

Morgan Stanley TMT Conference

Barcelona, November 17, 2006

Paul Hermelin, CEO



COLLABORATIVE BUSINESS EXPERIENCE

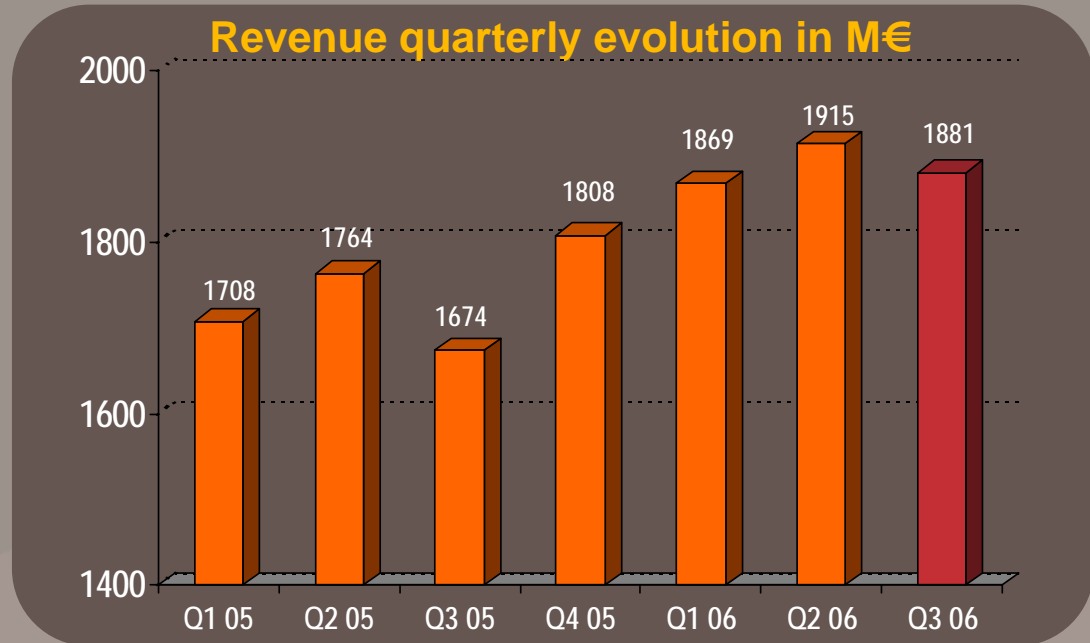
BUSINESS

Agenda

- Business Momentum end of 06
- Outsourcing margin recovery plan
- Investing for the future (I³)
- Kanbay acquisition

- Business Momentum end of 06

We finish the year with a strong momentum



	Q1 2005	Q2 2005	H1 2005	Q3 2005	Q4 2005	H2 2005	FY 2005	Q1 2006	Q2 2006	H1 2006	Q3 2006
Amount in M€ (Published)	1 708	1 764	3 472	1 674	1 808	3 482	6 954	1 869	1 915	3 784	1 881
Sequential Current Growth		3.3%		- 5,1%	8.0%	0.3%		3.3%	2.5%	8.7%	- 1.8%
Sequential Organic Growth		2.3%		- 4.0%	7.4%			4.3%	3.3%		- 1.9%
Year-on-Year Current Growth								9.4%	8.6%	9.0%	12.4%
Year-on-Year Organic Growth								10.0%	11.0%		13.5%

