



**conquest
transformation
ambition
results
paving the way
industrialization
innovation
intimacy
efficiency
training
freedom**

Serge Kampf (*Founder Chairman*) and **Paul Hermelin** (*CEO*) answer some of the questions most frequently asked about the Capgemini Group.



Paul Hermelin (left) et Serge Kampf (seated) reading the questions about to be put to them.

Questions to Serge Kampf



What lessons have you learnt from the recovery, begun in 2005 and confirmed by the 2006 results?

The lesson is always the same: in a services company, what counts above all else is the people. After the bursting of the Internet bubble and the catastrophic period of 2002-04 (in 3 financial years, we lost the equivalent of the aggregate profits made over 35 years!), we had to return to the basics, the simple things, and re-motivate employees and managers alike; restore in them their will to win, their sense of corporate identity, the courage to take risks, the willpower to keep to their commitments and the pride in helping the Group keep to its own. We had to make forceful decisions, to avoid getting mired down further. We had to do all this while remaining faithful to the values of the Group. 2005 marked the beginning of the recovery, and 2006 confirmed it. I should like to underline the fact that we owe this remarkable turnaround to Paul Hermelin and his close team. During some very difficult years, he demonstrated his strength of character and his endurance, and ended up silencing his critics.

These last two years he has turned things around, bringing the Group forward with him, putting his heart and soul into the enterprise and leading by example. The recovery in the United States is the

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A glossary has been created in order to clarify the terminology we use, which is sometimes very technical.

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perfect illustration of how it sometimes takes very little to bring a whole population around from cautious pessimism to communicative optimism. If we have managed to generate this change in people's mentalities, it is because Paul has taken the bull by the horns, he has crossed the Atlantic ten or fifteen times a year, he has gone into the field to see people, to discuss with them, to find things out for himself, to analyze the errors made and to identify the people on whom he could count. Nothing he did was done at a distance or by proxy. His physical presence was all the more decisive in that it also satisfied the sense of consideration and respect that "our" Americans expect.

I stress once more: the economic climate, technical innovations and political vicissitudes certainly all have a major influence on the well-being of a Group such as ours, yet our business is above all a "people" business.



What do you expect from 2007?

Two things, mainly. The first is that we continue to stick to our commitments, and even surpass them. Indeed, I believe that our 2007 budgets are still not ambitious enough. With the compensation system that has been in force in the Group for 30 or 40 years (and where the variable part – depending on individual and collective results – equates on average to two-thirds of the fixed salary), many suffered a great deal during the period 2002-2004. Even those whose individual performance was good did not receive the bonuses that they had hoped for because of the way the solidarity mechanisms worked. The management therefore considered, both last year and again this, that people had to be given the possibility to exceed their budget, so as to be able to obtain good results and catch up on some of the rewards they did not receive during the lean years. The budgets were therefore not negotiated with the pressure generally put on line personnel and so should be easier to exceed. It has to be said, also, that some people are of the opinion that it is not possible both to achieve growth and improve profitability at one and the same time. 2007 should provide the opportunity for our managers to achieve both.

The second thing that would give me great satisfaction in 2007 would be for the French team to win the Rugby World Cup especially since Capgemini is one of the competition's main sponsors.



Speaking of which, why did you choose to sponsor this World Cup?

Because Capgemini has chosen rugby as a channel for communicating its own values, which are mirrored in the sport. As a sport requiring both team spirit and fighting spirit, rugby is synonymous with such qualities as solidarity, selflessness, complementarity of talents, modesty and straightforward moves, to name but a few. Rugby is also a good school of management, or at least an example to be considered when you want to run a company, since it is a sport in which you can do nothing alone without a team behind you – a team of committed players, interacting with complementary skills, all with the same objective and the same will to do everything in their power to achieve it, all the while respecting both the rules of the game and the opposing team.

As far as I am concerned, I have been passionate about rugby for some fifty years now, and if this passion is as strong as ever, it is because it has brought me into contact with some fabulous people. As expressed so eloquently by Pierre Dauzier, rugby is a world in which you can make childhood friends at any age. After many years of dipping into my own pocket to offer financial support to the Grenoble Rugby Club (my own home town) and Biarritz Olympique (out of friendship for Serge Blanco), I managed to convince Capgemini to assume the mantle, and rugby has now become a Group passion, at least as far as its Franco-British component is concerned (representing as it does no less than 50% of Group revenues). It was nor-

mal therefore that Capgemini should also be interested in an event of such global proportions as the upcoming World Cup, looking to play a part in providing its IT and corporate project management skills. The fact that the Group succeeded in being selected as one of the main partners for the tournament has nothing to do with the fact that I am one of the vice-presidents of the Organizing Committee, since I played absolutely no part in getting Capgemini to be a sponsor. It was all down to the Group battling through on its own merits, and I would like to congratulate all concerned.



One of the big changes that has been observable for some time in Capgemini's business is that, whereas you were practically absent from the outsourcing market 4 or 5 years ago, today that market represents 40% of your turnover. Was this strategy intended to make the Group less "cyclical"?

First of all, let me make it clear that we were not absent from outsourcing five years ago.

Outsourcing represented 27% of Group revenues in 2002 and already over 20% in 2000. Yet it is true that, over recent years, this activity has grown faster than the rest and has become more visible on account of major contracts being signed in Canada, the UK, the USA and France. It is also true that we do not sign contracts as big as these every week and, even if our "pipeline" is nicely full, the possibility cannot be discounted that the contribution of outsourcing to our revenue growth will be less this year than for the three other Capgemini disciplines. Yet all this is laid down on our "roadmap" and will not affect the cyclic character of the Group.

In terms of cycles, the cycle that governs our IT service companies lasts around 10 years! I have noticed that, in France at least, we have gone through four major crises over the course of recent decades. In 1972 for example, the then-C.A.P. had to make staff redundant for the first time; in 1982, the "powers that be" reduced the very status of IT services companies to that of temping agencies; in 1992, a global economic crisis coincided with a crisis specific to the IT industry; and in 2002, the impact of the bursting of the Internet bubble made its effects felt within a short time. Of course, some minor cycles have been interposed here and there over the course of these major 10-year cycles but, if my observations are accurate, things should be fairly calm until 2011.



You created Sogeti in 2002. Four years on, how do you see the situation in hindsight, and what future do you see for this subsidiary?

Paul Hermelin and I indeed decided to recreate, on 1st January 2002, a company specialized in local IT services, and we gave this company the name "Sogeti", a name that had been put into dormancy on the occasion of the big legal "shake-up" in May 1996. The company started out with 4,500 employees. Five years later, this number has exactly doubled. To these 9,000 employees can be added the 7,000 employees of Transiciel, acquired at the end of 2003. In all, this represents 16,000 employees spread around five main countries and a company which, in this short five-year period of existence, has recorded excellent growth and the best profitability in the Group.

Thanks should go to its management team and, in particular, to its force of inspiration and organizational linchpin, Luc-François Salvador, whom I reminded the other day that he came into the Group some thirty years ago as a "technical operator"! He has just taken over my role as Chairman & CEO of this sub-group, Sogeti and I know that he has the ability to sustain, for a long time to come, the will to win and the hunger to succeed that characterizes his 16,000-strong army of men and women, which could grow to 30,000 over the next few years.



You have just raised 500 million euros of fresh funds through a capital increase: was this intended for further acquisitions?

If so, what new boundaries do you intend to set for global expansion?

As the acquisition of Kanbay was fully paid up in cash, the purpose of the capital increase was to rebuild our cash position so that we could seize any opportunities that seemed appropriate and in line with our strategy (as was the case with Kanbay), and to play the role incumbent on us during any possible consolidation in the sector. I think that we should – and we owe this to our shareholders and to our employees – maintain our position in our business sector and to do our utmost to stay in the leading pack in our profession. To do so, we need money: not only money but money first. That said, acquisition growth is not our main priority and we are placing particular emphasis on organic growth, whether within an existing subsidiary or by forming new subsidiaries in new countries. To date, we have representation in 32 countries, spreading from Los Angeles to Sydney over 18 time zones, but 3/4 of our revenues are generated by four countries only (Great Britain first, followed by France, the United States and Holland) and 94% is generated by the top 10 countries. The 22 other countries therefore only represent 6% of Group revenues – spanning from Italy (1.2%) to Slovakia, the smallest of the 32 – so that there is still a lot to do in some countries before venturing further afield all the more so as we deliberately made the decision long ago not to work in countries with dubious business practices or unstable political climates or where our personnel may be at risk or unsafe.

However, there are still countries where the risk-to-opportunity ratio is still very positive. I'm thinking of China, in particular. We are at the same stage with China as we were with India four or five years ago. Who would have thought four or five years ago that, in April 2007, we would have more than 13,000 people in India? Even if I do not underestimate the difficulties or pitfalls that may be encountered by Westerners, I still say that, in less than five years from now, we should have at least as many employees in China. But this is not a "new frontier" à la J.F.K. I insist that we still have a lot to accomplish in order to increase our all too insignificant - and sometimes even ridiculously small - market share in several European countries or in vast areas of North America. It has never been Group policy to plant as many small flags on the world map as possible but to strengthen its presence where it is already strong... or where it has a good chance of becoming so.



It is said that you have made generous stock option grants to the Capgemini executive staff: what is the situation exactly?

We began to distribute stock options in 1987, namely twenty years ago! In twenty years, we have allocated just over 34 million (i.e. one million seven hundred thousand per year, on average) stock options to approximately 4,000 beneficiaries, many of whom have, in fact, received two or more grants. However, I should add that almost half (precisely 47%) of those 34 million stock options have been **cancelled**, either because the beneficiaries had left the Group before the date on which they could exercise their rights or because such options had been allocated at a time when the trading price (and thus the price to pay ultimately in order to exercise their options) was higher than the price posted when the option could be exercised. Hence, only 18 million options have remained in circulation, of which 8 million have already been exercised, which means that they have already been incorporated into the current company capital. Slightly more than 10 million options are yet to be exercised... and will only be exercised if the stock market rate is higher than the price to pay in order to exercise the options in question so that the 10 million shares potential shares would represent 6.5% maximum of the company's potential share capital once increased accordingly.

Nonetheless, your question probably hides another question so I'll complete my answer by specifying that, to date, the nine members of the Executive Committee together (personally, I have neither received nor asked for any stock options) hold 821,960 stock options, i.e. 8% of the currently valid options. 8% between the nine members: a far cry from the exorbitant figures that are the target of criticism in some companies in France or elsewhere. On this subject, I read somewhere that there are a few "greedy" people around – if that's true, they are certainly not at Capgemini.



It is also said that it was you who chose the new form of governance, authorized by the Law of 2002, which separates the previous position of PDG (Chairman & CEO) into separate Chairman and CEO: are you happy with this decision?

It was indeed following my proposal that the Board of Directors opted for this solution in July 2002. This form of corporate governance had just been introduced by a law entitled *Nouvelles Régulations Economiques* (or N.R.E.: new business regulations), so that just shows how convinced I was that this was the best way ahead for the Group at that time. Also, further to another proposal of mine, in May 2006, the Board decided to prolong this governance structure for another four years, which showed that the experience had been conclusive. However, I am not saying that this solution is the universal solution for all corporate governance issues: it can only function in the long-term if the two parties to the arrangement play their respective roles in a spirit of complicity. This would suppose, in particular, the fulfillment of at least three prerequisites, which are, firstly, that the Chairman gives the CEO full leeway to manage the affairs of the Company; secondly, that the CEO keeps the Chairman informed in real time of the running of the business and obtains his opinion prior to any important decisions; and lastly, that both parties put on a united front with respect to the outside business world. This is how things work between Paul Hermelin and me, so I'm perfectly satisfied with my choice. It's up to him to say if he is too.



Your shareholding is scattered and you only control 4% of the capital so, now that there is talk of further consolidation in your field of business, how would you defend yourself against a potential takeover bid?

For over thirty years, I managed, at the price of heavy personal debt, to take care of matters in such a way that the question did not exist. Then, in March 1996, under the combined pressure of the two other large shareholders at that time (Daimler-Benz and CGIP) who wanted, individually, to become direct shareholders of the listed Company, I agreed to flatten the three-tiered organization that had made it possible for me to keep the controlling interest in the Group although I already held solely 17% of the capital. For more than ten years now, I have been in a position whereby I can no longer fight against an attempted takeover alone but, in 1996, there were two or three of us to do so – Daimler-Benz holding 24% and CGIP holding 20% of the equity so that together we held 61% of the share capital.

Since then, Daimler-Benz (in 1997) and CGIP (gradually, between 2003 and 2005) sold their shares in order to invest elsewhere. My own share percentage continued to diminish both because I had "sold", in 2000, a significant share of my assets to approximately 200 Group employees and managers in order to thank them for their strategic contributions to the Capgemini successes during a difficult period of "cohabitation" and because my share had been "diluted" by the various capital increases in which I could no longer take part - but had agreed to for the purposes of paying the acquisitions or the contributions to the Group. For example, the merger with Ernst & Young Consulting, in May 2000, led to 43 million new shares being issued in compensation for this strategic contribution. The consequences were as follows:

- There were 60 million shares in circulation during the great upheaval of May 1996 whereas there are 144 million shares on the market today!
- With my 10 million shares at that time, I held 17% of the capital whereas, ten years later, and although I still have 6 million shares, I only hold 4% of the current share capital.
- The proportion of "floating capital" was 31% at that time whereas it has risen to 96%!

Thus, it would be mistaken to believe that we could stave off a takeover bid, whether qualified as friendly or otherwise. However, there are factors which can limit this risk – even if they do not protect us fully – such as a strong, motivated, well-knit management team that is determined to defend its strategic positions, its freedom of decision and the fundamental values on which the company has been built. On this issue, however, you should put the question to Paul Hermelin and his team...



