 30, 2005 and December 31, 2005.

Diluted earnings per share

At June 30, 2006, diluted earnings per share take into account the following dilutive financial instruments:

- Share warrants related to the acquisition of Transiciel that were granted to former shareholders of Transiciel who had opted for the second tranche of the offer. Subject to the earnings targets of the new Sogeti/Transiciel entity being reached, these warrants will entitle their beneficiaries to a number of new Capgemini shares, carrying rights from January 1, 2006.
- Employee stock options considered to be potentially dilutive when the average market price of ordinary shares during the period exceeds the exercise price of the option including its fair value.
- “OCEANE 2005” convertible bonds issued on June 16, 2005, as the €6 million interest expense recorded (net of taxes), is lower for each bond than basic earnings per share.

For first-half 2006, net profit included in the calculation of diluted earnings per share was adjusted for the interest expense, net of tax, on the “OCEANE 2005” convertible bond issue (€6 million).

Note 11 – Fixed assets

A) Goodwill

At June 30, 2006, the net value of goodwill amounted to €1,787 million. The decrease in the net value of goodwill mainly reflects translation differences in an amount of €20 million.

At June 30, 2006, there were no indicators of impairment, apart from that which resulted in a €1 million impairment charge on goodwill in the United Kingdom.

B) Other intangible assets

The decrease in the net book value of intangible assets (€10 million) during first-half 2006 mainly reflects amortization for the period in an amount of €16 million, acquisitions of software for €9 million, and translation differences on intangible assets denominated in foreign currencies.

C) Property, plant and equipment

The decrease in the net book value of property, plant and equipment (€28 million) during first-half 2006 is mainly due to depreciation for the period in an amount of €63 million, acquisitions for €44 million and translation differences on property, plant and equipment denominated in foreign currencies.
Acquisitions essentially concern computer equipment in the United Kingdom (€10 million), Germany and Central Europe (€7 million) and North America (€6 million).

Note 12 – Accounts and notes receivable

in millions of euros	December 31, 2005	June 30, 2006
Trade accounts and notes receivable	1,798	2,194
Receivables from social security bodies	70	59
Total	**1,868**	**2,253**

Trade accounts and notes receivable

Trade accounts and notes receivable can be analyzed as follows:

in millions of euros	December 31, 2005	June 30, 2006
Trade accounts receivable	1,337	1,378
Provisions for doubtful accounts	(33)	(23)
Accrued income	467	747
Work in-progress	27	92
Total	**1,798**	**2,194**

Total accounts receivable, net of advances received from customers, in number of days' revenues can be analyzed as follows:

in millions of euros	December 31, 2005	June 30, 2006
Trade accounts and notes receivable	1,798	2,194
Advances received from customers (1)	(609)	(731)
Total accounts receivable net of advances received from customers	**1,189**	**1,463**
In number of days' revenues	**62**	**70**

(1) Advances received from customers are recognized in "Accounts and notes payable".

Note 13 – Net cash and cash equivalents

Net cash and cash equivalents correspond to available cash and cash equivalents less short and long-term financial debt and derivative instruments. The main characteristics and accounting treatment of these items are described in Note 18 – "Net cash and cash equivalents" in the 2005 annual report.

in millions of euros	December 31, 2005	June 30, 2006
Cash and cash equivalents	2,136	2,013
Financial debt	(1,231)	(1,216)
Derivative instruments (1)	(1)	(8)
Net cash and cash equivalents	**904**	**789**

(1) Derivative instruments recognized in liabilities are shown under "Other non-current liabilities". These derivatives relate to interest rate and currency hedges as described in Note 14 – "Derivative instruments".

I. CASH AND CASH EQUIVALENTS

Cash and cash equivalents reported in the consolidated statement of cash flows correspond to short-term investments and cash, less bank overdrafts.

in millions of euros	December 31, 2005	June 30, 2006
Short-term investments	1,805	1,726
Cash	416	299
Bank overdrafts (1)	(85)	(12)
Cash and cash equivalents	**2,136**	**2,013**

(1) Bank overdrafts are included in liabilities in "Short-term financial debt and bank overdrafts".