At constant rates and perimeter

And the underlying momentum is even stronger

Revenue CS/TS related to mega deals recorded in Outsourcing

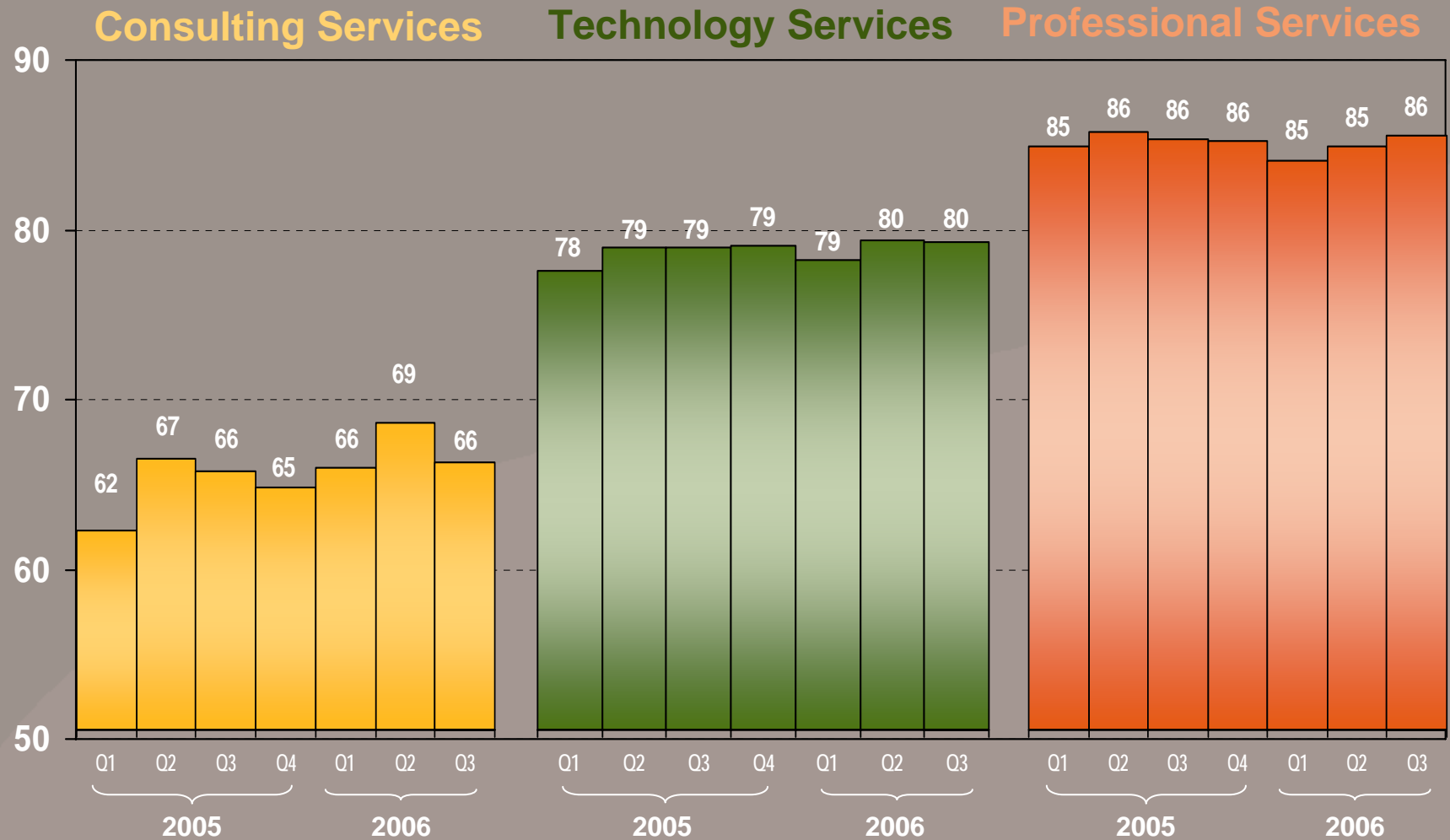
	Q3 06 / Q2 06	Q3 06 / Q3 05
Consulting Services	- 6.9%	5.3%
Technology Services	- 4.8%	11.4%
CS / TS	- 5.3%	9.9%
Professional Services	- 3.1%	8.4%
Project & Consulting	- 4.8%	9.4%
Outsourcing Services	2.6%	20.0%
TOTAL GROUP	- 1.9%	13.5%

Revenue CS/TS related to mega deals recorded in CS/TS

	Q3 06 / Q2 06	Q3 06 / Q3 05
Consulting Services	- 5.9%	7.3%
Technology Services	- 1.6%	17.3%
CS / TS	- 2.5%	15.0%
Professional Services	- 3.1%	8.4%
Project & Consulting	- 2.7%	13.3%
Outsourcing Services	- 0.2%	13.8%
TOTAL GROUP	- 1.9%	13.5%