You are going to celebrate the 40th anniversary of the Group's inception in Grenoble next October. What is your best memory in those forty years of professional activity? And your worst?

Perhaps I should begin with the bad times although I've forgotten most of them. The May 68 events? Tiny little SOGETI (with its workforce of 18!) could have gone under if it hadn't been for the support of its clients at that time. More serious still was the summer 75 divorce from our British cousins at CAP UK. They took fright at the large European project that we were proposing to drive together and they preferred to retreat onto their islands. All that, just to fall into the arms of SEMA some time later which, in turn, was bought out by Schlumberger which ended up by losing interest and selling the company to Atos-Origin. If our English friends had not been quite so unadventurous in 75, the European IT world would probably have a completely different configuration today.

As far as the good memories are concerned, hundreds come to mind. If I were to choose one that I could dub the best – although I may choose a different one on another day – I would say the *Rencontres* held in Marrakech, in June 1990. Three days of in-house debating between 550 senior managers of the Group on the proposed new strategy and a highly active Executive Committee with ambition and willpower (perhaps the best top management Cap Gemini ever had; allow me to give you the names of all the members alongside myself: Jacques Arnould, Michel Berty, Michel Jalabert, Alain Lemaire, Daniel Setbon, Bob Sywolski and Christer Ugander). The suspense was at its height right up to the last session, on the third day, when the final decision was passed with a slight majority – 271 votes from a poll of 532 voters. The choice fell on a leadership strategy rather than the two other, more conservative, scenarios proposed. A closing speech crowned by my first standing ovation...

Those *Rencontres* gave an incredible boost to the Group's development so that, from that date onwards, Cap Gemini posted global ambitions and, in the wake of the Marrakech *Rencontres*, took some crucial decisions within the space of a few weeks: our workforce was doubled in Germany with the buy-out, on 13th July, of the German subsidiary of SD-Scicon (600 people); next, there was a triumphant return to outsourcing – discarded since the sale of Eurinfor and Sorinfor in 1975 – with the acquisition, on 18th July, of Hoskyns, number one in outsourcing in Europe at that time; then Gemini Consulting was formed on 1st July via the incorporation of United Research, Mac Group and Gamma International; serious negotiations were begun with Daimler-Benz. Then, on 2nd August, Saddam Hussein invaded Kuwait!... That "tiny grain of sand" indeed caused a major, world-scale crisis that Capgemini would certainly not have survived without the full mobilization of the Group onto ambitious targets and without the personal and collective commitment of the 550 managers present in Marrakech.

Answers from Paul Hermelin



How did you achieve the turnaround in fortunes as enjoyed by the Group in 2006?

2006 has been marked by big successes: all four Group disciplines have accelerated their development and improved their profitability while growing at a double digit rate. The recovery of the North American activities, setting in at the end of 2005, has been confirmed and noticeably accentuated; and the profitability of our outsourcing has considerably improved.

The common denominator between these three successes is that they are grounded in the deployment of one of the Group's founding principles: P&L's managed down to the bottom line by the operational leaders, under close control, but to whom the widest possible responsibility has been delegated. The economic situation, of course, helped. Yet there are further factors for which we are responsible and are proud. First of all, we have successfully inculcated the Rightshore™ concept so that everyone now knows that the use of our worldwide production scope is a major asset to the Group when faced with local competition. This has been a great mobilizing factor.

Then there is the winning spirit that has begun to sweep through the enterprise again, as testified by our contracts with world class players such as General Motors. It is manifest that the Group benefits from a massive amount of goodwill on the strength of its forty years of history. From the moment that our people buried their fears, a fairly spectacular urge for leadership re-emerged. The Group was able to rediscover the ambition lying dormant within.

The XXIst *Rencontres*, which brought together over 500 managers in Montreal, last September, achieved in this regard a sense of collective awareness: once again, the Group was certain of its future prospects and its international dimension.

This was also the year in which the difficult decisions made in previous years have borne fruit, in particular the installation in 2003 of a new management team or the reorganization of the Group into disciplines, which has enabled improved cost analysis and therefore savings where costs were excessive.



What targets have you set for the financial year 2007?

Last year, we anticipated growth of 8%. We achieved 12.1%. For 2007, our objective is 8%. The first half year looks promising but let's remain cautious. Nothing can be taken for granted, and we don't know how the economic situation is going to develop, particularly in the United States, and everyone knows how much the US economy is a driving force.

Above and beyond topical issues, we need to confirm that the Group has moved on from recovery mode to conquest mode. By building on our rediscovered confidence, we are now sharpening and fine-tuning our ambitions and priorities. We need to select carefully the segments on which we want to be the best and assert our ambitions in certain specific domains, such as BPO, distributed delivery or certain sectors of our consulting activity.



Are the United States operations definitively "cured"?

The Group's operations in the United States are healthy. Today, we are growing somewhat faster than the market rate, with satisfactory profit levels. In 2007, our target revenues are 2.2 billion dollars, which will make us a real player on the American market. However, just getting better is not enough. We have already picked out the domains in which we intend to excel such as the media sector, so full of promise. Others need to be added so that we can step by step assume leadership in this market, which is the largest and yet the most demanding.



Did you purchase Kanbay in order to strengthen your position in the United States?

Not just in the US. The acquisition of Kanbay has indeed strengthened the Group's position in the United States, where this company achieves nearly 85% of its turnover, as well as in the financial sector and, finally, in India. Kanbay chose a simple strategy: to serve a small number of sectors with resources spread between North America and the Indian subcontinent. Thanks to this reinforcement, our ambition to raise our offshore headcount to some 40,000 by 2010 has become entirely realistic. Furthermore, we are becoming a top-league player in banking and insurance, the main consumers of IT and consulting services. All that remains is to integrate optimally the Kanbay teams, whom I discovered to be particularly endearing, with values very close to those of Capgemini. From my perspective, this is the top priority for 2007.

India is set to become the Group's number one country in terms of headcount in 2007 or 2008. Will you nonetheless continue to recruit in your "traditional" countries?

We are a people business. No-one should be surprised that we are seeking to develop in places where there is an abundance of talent and young energy. No other country has made efforts that can match India's, which today trains nearly 350,000 engineers per year, as compared to fewer than 20,000 for a country such as France. To recruit over 4,000 employees in India in 2006, we received 88,000 resumes and carried out 16,000 interviews, including on Saturdays and Sundays! It's up to the other countries to get up to speed, and I would plead the case for France, for example, to resume the efforts it made in the '80s, and increase two-fold the number of students in the engineering schools. This new massive training effort is all the more necessary inasmuch as there is now a major drain of young engineers into the financial sector, which was not the case 30 years ago.

Europe needs this effort if it wants the future that it deserves. We need it too as success depends on the degree of intimacy and trust that we can establish locally with the client. This presupposes having on-the-spot experts who communicate in the same language, and share the same thinking patterns and the same culture. We need and we shall continue to need more and more quality employees in the Group's "traditional" countries.



Are you not afraid that your Indian employees will one day be tempted to leave the Group and enter into direct competition with you?

If they were to do so, they would become competitors with nothing to mark them out from the other Indian players. The bonus they get working for Capgemini is the possibility to flourish in a multinational enterprise that respects every culture and provides the possibility to draw on unusually rich and diverse resources, as required. An example of this diversity is our BPO center in Krakow, Poland, which comprises 1,500 employees who are able to serve our clients in 19 different languages. Quite a feat!



Is it really sensible to “put so many eggs” in the same Indian “basket”?

Whatever the merits and ambitions of the great Indian democracy, it is our duty to guarantee maximum security of production both for our clients and consequently for ourselves. We shall therefore have to develop complementary structures alongside India. This will be done in our traditional countries, such as in France, in Nantes, and in Spain, in Asturias, but also in Eastern Europe where we are already active in Hungary and Poland and are now studying the possibility of expanding into new countries such as Romania. The same applies to North Africa, where we are opening an IT production center in Morocco, which will mainly serve our French-speaking corporate clients, in particular in the financial sector. Lastly, we are studying the possibility of setting up in other Asian countries.



What new developments do you envisage in Asia?

Paul Hermelin. In Asia, we are already well-established in two major countries: firstly China, where we are rapidly expanding and number, among our clients, some prestigious Chinese companies in the fields of energy and telecommunications; secondly India, which is no longer merely a production center but where we are going to expand in the internal markets. To these two Asian countries should be added the South Pacific area and specifically, in our case, Australia, where our employees, originally focused on the consulting business, are now providing the full range of the Group's offerings.

With these three countries as our base, we are going to expand our presence in the Asia-Pacific zone, where the markets are the most dynamic of them all. And one day we shall have to reconsider our situation in Japan, a country in which we have never really been able to succeed, but where today we have a heavyweight partner (NTT-Data). The list of possible countries is not fixed but what I do know is that we shall be going to the countries where we can have the ambition to be a key player, if possible one of the top players, and not just a token presence.

How can you guarantee your service quality while turning more and more to offshore?

The difficulty is not the quality of the offshore, which is very good, but the quality of the interface between offshore and client. It is the organization of this relation that is important, and that is our responsibility. Clients demand total quality, which is a legitimate demand! And in order to guarantee a good interface with the offshore platforms, we can no longer tolerate country-specific methods. With the switch to distributed delivery, we need to impose a unified methodology and define the specific standards of Capgemini. This calls for strict discipline and our Indian employees themselves demand of their “Western” colleagues that they only use one method for the purpose of seamless production.



How is your “Rightshore” concept going to develop?

This model looks very promising for the future since it consists in deploying intelligence, value and innovation in the front office, of course, but also, and above all, in the back office. Such is the originality of the model we are building. Yet we will be moving towards a second generation of “rightshoring” or even a third, towards a new work-organization model in which there will never be a trace of sweat shops! At Capgemini, intelligence will have no frontiers.



What are the Group's "frontiers" when it comes to new services? Has the example of BPO [→ GLOSSARY] led you to think about other developments?

We have invested in two new domains. Firstly, BPO, where we are successful in the financial and accounting fields. Our ambition there is to develop new skills in other horizontal functions, such as purchasing, as well as sector-specific skills, such as in banking and insurance. Then there is the field of high-tech consulting. Today, we are present in only one segment – aeronautics – where we are solidly established. We are seeking to deepen our understanding of this new domain before deciding whether or not to expand into other sectors. These two domains only represent 2% of revenues but they are promising fields in which we wish to invest and to progress. Yet we shall not be going everywhere. Conversely, we can and must strengthen our hand in transformation consulting.

You abandoned the defense sector some time ago whereas it is often - by far - your American competitors' largest client. Do you intend to go back to it?

The Group had sold this activity to Matra some ten years ago since the very specific equipment involved was more the province of the large defense equipment suppliers than of IT service companies. Today, military IT engineers are turning to generalist IT engineers. We could go back there, and we have started to regain some positions. What's more, it is a field for the future for our employees in Capgemini's traditional countries.



Is there a defense against takeover bids in your sector?

Buying a service company is not like buying an office building and its managers are not mercenaries, ready to sell their services to the highest bidder. They do not function according to a purely financial logic. In order to succeed in their takeover bids, purchasers would have to win over the management team – particularly the leaders – on the basis of a convincing industrial project. And if this project didn't win them over, then it couldn't work – even by waving a carrot to make them move forwards. The current capital structure acts therefore more as a performance incentive than as some form of hindrance: in the event of a takeover bid, it would be a case of project versus project, which would simply force us decide, implement and defend an even more ambitious strategy.



You have launched a conquest and development plan called "I³". Why transform the Group further whereas it has returned to good health?

Our ambition is for the Group to deliver quality results even when the economic conditions become less favorable and for its performance to be therefore less cyclical, less dependent on the economic climate. What is more, going back to basics has indeed brought the Group back into the leading pack, but we are aiming at a double digit operating margin looking ahead to 2010. If we do intend to break away from the pack, we need to innovate, for example by enhancing the way in which we manage our relations with our clients, both large and less large.

This plan ties in with our culture. The Group will remain faithful to its history and to its values. Serge Kampf keeps a keen eye on this, and rightfully so! Yet we need to do more than just go back to the basics. This is why we have chosen three themes of excellence: industrialization, innovation (an indissociable pair) and intimacy – meaning heartfelt proximity with selected clients, for whom we wish to remain or to become the partner of choice.



The Board of Directors chose the governance formula splitting the functions of the previous Chairman & CEO into a separate Chairman and CEO. Does this formula suit you?

The formula corresponds perfectly to the period that the Group has gone through and is currently experiencing and, in our case, it is working remarkably well! This presupposes complicity and discipline between the two parties, being used to working together and respecting the scope of each other's respective skills. Complicity? It would be hard to find a Chairman who knows a Group better than one that he has founded himself! Discipline? I am very grateful to Serge Kampf for supporting me and leaving me fully in charge of my responsibilities although he knows the Group so well that he might have been tempted to intervene. His solidarity at my side has been irreproachable. I am not sure that I have always done what he would have done in my place but, after discussion, he has always let me take my responsibilities. I should add that the role of the Chairman in the governance of a Group like ours is a very demanding job. It is the Chairman who ensures that the Board of Directors and the specialized committees (which meet approximately thirty times a year) are run efficiently; he acts as liaison between Board and Management Team on a daily basis; he monitors - on behalf of the Board - the execution of certain decisions passed; and acts as guardian of the values and image of the Group, ensuring compliance in this regard particularly when it comes to communication. All of this, Serge does very well and it suits me not to be in charge of these matters in addition to all the rest.



Why become sponsor of the Rugby World Cup?

When France was chosen to host the Rugby World Cup, it was hardly surprising that a Group that was born in France, which grew to world status and which has been involved for so long in rugby should be associated with the event. It is, for us, a magnificent way of demonstrating our know-how, since we are the exclusive IT service provider for the organization committee.