The decrease in cash and cash equivalents in first-half 2006 is mainly due to the payment of dividends to shareholders and greater working capital needs in order to finance increased business growth.

II. SHORT AND LONG-TERM FINANCIAL DEBT

Financial debt is broken down by maturity as follows.

in millions of euros	December 31, 2005	June 30, 2006
“OCEANE 2003” and “OCEANE 2005” convertible and/or exchangeable bonds	814	826
Obligations under finance leases	124	127
Other long-term financial debt	207	205
Long-term financial debt	**1,145**	**1,158**
Obligations under finance leases	50	32
Drawdowns on bank and similar facilities	8	15
Commercial paper	15	-
Other short-term financial debt	13	11
Short-term financial debt (1)	**86**	**58**
Total financial debt	**1,231**	**1,216**

(1) Short-term financial debt referring both to the current portion of long-term financial debt and debt originally due within one year is included in liabilities in “Short-term financial debt and bank overdrafts”.

III. MOVEMENTS IN FINANCIAL DEBT

Movements in financial debt can be analyzed as follows:

in millions of euros	Total financial debt
At December 31, 2005	**1,231**
Translation adjustments	(8)
New financial debt	20
Notional interest on “OCEANE 2003” and “OCEANE 2005” convertible and/or exchangeable bonds	20
Other notional interest	5
Repayments of financial debt	(44)
Net change in drawdowns on lines of credit and commercial paper	(8)
At June 30, 2006	**1,216**

New financial debt in first-half 2006 relates chiefly to new finance leases (€18 million).

Repayments of financial debt in first-half 2006 mainly relate to finance leases for an amount of €32 million and to the balance of €10 million due on the acquisition of the computer services subsidiaries of the Drägerwerk AG group, in Germany, which was paid in February 2006.

Note 14 – Derivative instruments

A) INTEREST RATE HEDGES

A new €100 million interest rate swap contract, covering short-term investments over a remaining period of 8 months, was signed at the end of February 2006. Under the terms of the swap, the Group pays a variable rate (Eonia) and receives a fixed rate of 2.86%.

At June 30, 2006, several interest rate instruments in the form of swaps and options (caps and floors) were outstanding – including primarily the interest rate swap hedging the “OCEANE 2003” convertible and/or exchangeable bonds – on a total amount of €595 million (versus €496.8 million at December 31, 2005), for periods ranging from 8 months to 8 years.

The measurement of these contracts at market value at June 30, 2006 resulted in a net loss of €5 million, recorded under “Other financial income and expense, net”. In the balance sheet at June 30, 2006, these contracts are valued at €7 million and are included under the line “Other non-current liabilities”.

B) Currency hedges

Commercial or financial currency hedges totaled €247 million at June 30, 2006. Cash flow hedges of commercial transactions are defined as hedging instruments for accounting purposes. Hedges of financial transactions are valued at market value (see Note 1.M – "Financial instruments" in the 2005 annual report).

The measurement of these contracts at June 30, 2006 led to a net loss of €1 million, recorded under "Other financial income and expense, net".

Note 15 – Provisions for pensions and other post-retirement benefits

Changes in provisions for pensions and other post-retirement benefits can be analyzed as follows:

in millions of euros	Provisions for pensions and other post-retirement benefits
At December 31, 2005	**707**
Translation adjustments	(6)
Increase	66
Reversal	(39)
Change in actuarial gains and losses recognized in equity	(176)
At June 30, 2006	**552**

The increase in the provision for pensions reflects the service cost in the period (€62 million) and interest expenses (€4 million).
The reversal is due to benefits paid to employees and employer contributions paid in the period.

The change in actuarial gains and losses for the first-half 2006 corresponds to a net gain of €176 million and is primarily due to an increase in the pension obligation discount rate of about 0.5 point in the United Kingdom (over an approximate period of 20 years) leading to a decrease of approximately 10% of the present value of the obligation which amounted to €1,572 million at December 31, 2005.