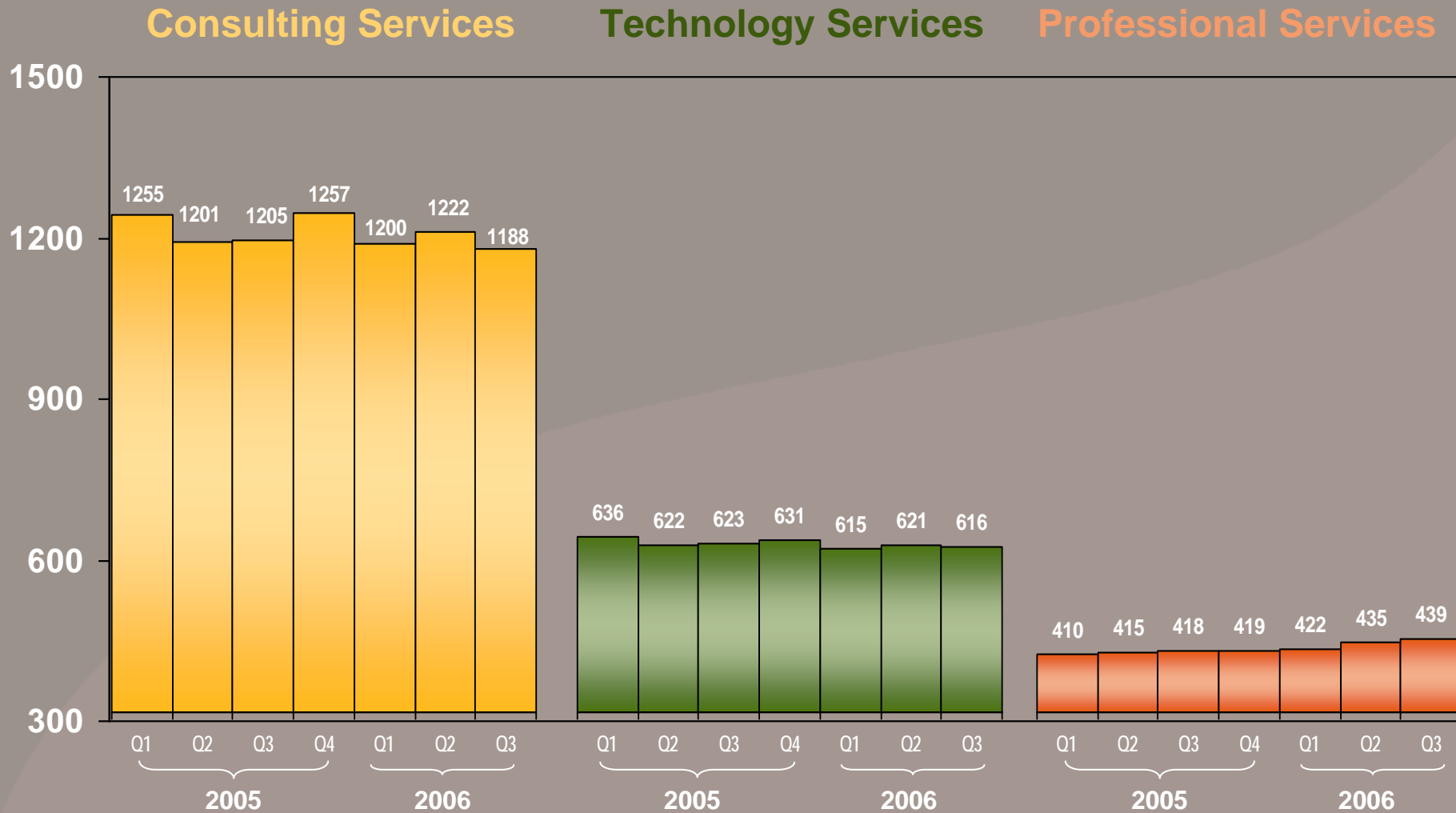
At constant rates and perimeter

Utilisation has not peaked yet but is already quite good



At constant rates and perimeter – with India

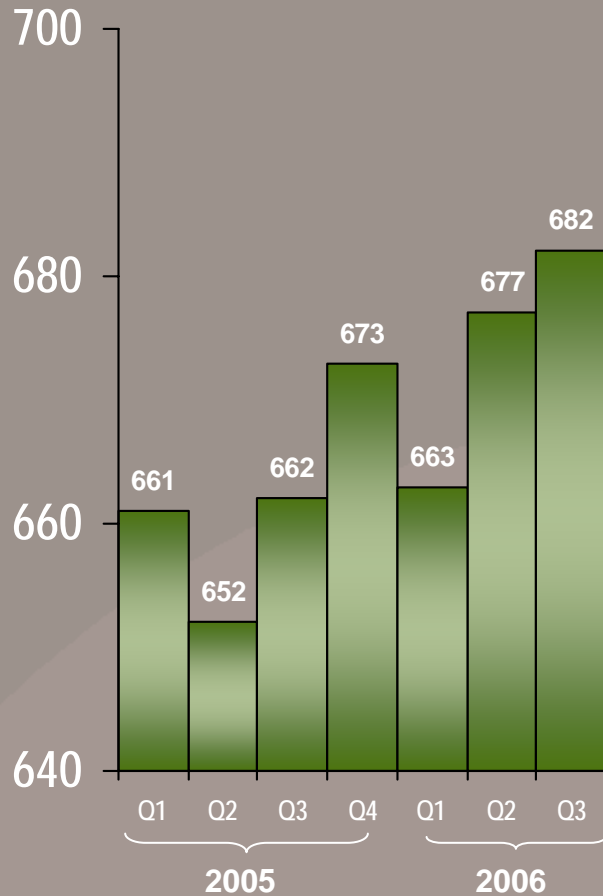