This also represents an opportunity to reinforce our brand image, which is highly charged with the values of rugby. Furthermore, we are going to use the tournament matches as a way of sharing an intense and close experience with our clients and prospective clients. It is also a way of making better inroads into the prestigious business and engineering schools, where rugby is gaining in popularity. It's an investment where the sums injected are paid back in spades!





SERGE KAMPF
Chairman

The Board of Directors of Cap Gemini S.A.



DANIEL BERNARD



YANN DELABRIÈRE



JEAN-RENÉ FOURTOU



PAUL HERMELIN



MICHEL JALABERT



PHIL LASKAWY



THIERRY DE MONTBRIAL



RUUD VAN OMMEREN



TERRY OZAN



BRUNO ROGER

Non-voting Members



PIERRE HESSLER



MARCEL ROULET



GEOFF UNWIN

Statutory auditors



BERNARD RASCLE
PwC



FRÉDÉRIC QUÉLIN
KPMG

Board Secretary



PHILIPPE HENNEQUIN







SERGE KAMPF
Chairman

The Group Management Team

At April 26, 2007

Executive Committee (9 members)



PAUL HERMELIN
CEO



HENK BROEDERS
Continental Europe
and Asia-Pacific



PIERRE-YVES CROS
Strategy



PHILIPPE DONCHE-GAY
Western Europe and TS (1)
Global Coordination



ALAIN DONZEAUD
General Secretary and
Human Resources



NICOLAS DUFOURCQ
Deputy CEO-CFO



PHILIPPE GRANGEON
Communications



LUC-FRANÇOIS SALVADOR
Local Professional Services
(Sogeti)



PAUL SPENCE
Outsourcing

(1) TS : Technology Services

Other Directors of the Group



DIDIER BONNET
Telecom, Media &
Entertainment Sector



PHILIPPE CHRISTELLE
Internal Audit



LANNY COHEN
North America
CS / TS



STANISLAS COZON
Public Sector



JEAN-PIERRE
DURANT DES AULNOIS
Operational Control



HUBERT GIRAUD
Business Process
Outsourcing



BERNARD HELDER
Manufacturing, Retail
& Distribution Sector



FRANÇOIS HUCHER
Global Delivery



IAN JORDAN
"P3"
Transformation Program



BERTRAND LAVAYSSIÈRE
Financial Services
Sector



COLETTE LEWINER
Marketing, and
Energy & Utilities Sector



PATRICK NICOLET
Sales



SALIL PAREKH
Coordination
Cappgemini – Kanbay
in India



BARU RAO
Cappgemini India



ANTONIO SCHNIEDER
Global Coordination
Consulting (CS)

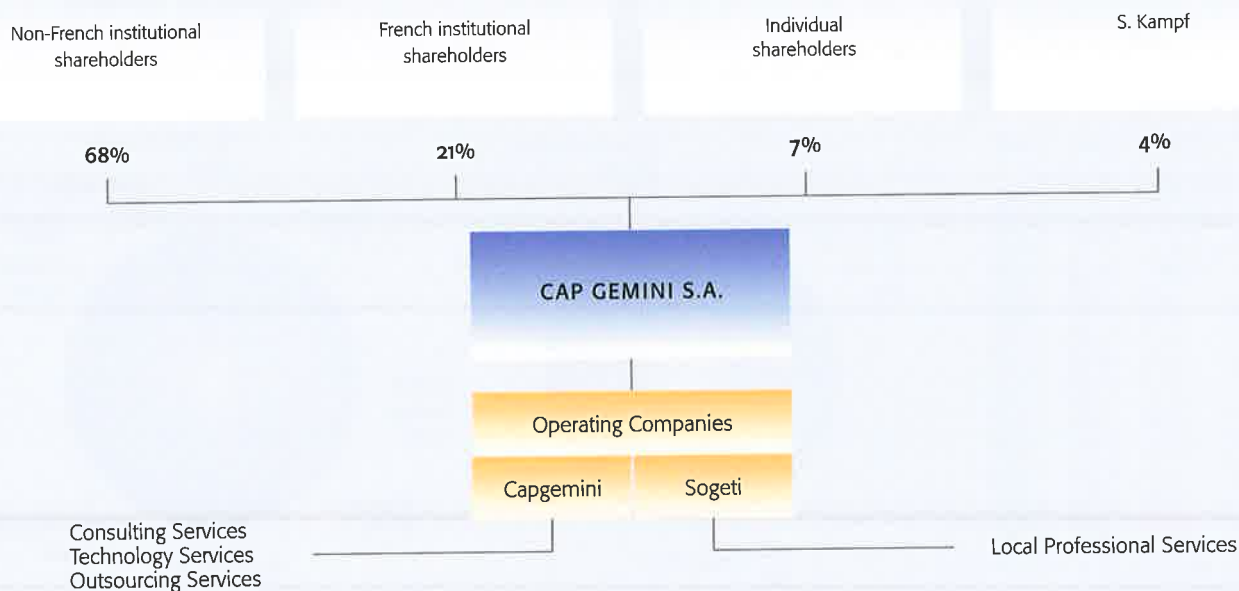


RAYMOND J. SPENCER
Chairman and CEO
Kanbay International



BREAKDOWN OF CAPITAL

As at December 31, 2006



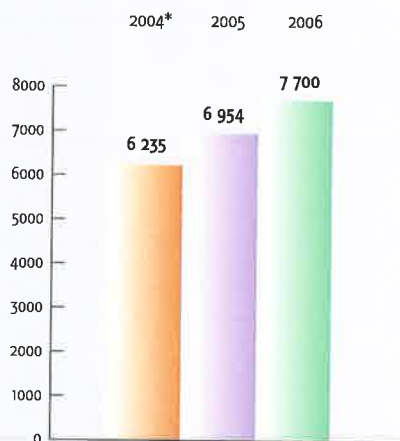
CAP GEMINI SHARE PERFORMANCE COMPARED TO CAC 40 AND DJSTOXX

Indices from January 1, 2005 to March 31, 2007

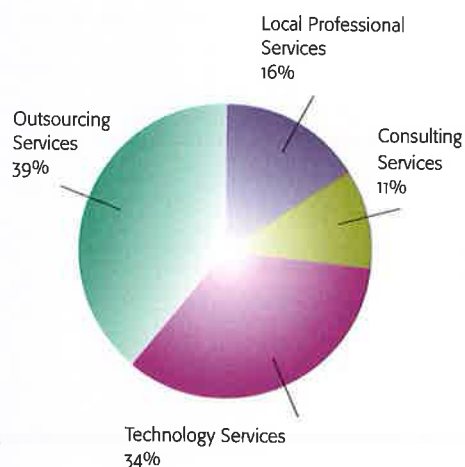


Capgemini key figures

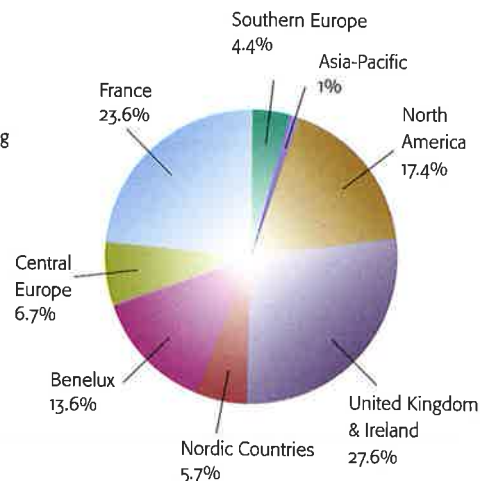
REVENUES
in millions of euros



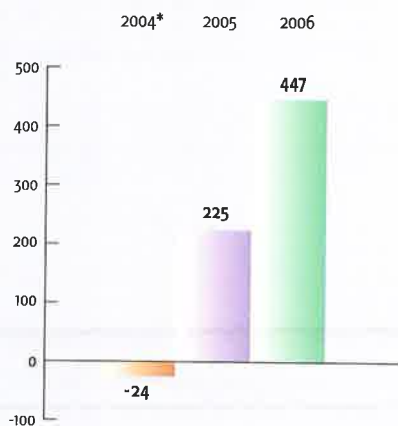
REVENUES BY DISCIPLINE
2006



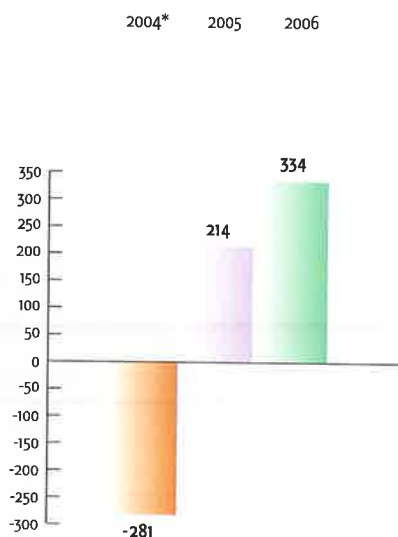
REVENUES BY REGION
2006



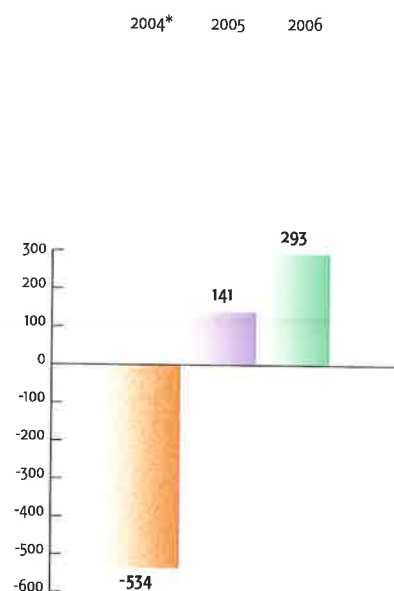
OPERATING MARGIN
in millions of euros



OPERATING INCOME
in millions of euros

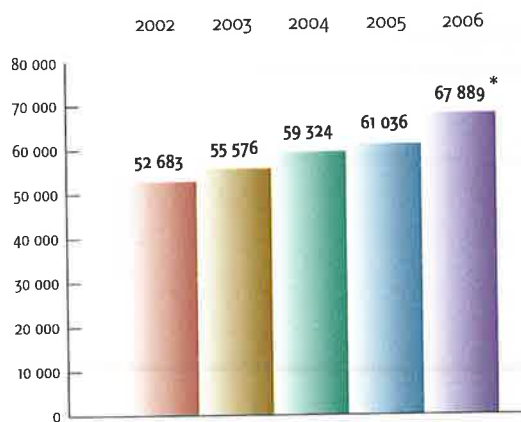


NET INCOME
in millions of euros



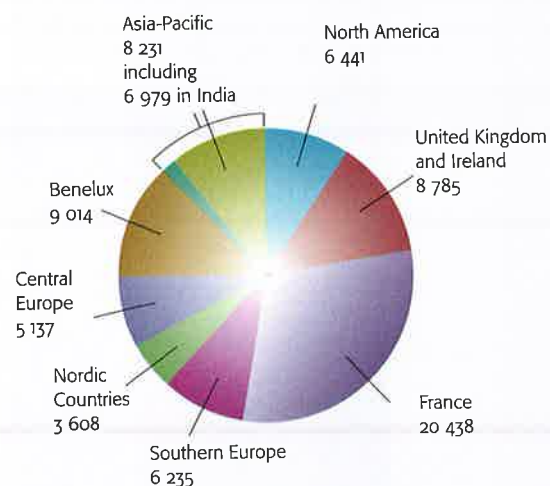
* 2004 restated for IFRS impact

WORKFORCE DEVELOPMENT

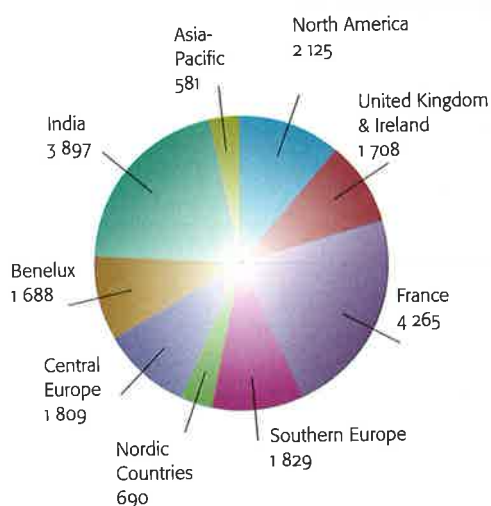


* Before incorporation of the Kanbay teams.

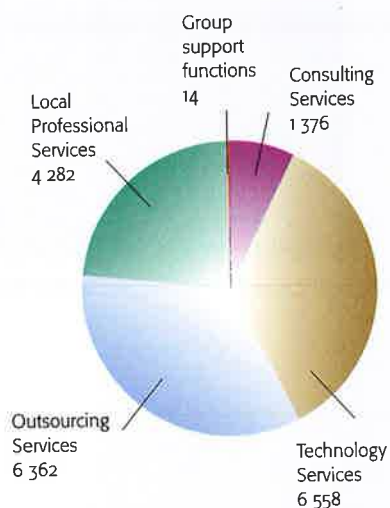
BREAKDOWN OF THE GROUP WORKFORCE



18 592 RECRUITMENTS IN 2006



RECRUITMENTS BY DISCIPLINE IN 2006





2006 Highlights. A year of conquest

Prime outsourcing contract with General Motors | One of the largest outsourcing projects in the world was awarded to Capgemini, selected to become a strategic partner of General Motors for one of the six contracts put out to tender. The contract purpose is to provide support to the automotive manufacturer's IT department for the integration and management of the key applications of General Motors: strategic planning, purchasing and logistics, sales and marketing, dealer and agent support.