Note 16 – Commitments received from and given to third parties

A) Commitments received

in millions of euros	December 31, 2005	June 30, 2006
Commitments received from third parties:		
- on contracts	11	14
- other	4	2
Total	**15**	**16**

B) Commitments given

in millions of euros	December 31, 2005	June 30, 2006
Commitments given to third parties:		
- on non-cancelable leases	1,046	953
- on contracts	96	82
- other	44	41
Total	**1,186**	**1,076**

Period-on-period changes in commitments given mainly relate to leases of computer and office equipment in the United States and the United Kingdom.

C) Other commitments

Other commitments described in the 2005 annual report and events subsequent to the 2005 closing remain unchanged.

Note 17 – Segment information

I. SEGMENT REPORTING BY GEOGRAPHIC AREA

At June 30, 2006 the Group had operations in the following eight geographic areas:

Geographic area	Countries
North America	Canada, United States, Mexico
United Kingdom and Ireland	United Kingdom, Ireland
Nordic countries	Sweden, Finland, Denmark, Norway
Benelux	Netherlands, Belgium, Luxembourg
Germany and Central Europe	Germany, Austria, Switzerland, Poland and other Eastern European countries
France	France
Southern Europe	Spain, Portugal, Italy
Asia-Pacific	Australia, China, India, Singapore

II. ANALYSIS OF SEGMENT PROFIT

Segment profit for first-half 2005 breaks down as follows:

in millions of euros	North America	United Kingdom and Ireland	Nordic countries	Benelux	Germany and Central Europe	France	Southern Europe	Asia-Pacific	Not allocated (1)	Eliminations	Total
REVENUES											
External revenue	685	864	215	468	216	826	160	38	-	-	3,472
Inter-segment revenue	9	23	7	26	15	31	10	30	16	(167)	-
Revenues	694	887	222	494	231	857	170	68	16	(167)	3,472
OPERATING MARGIN											
Operating margin	(45)	28	12	41	13	28	3	0	(18)	-	62
%	*(6.6)*	*3.2*	*5.5*	*8.8*	*5.9*	*3.5*	*1.9*	*0.9*	*n/a*	-	*1.8*
OPERATING PROFIT/(LOSS)											
Operating profit/(loss)	15	25	10	38	26	18	3	1	(13)	-	123
Finance costs, net											(11)
Other financial income and expense, net											2
Income tax expense											(56)
Profit for the period											58
Profit attributable to equity holders of the parent											58

(1) Items not allocated correspond to headquarters' expenses.

Segment profit for first-half 2006 breaks down as follows:

in millions of euros	North America	United Kingdom and Ireland	Nordic countries	Benelux	Germany and Central Europe	France	Southern Europe	Asia-Pacific	Not allocated (1)	Eliminations	Total
REVENUES											
External revenue	660	1,040	218	514	243	906	171	32	-	-	3,784
Inter-segment revenue	8	24	12	20	30	38	14	56	-	(202)	-
Revenues	668	1,064	230	534	273	944	185	88	-	(202)	3,784
OPERATING MARGIN											
Operating margin	28	61	14	65	23	6	4	2	(22)	-	181
%	*4.3*	*5.9*	*6.4*	*12.6*	*9.3*	*0.7*	*2.2*	*6.1*	*n/a*	-	*4.8*
OPERATING PROFIT/(LOSS)											
Operating profit/(loss)	26	47	12	57	18	0	1	1	(23)	-	139
Finance costs, net											(9)
Other financial income and expense, net											(11)
Income tax expense											(48)
Profit for the period											71
Profit attributable to equity holders of the parent											71

(1) Items not allocated correspond to headquarters' expenses.

III. SEGMENT REPORTING BY BUSINESS SEGMENTS

Revenues break down as follows by business segment:

in millions of euros	First-half 2005		First-half 2006	
	Amount	%	Amount	%
Consulting Services	486	14	460	12
Technology Services	1,173	34	1,270	34
Outsourcing Services	1,267	36	1,446	38
Local Professional Services	546	16	608	16
Total	**3,472**	**100**	**3,784**	**100**

Operating margin breaks down as follows by business segment:

in millions of euros	First-half 2005		First-half 2006	
	Amount	%	Amount	%
Consulting Services	9	1.8	41	8.9
Technology Services	43	3.7	81	6.4
Outsourcing Services	(16)	(1.2)	30	2.0
Local Professional Services	44	8.0	51	8.4
Not allocated (1)	(18)	n/a	(22)	n/a
Total	**62**	**1.8**	**181**	**4.8**

(1) Items not allocated correspond to headquarters' expenses.