Prices look relatively flat...



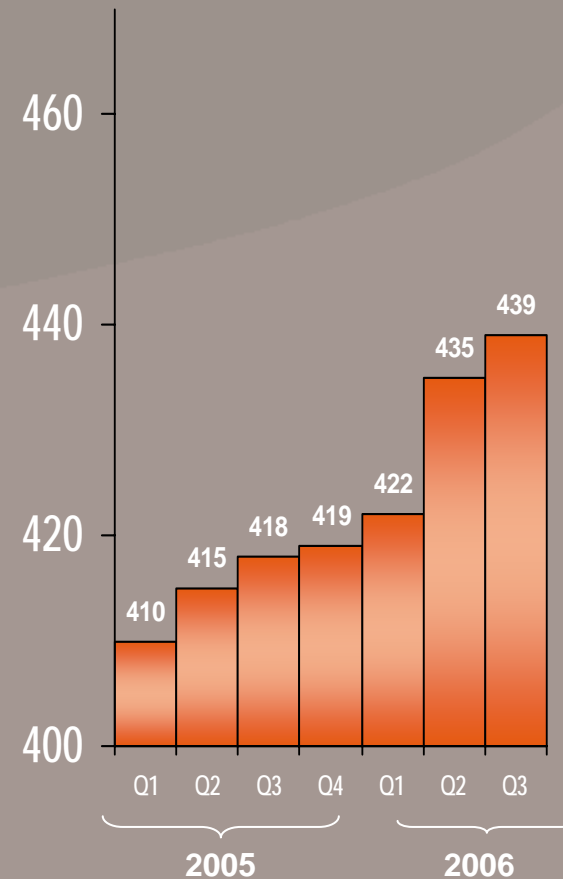
At constant rates and perimeter – with India

But onshore prices are up in Technology Services,
and scale effects hide the strong Local Professional Svces progress!