January

Zurich Financial Services singles out Capgemini on the strength of its BPO | The Swiss insurance company chose to outsource the principal finance and accounting functions of its American, English, Swiss and German entities to Capgemini's Polish unit, located in Krakow. This assignment has created 400 full-time jobs and is one of the biggest Business Process Outsourcing (BPO) [→ GLOSSARY] contracts ever won by the Group.

Annual results: Capgemini swings back into profitable growth | An increase in sales of 11.5% was recorded for 2005, with an operating margin of 3.2%, which rose by 3.6 points compared with 2004. Capgemini has now posted profit of 141 million euros, which is 675 million euros higher than the prior period. Furthermore, cash and cash equivalents exceed 900 million euros.

February

European survey of IT managers | The first report, published by Capgemini Consulting, shows that Return On Investment is the main target for 52% of IT managers. With this objective in view, they steer the course to maximize in-house resources by increasing the offshore share, which should leap from 6% to 13% of their IT budgets within the next two years. 39% of European companies are now contemplating the use of offshore.

A third offshore center opened in India | The Calcutta center consolidates Capgemini's position in India, where it had existing representation in Mumbai and Bangalore. Initially specialized in Business Process Outsourcing for Finance, the new center is equipped with 500 workstations.

March

Extension of the HMRC-Capgemini contract | The addendum to the contract, signed in 2003 with the Inland Revenue, fortifies Capgemini's position as principal supplier to Her Majesty's Revenue & Customs (result of the merger of Inland Revenue and HM Customs & Excise). Three large projects are underway: a new data center, the improvement of printing service performance and a new IT support center for the 100,000 HRMC employees.

Sogeti worldwide recruitment campaign | Capgemini's subsidiary Sogeti highlighted its growth strategy by launching a worldwide campaign with the aim of attracting at least 4,000 engineers in 2006. A dedicated communications campaign and some local initiatives – including a *Tour de France* to meet the new recruits – were organized to back this up.

April

A partnership to boost innovation | Capgemini Consulting partnered, with Faurecia, French automotive equipment manufacturer, the joint program entitled *Creation de Produits Innovants* (Creation of innovative products), launched by the French engineering and business schools *Ecole Centrale Paris* and *ESSEC* respectively. The goal: to encourage collaboration between future engineers and managers on the issue of innovation and to enhance the complementary aspects of their know-how via eleven research projects, proposed by different companies.

Marine pipeline IT integration project | The British subsidiary of Capgemini deployed a SAP software application for Subsea 7, a group specialized in the engineering and installation of marine pipelines. The purpose of this solution is to manage the client's principal staff functions: finance, human resources, payroll, purchasing, production and maintenance planning, and project management.

May

Capgemini stamps its SOA vision on the international scene | During the OASIS Symposium, held in San Francisco 9 to 12 May, Capgemini shared with the delegates its ideas on Service Oriented Architecture (SOA) [→ GLOSSARY]. Over and above its technological characteristics, SOA is a genuine management tool, designed to optimize the exchanges between line management and IT management. As a whole, this conception of an IT system produces reactivity, flexibility, and upgradability.

"Together, when a single word makes all the difference" | A powerful message, which forms the theme of the new Capgemini communications campaign. Launched in the United States on 1st June, the campaign was subsequently rolled out in a dozen countries and translated into seven languages both in the press, e-media and on airport billboards. "Together" is a message which reinforces Capgemini's positioning, based on the Collaborative Business Experience (CBE) [-> GLOSSARY], and which reflects its corporate values.

June

Danish telecom outsourcing contract with TDC | The Danish subsidiary of Capgemini signed its biggest-ever outsourcing contract with the telecom company TDC. The main stakes involved were to provide the skills and resources required for the rapid launch of new TDC mobile services. The contract provides for the transfer of 78 Capgemini employees to TDC.

Sogeti builds closer ties with its British clients | The first Sogeti office opened in the United Kingdom allows the Capgemini subsidiary to cover new market opportunities. In order to develop its sales, Sogeti has defined two target priorities: quality assurance and tests (as the top company in this particular field) and new technologies (with its group of 3,700 Internet and Java specialists).

Group CRM expertise acclaimed through The Banker Technology Award 2006 | Capgemini won the The Banker Technology Award 2006 for Customer Experience on the strength of its CRM [-> GLOSSARY] for the Czech Savings Bank. The bank can now put customer focus at the center of its business strategy.

July

Sogeti acquisition of the German group FuE | This is a further demonstration of Sogeti's goal to expand in the European markets. The acquisition of one of the top-ranking German high-tech consulting and engineering firms, specialized in the aircraft industry, means that Sogeti is also strengthening its position in this sector. What better way to serve the key international clients which are active in the German market.

Rugby World Cup 2007: Capgemini becomes Consulting and Technology sponsor | The Capgemini group signed a partnership contract with Rugby World Cup Limited and became exclusive supplier of IT systems for this, the world's third largest sporting event. Its fields of action are: the International Rugby Board (IRB) websites, collection and live broadcasting of rugby information, management of the tournament and deployment of IT resources for 6,000 journalists.

BPO Finance and Accounting activities consolidated in India | Capgemini purchased 51% of the shares in Unilever Shared Service Limited, referred to as Indigo. The shared-service center, for the administration, finance and control of the Anglo-Dutch Unilever Group (agribusiness, cleaning agents, etc), employs 600 people including 75 certified accountants. The equity investment should step up the development of Capgemini's BPO activity in Finance and Accounting. BPO services will also be delivered to Unilever for a seven-year term.

September

500 Capgemini managers build the future at Group 21st Rencontres | In Montreal, the front line management launched the "I³" program of transformation, development and expansion. "I³" is a highly demanding, ambitious project which will help Capgemini to create more added value for its clients through investments in the three I's: Innovation, Industrialization, Intimacy.

Kanbay acquisition – Capgemini on the offensive | Capgemini entered into an agreement for the acquisition of Kanbay International, a global IT services firm focused on the financial services and the mass consumer goods industries. Kanbay, a NASDAQ-listed company, employs 6,900 people, 5,000 of whom are located in India. *"Kanbay works on a ratio of 80% for the American market and*

October



Raymond J. Spencer, Chairman and CEO of Kanbay, and Paul Hermelin, CEO of the Capgemini Group: *"We firmly believe that this transaction marks an exceptional stage in the development of the IT industry. This event can transform the industry fundamentally, making it possible to provide a comprehensive, competitive service, thus reducing the costs borne by our clients."*

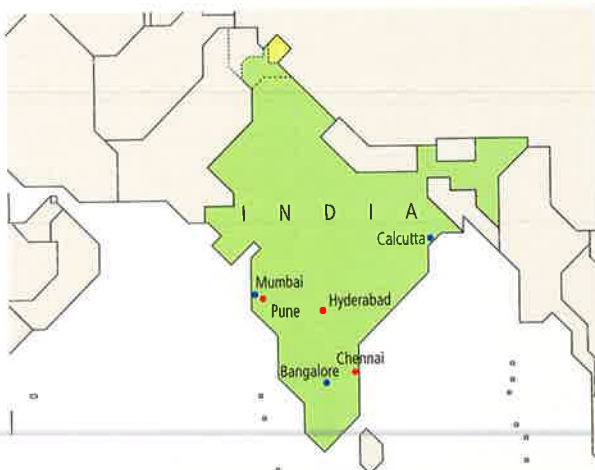
20% for the United Kingdom. 78% of its revenues are drawn from Finance, a sector which still provides growth potential for Capgemini" specifies Paul Hermelin, C.E.O. of the Capgemini Group.

The acquisition significantly increases Capgemini's presence in India. It is anticipated then that the combined company should acquire a total workforce of approximately 12,000 employees by the end of 2006, thus making India the second largest country in the Capgemini Group. The two companies are truly complementary on geographic lines. Capgemini already has representation in Mumbai, Bangalore and Calcutta. With Kanbay, the new group will have three additional hubs in Pune, Hyderabad and Chennai. Furthermore, the transaction strengthens Capgemini's presence in North America and confirms the Group's ambitions in this market.

In addition, it positions Capgemini on the forefront of the Financial Services sector – which accounts for 25% of the global IT market – and enhances its expertise in this field. Kanbay has a particularly high-tech slant and develops technology such as the credit cards marketed by HSBC.

"The combination of Kanbay with Capgemini is very exciting news for our customers and employees. Capgemini shares our vision of the market and stated strategy. Thus, this deal represents a continuation of our existing approach. In addition, the two organizations will benefit from complementary business philosophies and cultures, which is an asset to our customers and to our employees," states Raymond J. Spencer, Chairman and C.E.O. of Kanbay, who is to join the Capgemini management team. *"Kanbay chose us because our values are similar,"* confirms Paul Hermelin.

The acquisition of Kanbay strengthens Capgemini with unparalleled domain knowledge in the financial services vertical, seamless consulting and technology expertise and market-leading offshore resources.



● Capgemini + ● Kanbay in India

Launch of BPOpen | To celebrate the tenth anniversary of the BPO center in Krakow, Poland, Capgemini presented its BPOpen, a new integrated services platform based on Service Oriented Architecture (SOA) [-> GLOSSARY]. This platform makes the Service Oriented Enterprise (SOE) a reality, and significantly enhances the added value of the Capgemini BPO services. Productivity gains are obtained not only by pooling technology but also by optimizing the client's business processes.

November

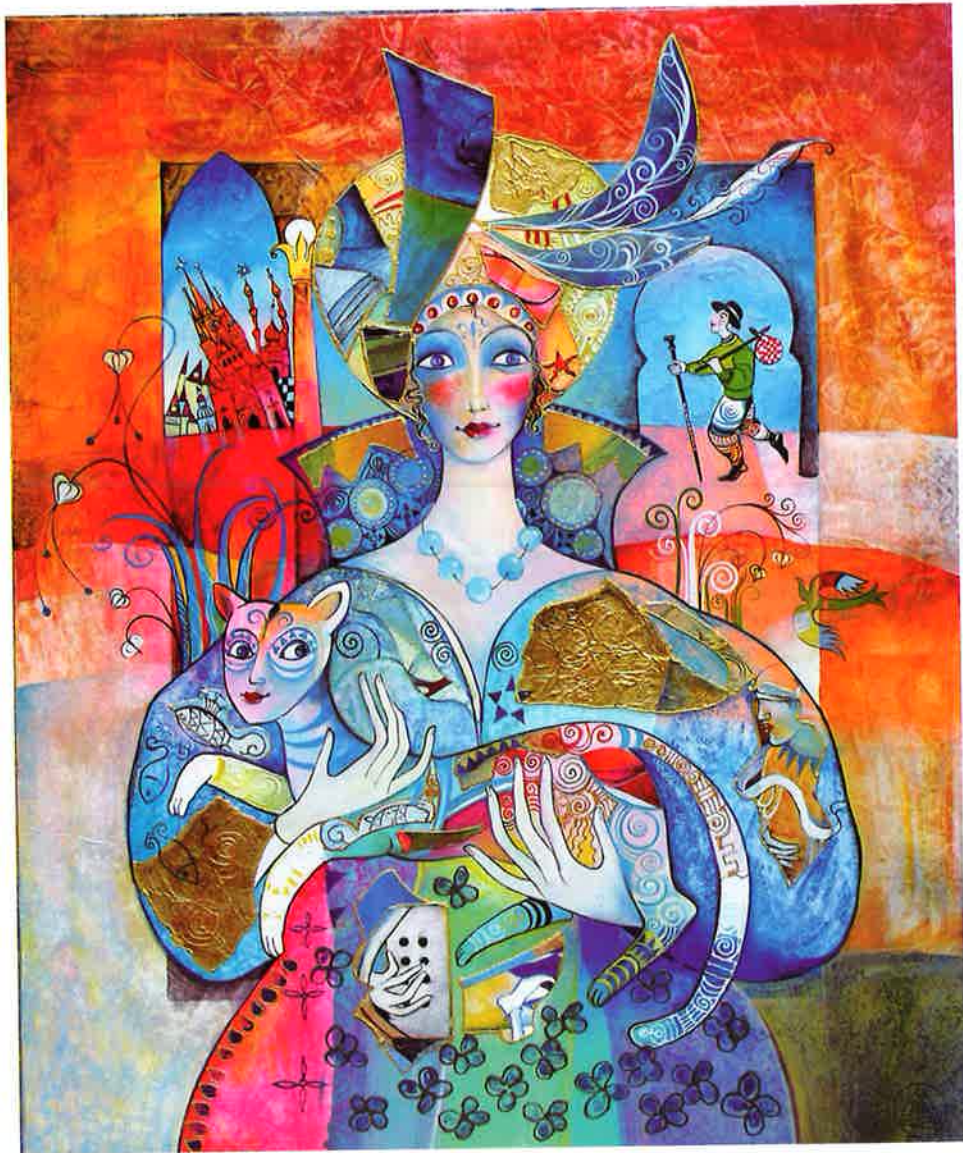
Capgemini: European energy supply warning | According to the latest European Energy Watchdog, monitored and published by Capgemini, the balance between supply and demand for electricity has deteriorated. The 2005 climatic situation – the cold spell and, more especially, the heat waves – have caused the differential to fall to an all-time low. Capgemini's specialists have therefore stressed the necessity of investing more in production infrastructures and in the struggle against greenhouse gas emissions.

Contract with Tetra Pak | The number one Swedish food processing and packaging company entrusted Capgemini with a seven-year outsourcing contract for its Finance and Accounting processes, involving 60 countries. Tetra Pak's multi-lingual services are carried out by the BPO centers in Krakow (Poland) and in Ghangzhou (China).