Note 18 – Subsequent events

On October 20, 2003, Cap Gemini S.A. filed a public exchange offer to acquire all of the outstanding share capital of Transiciel, in which Transiciel shareholders were invited to exchange their shares under one of the two following options:
• Option 1: an exchange ratio of 1 new Capgemini share for every 3 Transiciel shares,
• Option 2: an exchange ratio of 5 new Capgemini shares plus 16 warrants giving entitlement to new Capgemini shares, for 16 Transiciel shares.
Option 2 includes an earn-out mechanism allowing Transiciel shareholders to receive additional Capgemini shares subject to the Sogeti/Transiciel entity attaining certain earnings targets in 2004 and 2005. This earn-out mechanism is described in article 1.4.13.6 of the prospectus which was approved by the "Commission des Opérations" de Bourse under reference no.03-935 on October 29, 2003. If the targets under Option 2 are met by the new Sogeti/Transiciel entity, shareholders who have chosen Option 2 would be entitled to receive a maximum of 508,600 new Capgemini shares – with a dividend entitlement date of January 1, 2006 – at the close of the extended public exchange offer for Transiciel shares on January 28, 2004. In accordance with article 1.4.13.6 of the prospectus, on June 27, 2006 the third-party arbitrator authorized a maximum number of 315,332 shares to be allocated on exercise of 8,137,600 equity warrants. At the close of the exercise period for these equity warrants (June 30, 2006 to July 31, 2006), 8,055,558 warrants had been exercised, giving rise to the issue of 312,127 shares.

On August 17, Sogeti, a wholly owned subsidiary of Capgemini Group, signed a share purchase agreement under which it will acquire 100% of the capital of German group FuE (Fue-Future Engineering Gmbh, Fue-Future Engineering & Consulting Gmbh and Computer Konzept Gmbh) on September 27, 2006. The FuE group is a leading engineering and consulting firm in Germany, most notably within the aerospace industry. The FuE group has main offices in Hamburg, Bremen, Baden-Baden and Toulouse and has approximately 250 employees and realized €19.3 million revenues in 2005.

Note 19 – Number of employees

A) Average number of employees

The breakdown of average headcount across the Group's main geographic areas is as follows:

	First-half 2005		2005		First-half 2006	
	Employees	%	Employees	%	Employees	%
North America	8,107	14	7,381	12	6,234	10
United Kingdom and Ireland	8,574	14	8,668	15	8,869	14
Nordic countries	3,455	6	3,439	6	3,409	6
Benelux	8,310	14	8,402	14	8,739	14
Germany and Central Europe	3,338	5	3,487	6	4,025	7
France	19,071	32	19,349	32	19,907	32
Southern Europe	5,130	9	5,246	9	5,840	9
Asia-Pacific	3,397	6	3,762	6	5,207	8
Total	**59,382**	**100**	**59,734**	**100**	**62,230**	**100**

B) Number of employees at end of period

The breakdown of headcount at end of period across the Group's main geographic areas is as follows:

	June 30, 2005		December 31, 2005		June 30, 2006	
	Employees	%	Employees	%	Employees	%
North America	6,997	12	6,351	10	6,218	10
United Kingdom and Ireland	8,660	15	8,826	15	9,093	14
Nordic countries	3,427	6	3,429	6	3,392	5
Benelux	8,361	14	8,613	14	8,789	14
Germany and Central Europe	3,461	6	3,732	6	4,295	7
France	19,353	32	19,866	32	20,002	31
Southern Europe	5,205	9	5,591	9	6,045	10
Asia-Pacific	3,726	6	4,628	8	5,846	9
Total	**59,190**	**100**	**61,036**	**100**	**63,680**	**100**