Technology Services Excluding India

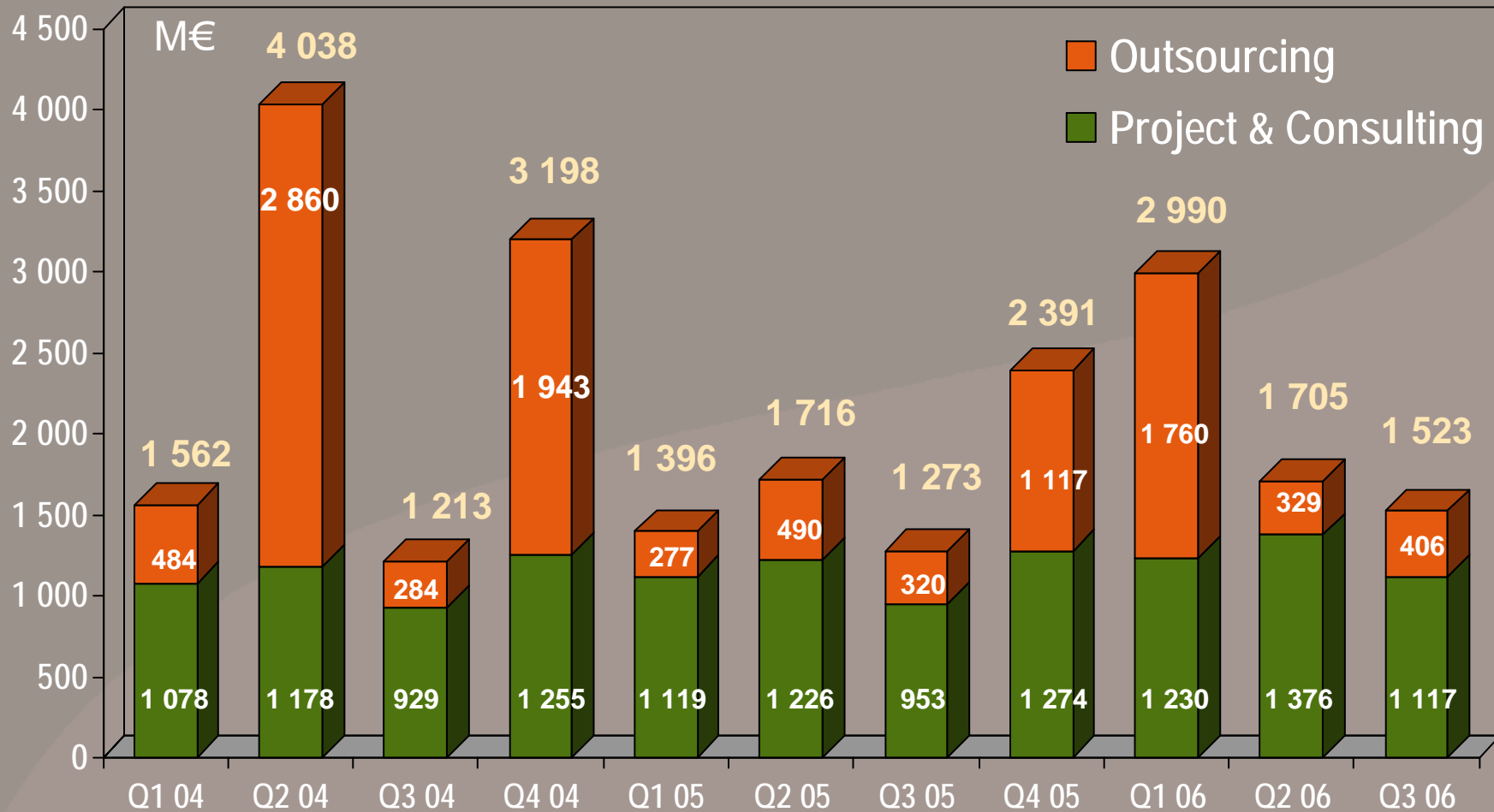


Professional Services



At constant rates and perimeter

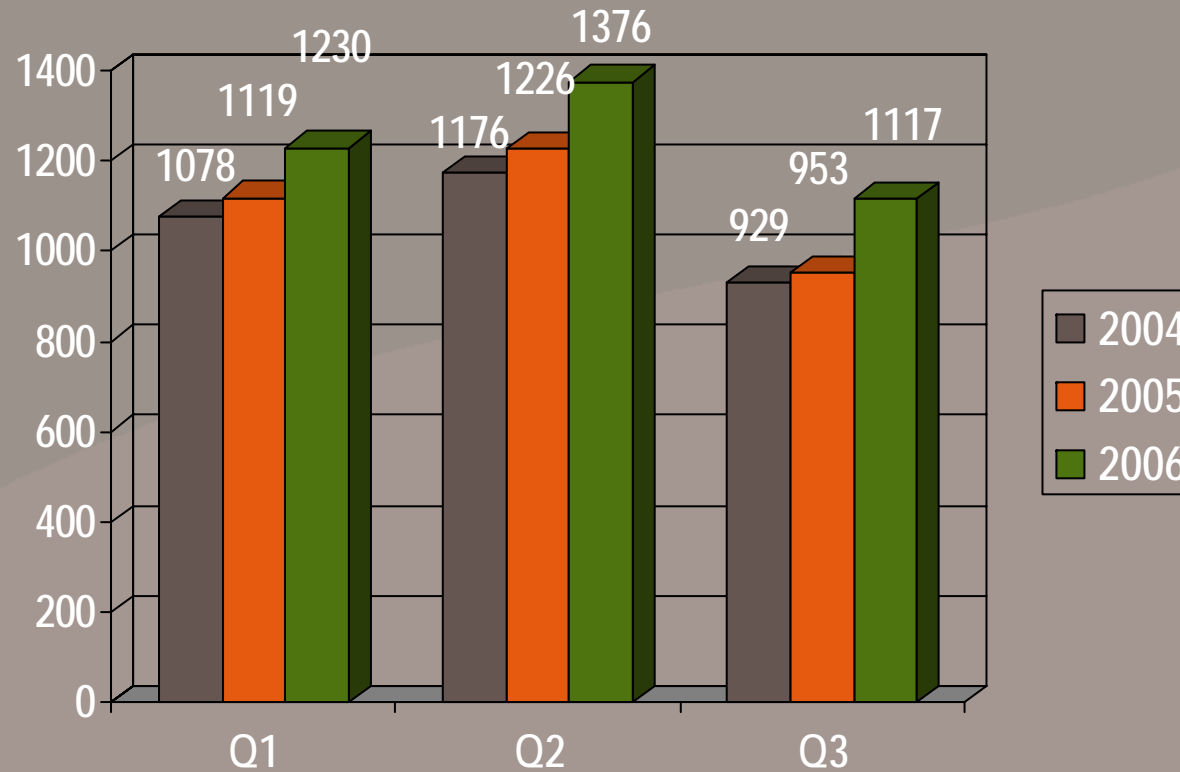
Sustained bookings hint on future growth