December

Successful capital increase | The purpose of this financial operation was to give the Group more leeway, after the acquisition of Kanbay, in the event of any further acquisition projects. The capital increase was highly successful. Expected gross income was 455 million euros: target met and overstepped.

Capgemini's SOA offering takes the lead in EMEA | The Forrester Wave™ study (conducted by the US firm Forrester Research) regarding SOA in Europe, the Middle East & Africa is a clear illustration of this statement. Their assessment is based on approximately 40 criteria. The Capgemini offering is differentiated from the six other service companies evaluated on three points: its rigorous governance model, its engineers' expertise and its adaptability to sector, regional and cultural differences.



Transformation
plan

Capgemini maps out its future with "I³", program of transformation and conquest.

The "I³" program is driven by this basic observation: the IT services sector is today in the throes of far-reaching changes. The continued rise in offshore is allowing the cost of services to be reduced, and clients are ever hungrier for innovation. Now that they see IT as a lever for development, they demand ever more sophisticated services that are based on an in-depth understanding of their activities and their production processes, which are likely to bring them a real competitive advantage. Capgemini sees its role as being a partner capable of intervening way upstream of their operational processes and helping them to implement change in order to improve their performance and their business models and to create, alongside them, growth and added value in the framework of a strengthened partnership. Paul Hermelin, the Group's CEO, emphasizes, *"This transformation plan is embedded in our culture. The Group will always adhere to its values and its history. But this does not just mean getting back to the basics. This is why we have selected three themes in which we intend to excel: industrialization, innovation (an indissociable pair) and intimacy, namely true, heartfelt ties with chosen clients for whom we are – or wish to remain – the partner of choice."* In order to develop this plan, sustained efforts will be made to support the Group employees. This is what "I³" is all about: transforming ourselves to help the transformation of our clients by investing in these three areas.

Innovation: the fruit of collaboration.

More than ever before, innovation is a lever for additional income and competitive edge. Capgemini aims to drive its clients' ambitious projects by leading them to innovate both in new technologies and process-related methods. The objective of the "I³" program is to reinforce technology, methodology or business-related innovation. We also intend to formalize and to favor the dissemination, within the Group, of cutting-edge innovation in certain market segments to benefit all our clients.

Industrialization: an integrated model.

Capgemini does not wish to restrict its industrialization simply to increase its offshore production capacities, which are set to grow particularly in India, where the Group should have approximately 40,000 employees three years from now. The "I³" program goes much further than this, its aim being to implement a totally integrated global production model. The objective is to create a network of multi-cultural teams, integrating back-office and front-office, based on harmonized methods, tools and processes. It is a model that will allow the Group to attract the best offshore resources and to deliver its clients the best service at lowest cost.

Intimacy: enhancing proximity and trust.

This third aspect is closely associated with the other two. By offering specialized skills in targeted fields, an in-depth understanding of its clients' businesses and a perfectly integrated global network, Capgemini will be able to build ever closer ties with its clients. These ties will be constantly reinforced by a customer relations approach based on Collaboration which, far from being a mere slogan, is at Capgemini a model designed to help bring about, together, the best possible results.

"This transformation plan is embedded in our culture. The Group will always adhere to its values and its history."

To create a network of multi-cultural teams, integrating back-office and front-office, based on harmonized methods, tools and processes.

To reinforce technology, methodology or business-related innovation.

"I³" is a program that will sharply increase Capgemini's ability to create real value for our clients. Given our recent financial and business successes, you might be wondering why we are embarking on

a new transformation program at all. My answer is simple: we want to be a leader, to be one of those who set the agenda for the industry and shape its future. And we can only do this from

a position of strength, which is why "I³" is a plan of conquest," explains Ian Jordan, "I³" Program Manager for the Capgemini Group.



One mission,
four disciplines.

The Capgemini mission is to help its clients to transform in order to improve their performance. For this purpose, an integrated service offering, comprised of sector expertise and specific disciplines, is proposed to them accordingly.

• **Our mission: Enabling Transformation.**

Capgemini enables its clients to transform and perform through technologies.

• **Our vision: Enabling Freedom.**

Capgemini will lead by providing its clients with insights and capabilities that boost their freedom to achieve superior results.

Present in thirty-two countries with a workforce of 68,000, generating revenues of 7,7 billion euros in 2006, the Group offers a wide range of integrated services, organized around its four disciplines and sector expertise. Services range from strategy-making to the maintenance of IT systems.

Each of the four business lines, comprising the Group's service offering, exists as an autonomous unit with its own objectives, business models and recruitment processes. By combining the expertise of these units, integrated transformation services can be offered to our clients. Hence, the Group's key strength lies in knowing how to interlink its multiple skills in order to respond to projects requiring a crosswise approach, thereby satisfying the needs of clients seeking commitment to the achievement of measurable, sustainable results. Capgemini is independent from any software publisher or hardware manufacturer. In an effort to provide our clients with the best products and know-how, the Group has formed a network of strategic alliances and partnerships. This enables us to freely and knowingly select and deliver reliable solutions, precisely tailored to each and every client's needs.

Capgemini is also able to deliver services in the location which best serves the interests of its clients – in terms of quality, cost and access to the best expertise. Dubbed Rightshore™, this approach improves productivity and gives added value to services.

The four Capgemini disciplines

- Consulting Services (CS) [-> GLOSSARY]: helping our clients to identify, structure and execute their transformation projects, for a long-lasting impact on their growth and competitive edge.
- Technology Services (TS or Integration) [-> GLOSSARY]: formulating, developing and implementing all kinds of technical projects, from the very smallest to the very largest.
- Outsourcing Services (OS) [-> GLOSSARY]: assisting our clients in complete or partial outsourcing of their information technology systems and other closely-related activities.
- Local Professional Services (LPS or Sogeti) [-> GLOSSARY]: offering a range of information technology services adapted to local needs in terms of infrastructure, applications and engineering.

Lastly, Capgemini relationships are built on solid foundations of collaboration. The Collaborative Business Experience (CBE) [-> GLOSSARY] is the Group trademark. And the way in which results are achieved count just as much as the results themselves, because client satisfaction is the number one criterion in measuring success.



"The CBE is our trademark, setting us apart as a true partner for whom the way in which results are achieved counts

as much as the results themselves. Hence, customer satisfaction is the number one criterion in measuring our

success," says Nicolas Dufourcq, Group Deputy CEO - CFO.

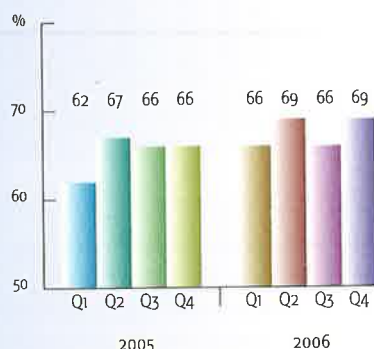


One mission,
four disciplines.

Consulting Services. In 2006, growth and profitability were the order of the day for this discipline. Stimulated by economic globalization and the large merger-acquisition projects underway, demand should be sustained in 2007.

An introduction to the discipline. Consulting [→ GLOSSARY] generates 11% of Group revenues and employs 5,149 people. This entity is positioned in the strategy, management and IT consulting market. Clients are given support to define and carry out their transformation projects.

Focus on the evolution of the quarterly CS employee utilization rate.



Client story. Limited Brands is among the most forward-thinking North American retailers. In order to strengthen its leadership position, the company decided to undertake a vast overhaul of its operating model and information systems through a project known as INSIGHT. Capgemini is Limited Brands chosen partner to implement this transformation, and together we are making progress with this multi-year initiative, having achieved our initial key objectives and milestones on-time and on-quality.

Background to 2006. The globalization of economic activity pursued its course, drawing strong demand for strategy and management consulting in its wake. 2006 was marked by mergers & acquisitions in many business sectors, new banking and energy regulations, the emergence of strongly-expansionist Chinese and Indian industrial giants and the transformation of

Western companies together with the reorganization of their business processes. There is growing recourse to outsourcing as companies require support to define their strategies, assimilate their acquisitions and transform their organizations on a worldwide scale.

Taking stock of 2006. "2006 was a year of sustained growth and true profitability. And the relevancy of our strategy consulting and post-acquisition integration proposals meant that we carried off some significant contracts, like Air France and Limited Brands in the United States," says Antonio Schnieder, in charge of Global Coordination Consulting. Faced with demands from key clients, Capgemini has taken the progressive step of adopting an internal cross-staffing process and capitalizing on its global expertise (systematic build-up of centers of excellence across the consulting organisation). This approach is essential because Consulting is the flagship Group activity at the interface with the Group's global clients. Furthermore, a revolutionary program to drive the strategic agenda of our clients, called "Transformation Consulting 21" was launched. A key element is the systematic use of ASE [→ GLOSSARY] combined with new techniques in order to step up internal mobilization and to include new technology in the thinking process, right from the start of the assignment.

This initiative has the ambition to regain global leadership in the transformation market "We have defined a similar approach in Process Consulting by embedding business methodologies and other methods and tools", adds Antonio Schnieder.

Prospects for 2007. The Consulting market should maintain its positive trend throughout 2007. The most beneficial way ahead for Capgemini Consulting is to focus on specific sectors and to reinforce its fields of expertise. The idea is to promote the integration process by including other

Group disciplines and to intensify the use of our new and innovative Transformation Consulting approach.



"We have had a greater number of multinational pursuits and projects. I am always impressed to meet more and more consultants working in different countries. In France, we are considered to be the

leader in Management Consultancy. In most of the other European countries we are amongst the top 5. On top of this, we have a significant presence in the US and are also growing rapidly in Asia," notes

Antonio Schnieder, Group Global Coordination Consulting.

One mission,
four disciplines.

Technology Services. 2006 was a year of sustained growth.

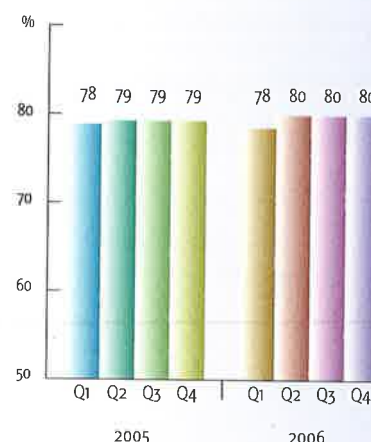
The industrialization that accompanies innovation should enable the Group to meet the needs of an ever more global, ever more demanding client base, in 2007.

Background to 2006. Against the background of a more favorable economic climate, the Group's clients have rediscovered their desire for innovation. They are now making long-term investments in major projects, while striving to bring their costs down. Whereas, in the past, they tended to choose between one or other of these two paths, corporate clients are now opting for innovation and development while making substantial savings by way of a globalization strategy for purchasing, recourse to offshore, reducing the number of service providers and creating shared service centers, all within the framework of their industrialization strategies. Thanks to the savings made, they are able to channel some of their resources into renewing their IT systems and developing new applications to support their enterprise strategy.

Taking stock of 2006. "2006 has been a year of profitable growth and net recovery. We have even been able to observe an improvement in prices in certain high-demand sectors, such as software package deployment or systems architecture services [→ GLOSSARY]," says Philippe Donche-Gay, Director of Western Europe and TS Global Coordination. Increased sector-specific specialization has bolstered the skills base and helped us win contracts such as the overhaul of the MAAF insurance company's IT system. In terms of innovation, Capgemini has adopted a proactive posture towards Open Source [→ GLOSSARY], which is used by the French public services. This has helped the Group to win one of the first maintenance contracts of this type with the Ministry of Finance. A specific Open Source offering called "OSS Partner" has been launched, and is expected to be rolled out worldwide. Lastly, the Group's big outsourcing contracts continue to generate heavy demand for systems integration expertise, confirming once again the relevance of Capgemini's interdisciplinary integration strategy.

Prospects for 2007. Demand should remain strong with, in particular, a marked desire from clients for new architectures and for offshore. "The software development value chain is undergoing a transformation, and will offer far greater levels of productivity. We are mobilized to help get this new model up and running in 2007," declares Philippe Donche-Gay.

Focus on the evolution of the quarterly TS employee utilization rate.



Client story. MAAF, one of the top French insurance companies with over 3.5 million clients, has sales figures to match its all-conquering vision of mutualist insurance. Faced with a market that is increasingly competitive and demanding, MAAF has put in place a transformation plan designed to provide the company with the means to increase still further its reactivity, productivity and security. It is in this context that Capgemini was chosen by MAAF to co-manage with its teams the overhaul program for its IT system ("NSI auto"), due to come to fruition in 2008.

An introduction to the discipline. Accounting for 34% of Group revenues in 2006 and for 25,223 employees, TS [→ GLOSSARY] covers various aspects: project architecture, implementation of software packages, application development, IT technology consulting and the creation of innovative solutions.

"Leveraging our innovation capabilities is a main priority, especially in Technology Services. In 2006, we pushed new approaches like SOA, Open Source

and Web 2.0 riding the wave of new technological innovation. This is not a break or a killer application but a technological continuum, which is

excellent news for Capgemini," explains Philippe Donche-Gay, Director of Western Europe and TS Global Coordination.



One mission,
four disciplines.

Outsourcing Services. Strong growth and improved profitability characterized this activity in 2006. The production launch of major contracts, the extension of existing contracts and the continued "rationalization drive" underly these fine results.

An introduction to the discipline. Accounting for 39.1% of the Group's turnover, OS [→ GLOSSARY] is its premier discipline. With its strong contingent of 20,694 employees, this entity manages all or part of its clients' IT systems (ITO) [→ GLOSSARY] and operational functions (BPO).

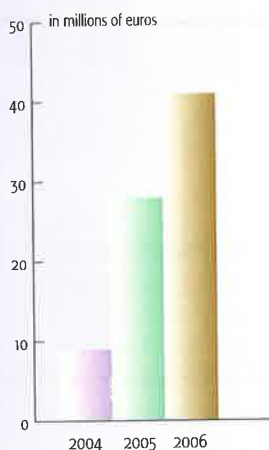
Background to 2006. The outsourcing market, by its recurrent nature, its size and its prospects, particularly in new segments such as Business Process Outsourcing (BPO) [→ GLOSSARY], attracts more and more service providers, generating ever stronger competition. 2006 was no exception to this trend, with the rise in influence of the Indian players. Globally, although the USA and the UK continue to corner three-quarters of the market, the Asia-Pacific zone is growing rapidly. Demand in the BPO segment remains high.

Taking stock of 2006. According to Paul Spence, Director of the Group's Outsourcing Services: "2006 has been a very important year. We have reached a level of 20,000 employees, received some 3 billion euros worth of orders and successfully implemented the first stage of our MAP plan [→ GLOSSARY] for growth and profitability." The priority has thus been to renegotiate certain contracts and to rationalize the Purchasing function, leading to a significant reduction in operating costs. Furthermore, within the context of a globalized economy and strong competition in the field of outsourcing, the Indian activity of Capgemini has doubled in size, now accounting for 2,400 employees. To this total can be added 1,300 employees in Poland and 500 in China.

2006 was marked by the effective start-up of major contracts with General Motors and the London Metropolitan Police. Also, the position of trust we have held since 2003 with Her Majesty's Revenue & Customs in Great Britain has led to the initial contract being extended to the tune of 1.1 billion euros. For its part, BPO activity, centered on corporate finance and administration functions, has grown by 43% in Europe, with new clients such as Unilever, SKF and Tetrapak.

Prospects for 2007. Pursuing the MAP plan, intensifying Rightshore™ [→ GLOSSARY], rationalizing the global production mechanism, doubling the headcount in India, improving the targeting of markets and clients, creating new offers and building on our skills bases: this is the roadmap for the OS activity in 2007. "After concentrating our efforts on the cost structures and production mechanism, we shall be ready to sign major new contracts," concludes Paul Spence.

Focus on the evolution of BPO revenues in Europe-Asia.



Client story. Capgemini and Unilever have signed a seven-year agreement providing for the wholesale management of finance and administration services for the Anglo-Dutch Group's various companies via BPO. This contract comes under Capgemini's majority shareholding in Indigo, the Unilever shared-services center dedicated to finance and accounting, based in India and comprising 600 employees.



"Global OS is well positioned to help lead the way for the Group on the successful implementation of the transformation program in 2007, and we look forward to

partnering with Consulting Services, Technology Services and Sogeti to deliver on our new corporate mission (Enabling Transformation) and vision (Enabling

Freedom) everywhere we do business around the world", explains Paul Spence, Director of the Group's Outsourcing Services.

One mission,
four disciplines.

Local Professional Services. Sustained and profitable growth, a takeover in Germany and deployment in the UK, the launch of an offshore production program: Sogeti can look back with satisfaction on 2006.

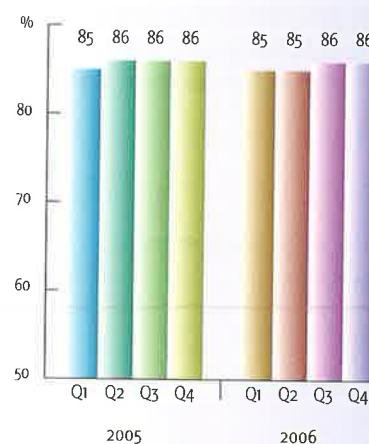
Background to 2006. The pronounced trends for consolidation and the globalization of the economy have done nothing to lessen the local significance of the markets and organizations on which Sogeti has been operating for nearly 40 years now. In this context, even though the subjects to be dealt with are increasingly complex and the cycles ever more rapid, they still represent large, global programs transposed on to a local scale. The upshot of this is the continued growth of the market in local IT services.

However, clients have become more and more selective and demanding. They implement referencing policies and seek to have partners who, while remaining local, have a global dimension. Sogeti, as it happens, perfectly satisfies these criteria, with a tried and tested business model, a loyal relationship stretching back many years with certain clients, an international stature and its affiliation to a global group of companies.

Taking stock of 2006. *"We enjoyed a highly successful year in 2006 from the point of view of both growth and profitability; this was true on all our markets,"* declares Luc-François Salvador, Chairman & CEO of Sogeti, who goes on to say: *"Despite a highly competitive environment, our US outlet now boasts profitability levels going into two figures. As far as services are concerned, application testing – on the back of its success in the Netherlands – has been rolled out worldwide and is making impressive inroads, particularly in France and in the USA."* In addition, Sogeti has, as predicted, consolidated its high tech consulting business with the acquisition of the German company, FuE, which specializes in the aviation sector. This operation confers on the company the scale it requires to convince the big corporate clients. Last but not least, Sogeti has continued its expansion in Europe by setting up in the UK, Ireland and Denmark.

Prospects for 2007. Sogeti intends to keep pace with and even outstrip the growth of the market. Besides pursuing its efforts on the segments mentioned above, and in countries such as Germany and the UK, innovation and offshore are also high on the agenda this year. Offshore is a new departure for Sogeti, used as it has been to selling and producing from one and the same location. *"We are going to develop our service offerings, especially with regard to application testing but also in high tech consulting, by integrating the offshore aspect so as to offer our clients solutions at very competitive rates. Our ambition is to take on 500 employees in India in 2007,"* Luc-François Salvador concludes.

Focus on the evolution of the quarterly LPS employee utilization rate.



Client story. As part of the deployment of a new architecture called PI@net [→ GLOSSARY], the French bank LCL has called upon Sogeti to migrate over 120 transactional processing applications for local banking. To this end, Sogeti is carrying out technical and functional tests, for checking, in particular, the successful integration of the application components.

An introduction to the discipline. Representing 16% of Group revenues for its 16,570 personnel, LPS [→ GLOSSARY] or Sogeti draws its strength from its geographical proximity to its clients and its technological expertise, revolving around three service offerings: high tech consulting, application management and IT outsourcing.

"Throughout Sogeti, we are planning to disseminate the Technology Academy concept initiated by our Dutch subsidiary in order to mark our difference in a highly

competitive environment and to raise our profile. This involves showing our customers who we are, i.e. not only a trustworthy partner but a community of

experts wishing to share their know-how," states Luc-François Salvador, Chairman & CEO of Sogeti.





Sector of activity

Public Sector. Increased market share, sustained demand for consulting and project management, US market breakthrough: these were the headlines for 2006, an extremely fertile year for this sector.

Background to 2006. In seeking productivity gains, responses to citizens' demands and new solutions for public security within their administrations, the major Western countries have kept to the modernization path. These initiatives require the implementation of complex programs for the transformation of organizations and IT systems.

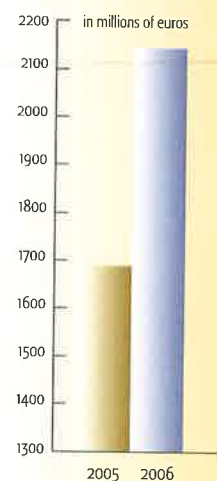
In 2006, the already-buoyant investment in information technology was stepped up further: *"For example, the prevention of tax fraud has now become a top priority. Discussions are underway with Great Britain, the Netherlands, and Sweden for the modernization of their IT systems. The Group's prowess in the SOA [→ GLOSSARY] field, in France, has raised a lot of interest"*, summarizes Stanislas Cozon, Director Public Sector of the Capgemini Group.

Taking stock of 2006. 2006 was distinguished by a strong demand for consulting and project management from European administrations. In Italy, for example, the national printing works – a new client – engaged Capgemini for the new residence permit and the electronic passport project. In the Netherlands, the Group has rolled out a large logistics-related SAP project for the Ministry of Defense and the Dutch administration has completed two projects which were partly executed in India, proving that offshore is not necessarily taboo in the public sector these days. Furthermore, in the United Kingdom, the Group's major outsourcing projects – Her Majesty's Revenue & Customs and the London Metropolitan Police – have generated sustained demand for consulting and project management. This demonstrates – once again – the perfect relevance of the Group's strategy with its synergy of the disciplines. In addition, the Group has effectively developed close ties with its clients by encouraging contact between the public service managers from different countries. *"This year, client demand has increased noticeably for this type of contact as managers are realizing that it helps in speeding up the dissemination of good ideas"*, remarks Stanislas Cozon.

Prospects for 2007. Today, Capgemini has become one of the two leading service-providers to the public sector in Europe. Moreover, the Group intends to consolidate this position in 2007 by focusing on the field of taxation in the Nordic Countries and in the Netherlands. In the United States, Capgemini hopes to maintain its excellent progression in 2006.

An introduction to the sector. Public Sector activity represents 27.8% of Group revenues. Capgemini's four lines of expertise are taxation, public safety, local authorities – particularly in large cities – and health.

Focus on the evolution of revenues in the Public Service Sector.



Client story. The London Metropolitan Police Service launched an ambitious program to make London the safest major city in the world. Hence, it embarked on an extensive program to deliver 21st Century policing. Capgemini was appointed as the provider of Information Communication Technology (ICT) services which supported front line police work in a cost-effective manner.

"Our breakthrough in the United States in one of the largest federal public sectors in the world proves that if a European company respects a certain number of

rules, it can win contracts. This is true even for sensitive areas such as Defense or border control, for which we have been asked to perform consulting assignments,"

highlights Stanislas Cozon, Group Director of the Public Sector.

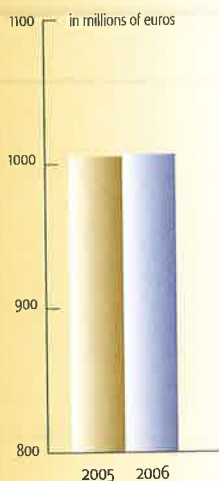


Sector of activity

Energy & Utilities. Like the previous year, 2006 saw sustained liberalization of the Utilities market in Europe and transformation projects undertaken by the main players in the sector.

An introduction to the sector. This activity contributed 13.1% to Group revenues this year. Utilities represents two thirds of the activity while Energy & Chemicals (oil and gas) represents one third. Group sales are mainly composed of projects and consulting services in Europe and outsourcing in the USA.

Focus on the evolution of revenues of the Energy & Utilities Sector.



Background to 2006. Oil and gas price tensions surfaced frequently in 2006, heightening concerns about the security of energy supplies. In Europe, the historic Utilities providers continue to face the challenge of further deregulation and, from July 2007, will have to adapt to a market totally open to competition. The European Commission now intends to take a step further and to

create a true European Electricity & Gas market, supported by free competition. It therefore wishes to separate completely the regulated distribution and transmission networks from the non-regulated activities such as production and retail, but has met with resistance from certain Member States. In 2006, a second wave of mergers-acquisitions was launched in Europe and some new pan-European companies could be formed in 2007. In the USA, the main concerns of the Utilities companies revolve around the renewal of the generation systems and the modernization of the electrical infrastructures through new technology, such as smart meters. The goal is also to improve financial performance. In the petroleum sector, the large corporations are devoting increasing resources and attention to the exploration of new oil and gas fields and to operation excellence of the existing ones.

Taking stock of 2006. "As a direct consequence of the liberalization of the Utilities markets in Europe, operators are rethinking their strategy, organization and IT systems in order to adapt them to a deregulated market model while maintaining ambitious targets in terms of productivity gains," notes Colette Lewiner, Leader of the Energy & Utilities sector for Capgemini. Yet again, the new end client systems and consulting activity generated by the liberalization process have fired up the market. Capgemini provides consulting services for key European clients, and notably assists them in the unbundling process and the creation of new Distribution and Retail units. It also builds new, mostly SOA-based [→ GLOSSARY] IT systems on their behalf. Furthermore, the Capgemini Group ranks Number Two in Utilities in Europe according to Gartner Group statistics.

Prospects for 2007. Due to the continued liberalization of the European markets, the consolidation of its players, the development of an innovative service offering with smart meters and networks, and our clients' trust in us, the Group's business prospects – as far as the Energy & Utilities market is concerned – are bright.

Client story. Welsh Water. This water company, a new client operating in the United Kingdom, contacted Capgemini for the purposes of entirely refashioning and managing its information systems. The contract required consulting, systems integration and outsourcing capabilities, and Welsh Water has made a significant contribution to consolidating the Group's development in the water sector in Great Britain.



"In 2006, we gained market share in the oil sector both in exploration-production through our smart-field operation expertise

[→ GLOSSARY] and in petroleum services by helping them to organize their back office functions," announces

Colette Lewiner, Group Director of Energy & Utilities.

Sector of activity

Banking, Finance & Insurance. This is the world's largest market in terms of IT investments as consolidation, globalization, regulatory developments and new technology continuously spawn new demand.

Background to 2006. Sustained consolidation of the sector's institutions in Europe, positioning of the Western players in Asia, establishment of the SEPA (Single Euro Payments Area [→ GLOSSARY] which consists of a single set of payment instruments and processing infrastructures within the European Union), and upheavals in the technological field thus potentially reshaping the contenders' business models. Such were the outstanding events of 2006 in the Banking, Finance, Insurance sector. Italy has now become the hub of consolidation in Europe, which should soon affect Germany too, with its piecemeal banking sector. The consolidation trend is beginning to produce a European business model of its own: *"Distribution of banking products is still local on the whole, but back office activity is developing on a European scale as payment, credit and leasing are centralized"*, notes Bertrand Lavayssière, Director of Banking, Finance & Insurance for Capgemini.