At constant rates and perimeter

Especially in P&Cs

Bookings in Consulting, Technology and Local Professional Services



At constant rates and perimeter

- Outsourcing margin recovery plan

The Margin Acceleration Plan was a key challenge for the year: we are on track

Levers	Mid-term Divisional Margin Impact	
Business Mix	TBD	<ul style="list-style-type: none"> Acquisition of majority stake in Indigo, Unilever's F&A platform in India NIS outsourced to BT Sold French Break/Fix business
Renegotiation	0.5%	<p>Achieved 2006</p> <ul style="list-style-type: none"> Successful renegotiation of four service contracts Ending or already exited five service contracts Business extension or expansion within to improve overall account margin 19/20 of 2005 bottom quartile accounts improved; nine fully profitable
Procurement	1 – 1.5%	<p>Achieved 2006</p> <ul style="list-style-type: none"> Mainframe and hardware rationalization in multiple regions Software renegotiation within France and UK Contractor price reductions in various countries and large accounts
Industrialization	1 – 1.5%	<p>On Track</p> <ul style="list-style-type: none"> People restructuring in select countries Closure of sites in UK and Benelux regions
Rightshore™	1.5 – 2%	<p>Visibility 2007</p> <ul style="list-style-type: none"> Creation of IM remote management center in Poland with 264 seats 900 additional positions created in India since beginning '06
Support Function	1 – 1.5%	<p>Visibility 2007</p> <ul style="list-style-type: none"> Migration of internal F&A in UK to Rightshore™ location
Objective: 8% Divisional Margin		

Even though the Schneider contract was even more difficult than expected earlier in the year, we will meet our objectives

(at divisional margin level)

	H1 05	H2 05	H1 06	FY 06
▪ Excluding Schneider	0.6%	5.6%	6.0%	≤ 7.0%
▪ Including Schneider	-0.2%	2.7%	3.3%	≈ 4.0%

➔ Strong margin improvement excluding Schneider

➔ Schneider still a significant drag on profitability

Outsourcing will continue to be a key driver for our margin expansion

Objectives

- > 7.5% full year Divisional Margin (approximately 5.5% Operating Margin) excluding Schneider
- 5 - 5.5% full year Divisional Margin including Schneider

Restructuring

- € 35 m
- 90%-95% Cash
- 20 month payback

- Investing for the future (I³)

2006 was not only about recovery it was also about investing for the future

Accelerate the deployment of our strategy to:

- Deliver **8%** in 2008 and then push to at least **10%**
- Increase resilience at the bottom of the cycle
- Sustain growth above market

Focusing on 3 key levers



industrialization with a significant growth in offshore (35,000 employees in 2010) and investment in productivity improvement

innovation with a strong focus on selective domain expertise

intimacy to strengthen client relationships and increase our share of wallet

- Kanbay acquisition

Kanbay: the perfect match

Strong strategic fit

- Accelerate growth in India (+89% headcount)
- Reinforce North America CS/TS position (+45% revenue increase)
- Consolidate leadership in Financial Services (+25% revenue increase), biggest IT services market

Significant synergy potential

- Revenue synergies through strong domain expertise in Financial Services & Consumer goods
- Operational and Tax cost synergies