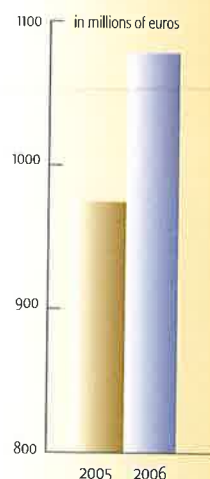
Taking stock of 2006. The wave of giant merger & acquisition transactions - with the resulting transformation of organizations, reshaping of IT systems and creation of shared service centers - feeds into the Group consulting and project management activities. For example, Capgemini is working on a "Merger Management" project involving all of the Eastern European entities of a major European bank. The Group also works with an entity recently acquired by a French banking institution. As for SEPA, Bertrand Lavayssière estimates that the Payments Area has engendered a 5-billion-euro market of consulting, project management and outsourcing engagements. Capgemini is currently performing consulting assignments, on behalf of 8 major European banks, looking into the actual impact of SEPA and the possible response strategies.

The American banks, whose domestic expansion has been hindered somewhat by the regulatory measures, are now seeking new opportunities in Europe and Asia. They are also turning to offshore on a massive scale for their back-office functions (e.g. Citibank, employing 22,000 people in India). As witnessed by Capgemini's announcement in October 2006, the acquisition of Kanbay, specialized in the development of IT projects for the Banking, Finance & Insurance sector and employing 6,900 people (5,000 in India), is a perfect demonstration of the company's sharp flair in this respect.

Prospects for 2007. This project has enabled the Group to raise its profile considerably in this vital sector in the United States. Globally, Capgemini is now ready to serve both the top Anglo-American clients, in the immediate future, and the European institutions - which are beginning to take a serious interest in offshore - in the short term.

An introduction to the sector. This sector accounts for 14% of aggregate Group revenues. Capgemini is particularly active in retail banking and insurance, where it sells consulting and technology services, although BPO [→ GLOSSARY] is beginning to get off the ground.

Focus on the evolution of revenues in the Banking, Finance & Insurance Sector.



Client story. The North European Financial Services group Nordea (11 million clients throughout the Nordic countries) entrusted Capgemini with the maintenance and development of its administrative applications and data warehouses, under a 5-year outsourcing contract. Delivery will be undertaken by local Capgemini centers and its Indian offshore center in Mumbai.

"In the banking sector, China is probably the future Shangri La for groups like Capgemini, particularly in the field of risk.

India is an even more striking example of development: local banks manage millions of customers by means of hi-tech solutions,

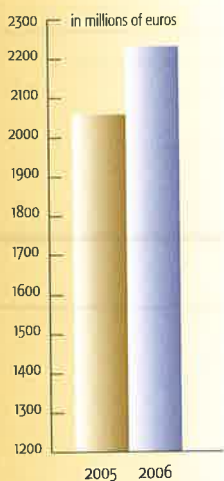
such as grid computing [→ GLOSSARY]," explains Bertrand Lavayssière, Group Director of Financial Services.



Sector of activity

Manufacturing, Retail & Distribution. Globalization and the growth of emerging markets are key issues impacting the world of manufacturing, retail and distribution today.

Focus on the evolution of revenues in the MRD Sector.



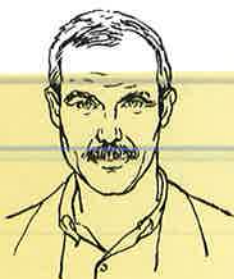
Background to 2006. Globalization affects the industry in three key ways. Firstly, emerging countries such as India and China have become increasingly important sourcing markets for skills and production. Secondly, these regions are growing in significance as markets in their own right, with a burgeoning middle class that already has significant spending power for goods and services. This is leading giants such as General Motors and Wal-Mart, looking for new growth markets, to turn to areas such as India and China. Finally, major players in these markets are increasingly driving industry changes and consolidation. In the steel industry, for example, there have been several recent takeovers of Western players by companies like Tata Steel and Mittal. Meantime, the retail sector in Europe is growing again, after several years of stagnation. Retailers are investing in stores and store technology, as well as focusing on making the supply chain more responsive to actual demand and responding to new regulations such as food traceability.

Taking stock of 2006. "We have already signed contracts for consulting services with local Indian retailers and are involved in discussions with other Indian companies, which, like their Chinese counterparts, are interested in the application of Western best practices to their businesses," explains Bernard Helders, Global Head of Manufacturing, Retail & Distribution. In the distribution segment, Capgemini has been working with clients around the Logistics Service Providers (LSP) program, the Group's joint initiative with SAP designed to provide integrated, flexible end-to-end solutions to help LSPs manage their business processes and reduce the complexity of their IT systems. On the strength of its expertise in consumer products and retail, Capgemini worked with the Global Commerce Initiative and Intel to publish an important study titled "2016: The Future Value Chain," in partnership with the key players in the industry. This study defines a unique vision of the total consumer goods value chain from manufacture to consumption and addresses the changes and challenges the industry will face in the coming decade.

An introduction to the sector. The Manufacturing, Retail and Distribution sector accounted for 29% of Group revenues in 2006. The manufacturing, retail and distribution industry is particularly receptive to our BPO and outsourcing offerings and to the Group's Rightshore™ delivery approach.

Client story. Royal Philips Electronics, the Dutch Group, required assistance in defining its Global Data Synchronization (GDS) strategy, and supporting its International Retail Board (IRB) in aligning the GDS strategies of the three Product Divisions that deal directly with retail customers: Lighting, Consumer Electronics and Domestic Appliances and Personal Care.

Prospects for 2007. Against the background of globalization and efficiency enhancement, Capgemini's Manufacturing, Retail and Distribution sector will continue to bring innovation to the industry, while helping clients with process improvement. The sector will also focus on increasing industrialization with greater domain specialization of our Indian operations.



"We now have several thousand employees in India specialized in the management and development of software applications for the

manufacturing, retail and distribution industry. One of our priorities for 2007 will be to better organize our production according to skills centers; for example,

around the SAP Retail application," concludes Bernard Helders, Group Director of Retail, Manufacturing and Distribution.

Sector of activity

Telecommunications, Media & Entertainment. Service convergence is the focus of attention in the sector as a means of revitalizing market growth. Setting up in emergent countries such as India is also the order of the day.

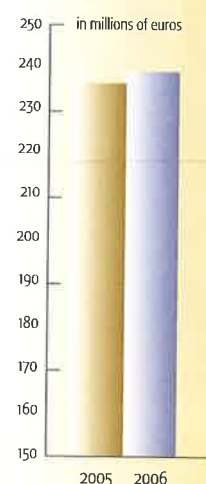
An introduction to the sector. With its experts in consulting and IT systems, TME (Telecommunications, Media & Entertainment) activity represents 9.6% of Group revenues and over 16% of the Consulting and Project activity.

Background to 2006. The key trend in the sector is the marketing by the operators of so-called "convergence" applications. These applications combine voice, internet and TV or cinema content. They sometimes combine with 3G mobile services and are designated "triple" or "quadruple play" [→ GLOSSARY]. "These services are available in most European countries and are already being sold by the traditional retail outlets," says Didier Bonnet, Head of TME at Capgemini. As well as the price war, the competition is also fighting tooth and nail over service quality, the key to obtaining customer loyalty and a prerequisite for selling yet more services. This trend is making for increased complexity in customer relations. Finally, as well as introducing these new services, operators are turning their attentions to emergent countries as an avenue for revitalizing their growth. Vodafone is an example of this, in India.

Taking stock of 2006. Against this background, Capgemini, on the strength of its great knowledge of the sector and its technological expertise, is helping the operators to define their strategies with regard to the new services, to manage their launches and to find new business models that will guarantee the operators' revenues and growth of their margins. The Group is also involved, via dedicated service centers, in the development and consolidation of customer billing systems. These centers make it possible to leverage the benefits of knowing the IT system inside-out while guaranteeing efficient integration between the system components, so that the operators will be able to measure and profit from all the aspects of convergence. "What is more, targeted outsourcing focused on specific applications or BPO [→ GLOSSARY] is starting to make an appearance in Europe," Didier Bonnet points out. It is also the case that new web service and mobile providers could end up outsourcing their billing and their customer management.

Prospects for 2007. In light of the anticipated boom in convergence services, Capgemini will be looking to underpin its business and technological capacities in certain market segments. This will include, in particular, the creation of dedicated telecom centers in Morocco and India, using specialized structures in order to provide operators with the advantages of our Rightshore™ [→ GLOSSARY] approach. Last but not least, the Group is also intending to play a key role as intermediary between the operators and the content producers – those who supply the content for the convergent services – via *Digital Media Delivery*, an entity of Capgemini dedicated to the management of digital content.

Focus on the evolution of revenues in the TME sector.



Client story. SFR, number 2 mobile telephone operator in France, partnered with Capgemini on its "2006 World Cup" project. The Group conducted the integration of a new version of the Vodafone Live! portal within a very tight schedule due to the opening date of the event. It also integrated an extremely innovative third party alert program called "Goal". This service involved sending out automatically video extracts of goals within five minutes of the score change. Group team mobilization in order to meet this challenge successfully was exemplary, according to SFR.

"Convergence is creating widespread disruption across the value chain as players move out of their existing territories and enter new markets. Brand stretchability,

business model adaptability and a simple as well as intense customer experience could prove to be the key enablers of success of the converged world," believes

Didier Bonnet, Group Director of Telecommunications, Media & Entertainment





From Los Angeles to Sydney, side by side with our clients.

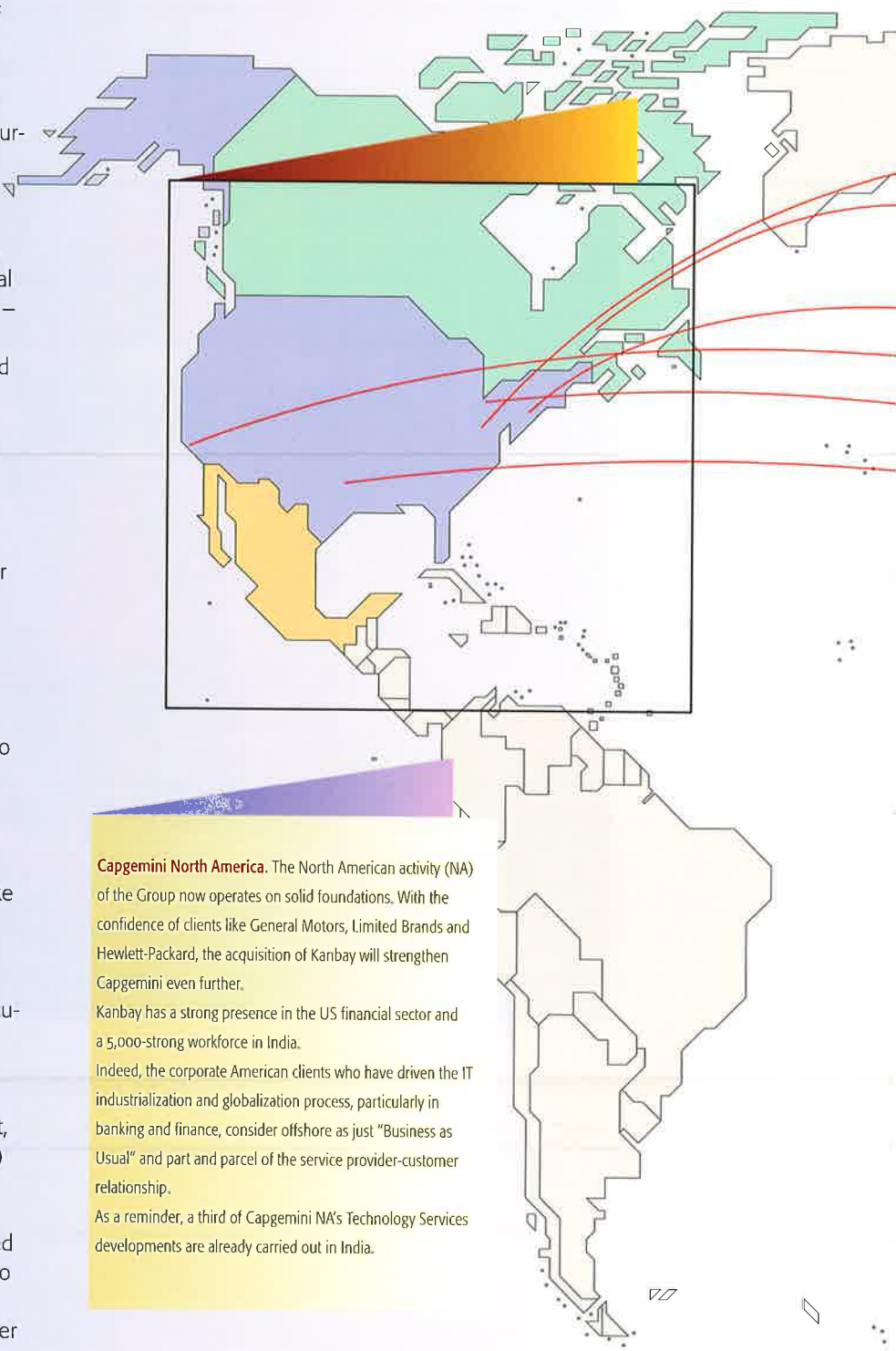
Capgemini around the world. Since its inception in 1967, Capgemini, celebrating its 40th anniversary in October 2007, has been constantly developing beyond the borders of France – first of all in Europe, then in North America, and subsequently in Asia.

The Group employs 68,000 people in the 32 countries where it is currently present. Such strong development springs from a permanent search for geographic and cultural proximity to its clients – for it is the local managers, empowered with considerable freedom of action, who manage the different subsidiaries. The globalization of the economy and the needs of the major international groups for global, competitive services mean that, today, the various geographic zones of the Group interact to serve the interests of both the client and the employee's career development.