Straight forward integration

- Cultural and managerial fit
- Great Management Team
- Simple integration model

Financially attractive

- Accelerate top line growth
- EPS accretive: mid single digit in 2007 and low double digit in 2008

Kanbay is not only about growing staff in India, it is also another way to use offshore

Next-Gen value based global delivery model

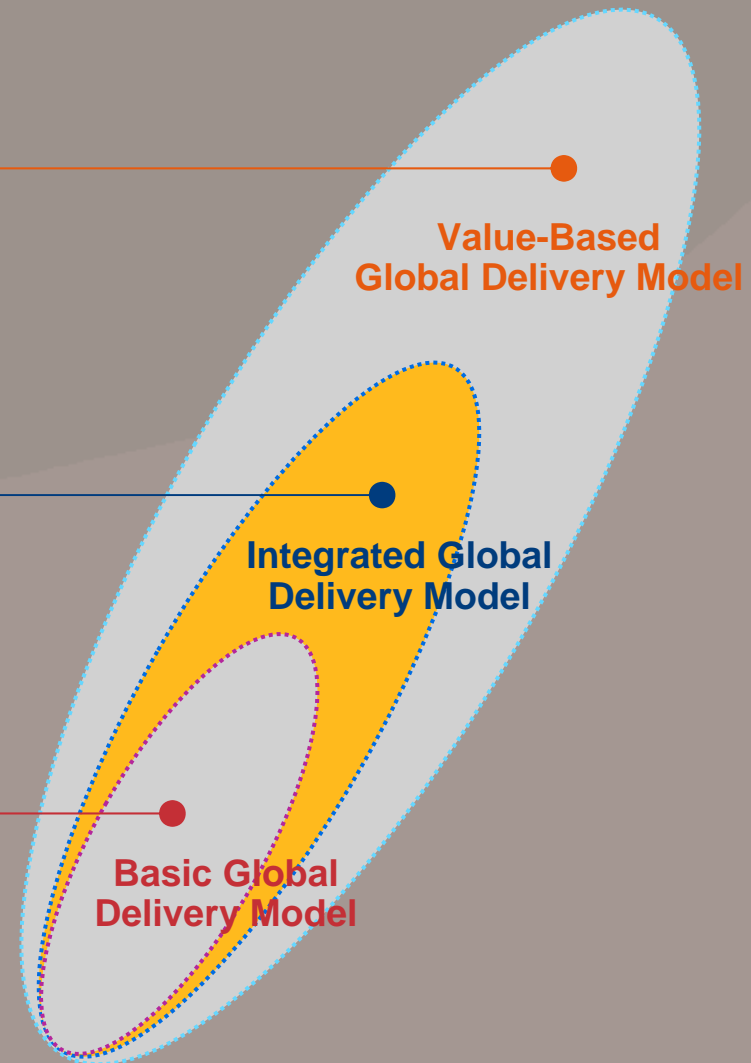
- Strategic alignment with client business
- Integration of industry and technology expertise for innovative business focused solutions
- Value-based delivery model
- Self-enriching knowledge base

Engagement-based delivery leveraging human assets

- Core project teams retained across projects
- Integrated usage of Kanbay near-shore, onsite, offshore and client teams to maximize leverage – over 1:4
- Multi-layered relationship alignment between Kanbay and customers including goal-sharing

Transactional project based onsite-offshore delivery model

- Easy to establish, low upfront planning needed
- Requires high involvement from customer management
- “Over-the-wall” delivery process – “blame games” follow
- Hard concerns like rate, technology, skills are the primary drivers



As in any integration there are risks but everything is made to limit them

Preserve and leverage Kanbay deep domain expertise and growth momentum

Financial Services

- Speed up integration by creating a Financial Services BU covering NA + UK + FS India
- Led by Raymond Spencer reporting directly to Capgemini CEO
- Financial Services India Platform to be leveraged by Capgemini European clients


North America Non Financial Services

- Integrate Consumer Products business in Capgemini NA
- Create a Consumer Products BU led by Rodney Rogers reporting to Salil Parekh (CEO NA CS/TS)
- Kanbay to leverage Capgemini's strong Indian platform

Capgemini India*

- Financial services (5,500 FTE): Integrated with new Financial Services BU
- Non Financial Services (primarily current Capgemini India, 6,500 FTE)

Summary

- We are exiting 2006 with a strong business momentum
- Outsourcing well on track to normality
- The launch of  marks the end of our turnaround story
- Kanbay is a key investment for our future

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