This interaction, just like the principle of

proximity, is clearly demonstrated by the Rightshore™ principle for the production of IT services. Capgemini has developed this particular offer in order to provide its clients with an excellent compromise between offshore (production in Indian and Chinese centers), nearshore (production on the same continent, e.g. Spain or Poland for the European market) and onshore, local production (outside the client's site in centers using the same processes). This flexible system can be tailored to the companies' requirements and takes into consideration their cultural and operational demands. For this purpose, a production center will soon be opened in Morocco in order to serve French-speaking clients.

"Faced with the demands of our clients and their increasingly global businesses, Capgemini has established a consultant cross-staffing process enabling the formation of a multi-country, multi-disciplinary team combining the best competencies for a given assignment. A powerful argument in our favor in this competitive environment," says Patrick Nicolet, Group Sales Manager Director.



Capgemini North America. The North American activity (NA) of the Group now operates on solid foundations. With the confidence of clients like General Motors, Limited Brands and Hewlett-Packard, the acquisition of Kanbay will strengthen Capgemini even further.

Kanbay has a strong presence in the US financial sector and a 5,000-strong workforce in India.

Indeed, the corporate American clients who have driven the IT industrialization and globalization process, particularly in banking and finance, consider offshore as just "Business as Usual" and part and parcel of the service provider-customer relationship.

As a reminder, a third of Capgemini NA's Technology Services developments are already carried out in India.

"The major European clients in industry, in particular, with their well-oiled global production mechanisms are interested in our Rightshore™ and BPO solutions. The large continental European banks are also beginning to show interest. In addition to offshore, the Group also has production centers located either within the client's country or in a neighboring country," says Henk Broeders, Group Director of Continental Europe and Asia-Pacific.



Capgemini Europe. Borne by the buoyant economic situation in the European Union, large contracts for cost reduction operations and transformation projects has been won by Capgemini. In such a favorable climate, more contracts required Group offshore capability as European clients gradually became accustomed to this process.

Moreover, the Group has also concentrated its efforts on combining and cross-tasking its expert teams by country and by discipline. For example, the combination of British expertise in Business Intelligence, French expertise in systems integration and Spanish expertise in applications maintenance will provide the best possible service for our transnational clients. In 2006, Capgemini is setting up new organizations and managers in order to quicken the pace.

Capgemini India. The Group has a workforce of over 12,000 people in India due to the contribution of Kanbay. It is now the second country in the Group in terms of headcount, at the heart of the Rightshore™ [→ GLOSSARY] global industrial process in order to provide top quality service while remaining competitive, particularly for the large international tenders. Capgemini's Indian production centers work for American and European clients in delivering outsourcing, systems integration and technology services in conjunction with their Western colleagues. The Indian sites will become increasingly specialized by technology and/or by business sector.



Client story

Česká Spořitelna enhances its client relationships.

The Czech bank has entrusted Capgemini with the design and deployment of its customer relationship management system, with instant benefits.

A brief introduction to Česká Spořitelna. The history of the Czech savings bank dates back to 1825. It was privatized in 2000 and bought out by Erste Bank from Austria. Česká Spořitelna now has a workforce of over 11,000, a network of 640 branches and 1,070 automatic cash dispensers. The bank's client base has reached the 5.3 million mark, namely half of the Czech population, and regular growth has been recorded for the last six years.

The Czech banking market. The average annual economic growth of the Czech Republic, member of the European Union since May 2004, is 6%. The banking sector is largely controlled, directly or indirectly, via foreign capital. Competition is fierce on this market, with a total of 36 banks vying for custom, 24 of which are of local origin.

An effective information system. Česká Spořitelna is a leading bank in the Czech Republic, its client base comprising private customers, small and medium-sized companies and local authorities. In the light of a highly competitive domestic market, the bank was looking to foster customer loyalty while developing a key account base. The success came

down to the Customer Relationship Management (CRM [→ GLOSSARY]) expertise of the Capgemini teams, the local presence of the Group and the strong pre-existing relationship between the two companies.

Reliable technological solutions. The speed and reliability with which this strategic project was implemented, along with the bank employees' rapid familiarization with the tool, made the project a resounding success. Together, Česká Spořitelna and its partner Capgemini decided to use tried and trusted technology and to ensure sufficient support for the change, which was a major issue.

Capgemini installed and integrated the solutions in successive stages. Hewlett-Packard was chosen for the hardware and EMC for data storage. Capgemini opted for software architecture designed around the Siebel eFinance software package, backed up by an Oracle database and SAS Enterprise Miner decision-making system. A BEA mid-

dleware solution links these applications so that 45 Česká Spořitelna business applications are interconnected.

This project obviously involved support for the 8,000 users who needed to become familiar with the new system. Here, the key factor was the bank staff's commitment to the project: "Capgemini worked very skillfully with our teams," sums up Michal Seifert, DWH & CRM Program Manager for the bank.

Instant benefits. This has been a very fruitful collaboration. The bank has now exceeded its growth targets in terms of revenues and profit. The client satisfaction rate is 76.6% and return on investment in direct marketing campaigns is on a steep upward trend.

Moreover, its new customer relationship management system greatly helped Česká Spořitelna to win the Banker Technology Award, sponsored by Gartner Group and awarded by the Financial Times. "It is thanks to Capgemini's commitment and strategic vision that the project has had such an impact," says a pleased Jack Stack, Chief Operating Officer of Česká Spořitelna.



"To maximize Česká Spořitelna's leverage from Capgemini's global capacities, our team was looking for a peer project of the same industry, size and scope for continuous exchange of CRM experience

and learning. It was a truly exciting moment when our team connected our Czech CRM & DWH customer with an Australian Capgemini CRM & DWH customer. Both customers had great benefit in learning

from each other when navigating along the arduous road of CRM. A great example for a Collaborative Business Experience," underlines Dieter Harreither, Central & Eastern Europe CRM leader of Capgemini.

Client story

Through EDF, Capgemini takes an active part in the successful liberalization of the French electricity and gas residential markets.

EDF is changing so as to face a dual challenge – to become the supplier of choice for its residential customers by providing convenient energy solutions that combine comfort and consumption control, and to maintain fair competition through the distribution network operator.

Market liberalization. On 1 July 2007, sale of electricity to private customers will be opened to competition in France. The 28 million customers, representing almost half of EDF revenues, will be able to choose their own supplier. *"This is a massive transformation for EDF,"* underlines Jean-Louis Mathias, Chief Operating Officer, EDF. *"A full overhaul of operations is programmed. Over 5,000 employees will join Sales & Marketing, with increased responsibility for bringing new multi-energy, multi-service offerings to our customers in response to their needs. In addition, the Distributor, with its 50,000-strong workforce, will become a subsidiary in compliance with the law. It will guarantee all competing suppliers free access to its network."*

A major transformation. The EDF Customers Department selected Capgemini for three programs in order to assist in its transformation. The "CAP2007" program steers the overarching transformation framework, using the EDF's customer journey as a guiding line. The "Mass Market" program aims to transform and improve operational management performance. Lastly, the objective of the Management / Finance program is to build and deploy a new management model for the Customers Department. Concurrently, the Distribution Network Operator has selected Capgemini development teams to help it build an IT system managing all the exchanges between the different suppliers and the Distributor, a system which is essential for the electricity retail market operations in the post-July 2007 liberalized market.

The right partner. Since 2004, EDF's purchasing department has launched several tenders on behalf of the Customers and the Distribution Department. *"EDF recognized our understanding of the electricity sector, our experience of transformation, our methodologies and the personal commitment of each and every consultant,"* explains Stéphane Lefranc, Associate Director, Energy & Utilities for Capgemini. However, the decisive factor was the ability of the Group to demonstrate its expertise, both nationally and internationally, in the successful transformation of companies set to face a new environment. *"On 1 July 2007, EDF will be all set to go into a new phase in its evolution, in a completely liberalized market. EDF staff have been rallied to serve all their customers in this new environment, with a business model which is based both on the quality and reliability of customer relations and energy supply and on operational performance and profitability,"* explains Jean-Louis Mathias.

A brief introduction to EDF. The government-owned Company *Electricité de France* was transformed into a *Société Anonyme* (French joint-stock company) in accordance with the Law of 9 August 2004. 11% of its capital having gone public on the French *Bourse* in 2004, EDF generated 58.9 billion euros in revenues in 2006 with a net profit of 5.6 billion euros. The company operates the largest number of nuclear stations in the world, with 58 reactors and a workforce of 161,500.

The energy market. Following implementation of the European directives on the gas and electricity markets, EDF now operates in an increasingly open, international market, particularly in Europe. Liberalization is taking place against a background of increased power consumption in the European Union (up 1.6% in 2005).

"The team has been proud to contribute to this transformation. Defining and implementing solutions in order to facilitate the daily tasks of EDF's collaborators and

improve the performance of Utilities, while respecting the public service commitments is a permanent source of mobilization and motivation," says Stéphane Lefranc,

Associate Director, Energy & Utilities of Capgemini Consulting.







Client story

Gearing Up for the Auto Race in China. Dongfeng Motor Company suffered cultural and operations pains as the offspring of a state-owned and a public company. To optimize its operations and meet its expanding goals, it launched the Navigator Project.

A brief introduction to Dongfeng Motor Co., Ltd. Dongfeng Motor Co., Ltd. (DFL) was established in June 2003 through joint investments from Dongfeng Motor Corporation and Nissan Motor Co., Ltd. As China's first joint venture enterprise in motor vehicles with a complete series of trucks, buses, commercial vehicles and passenger vehicles, DFL is one of the largest car manufacturers in China.

The Chinese automotive market. Aggregate car sales in China were 7.22 million units in 2006, up 25% against 2005 according to the local automobile manufacturers association. 7.28 million vehicles were produced in 2006 (+27% over the previous year) in the country. Earnings of 10.9 billion dollars, a rise of 34%, were recorded for automobile and spare parts exports.

Dongfeng Motor Co., Ltd. (DFL) initially suffered poor sales and other difficulties, including culture differences and management style conflicts. Its long-term ambitions include being ranked in the top three globally for commercial vehicles, having its passenger vehicles be considered one of the best brands in China, and becoming a recognized brand name around the globe. In the medium term, the company set out to double its sales and revenues over a four-year period, increase its operating profit, and make the most of its partnership with Nissan. However, the complexity of the original state-owned enterprise was still reflected in DFL's culture, working mentality, and organizational structure, making it difficult to enact the revolutionary changes necessary to achieve these objectives. Given the fiercely competitive environment, DFL felt it needed to transform and streamline its business processes and systems to improve efficiency. To remedy these problems, DFL management kicked off a

transformation program called Navigator Project. DFL selected the SAP R/3 Enterprise application and Capgemini China as implementation partner for the whole program.

Project objectives. The Navigator Project had three major objectives: First, it would establish a management information platform to obtain timely, consistent, accurate, and transparent information. Second, it would assist DFL's finance department in reducing the close cycle to three-day closing and five-day consolidation. Finally, it would develop a detailed central finance policy and procedure manual. It established a consistent business operations platform for 12 plants and 8 departments, covering 70 percent of the company's business. It improved and standardized business and operational processes, standardized data and data management process, integrated business and finance operations, and reduced the close cycle as planned.

"An SAP implementation across such a large business span, within such a short period of time, is rare in China and elsewhere in the world," says Atsushi Komatsu, DFL Vice President of Finance and IT. *"Its success will undoubtedly be written into the DFL history."* The extensive SAP implementation required the joint efforts of more than 70 core business team members and 100 external consultants. It involved 50 departments from 13 business units and over 1,000 users. The functional scope covered financial accounting, controlling, materials management, sales and distribution, production planning and control, and the project system.

Due to the tight schedule, SAP was implemented in parallel at three project sites. Qiao Yang, Senior General Manager of Finance and Accounting, says that *"through the implementation of this world class enterprise management software, DFL is able to obtain timely, accurate, and transparent information. More importantly, it promoted positive changes to the mindset and behaviour of our 70,000 staff and further improved management in the entire DFL operation."*



"The Dongfeng project is an excellent example of Capgemini's value proposition in China: Capgemini is the only international consultancy in China with a truly local management team and so our

strength is to combine deep understanding of the local business culture in China with our understanding of NMC business culture and applying proven Western methodologies – a very

effective combination especially also for Joint Ventures, and successes like the DFL project show that it works well," sums up Stephan Dyckerhoff, Executive Vice-President of Capgemini.

Client story

TDC places its confidence in Capgemini Denmark.

The Danish telecom operator has outsourced its customer management and invoicing IT systems to Capgemini using the Rightshore™ production model.

A fiercely-competitive mobile phone market.

Denmark – with its 5.4 million inhabitants – has a dynamic mobile phone market which has led to more and more competition. Due to the booming telecommunications activity, the erstwhile national telephone operator – Tele Danmark Communications (TDC) – has had to review its sales and marketing policies and to ring the changes. A range of new competitors, running particularly aggressive price and service policies, now have to be included in the equation. TDC's mobile phone activity (the market was up by 6% in 2006) produces a third of its total revenues from a client base of 8.2 million. The company's goal was not only to continue, but to intensify its customer loyalty policies by introducing new services and offers.

Back to core business. With this in mind, TDC decided to change its organization. It chose to outsource the IT system for customer management and invoicing. A tender was therefore issued in 2005, and Capgemini Group won the four-year contract. *"Our flexible resources and expertise in terms of invoicing management, in addition to our technological skills, made the difference",* states Torben Hohlmann, Director, Business Development, Telecom & Media. *"Over and above our competitive proposal, it was our capability to deliver on time that made the difference."*

TDC implements the Rightshore™ model.

Capgemini's Rightshore™ [→ GLOSSARY] production model has been used as a basis to perform this assignment. The idea behind it is that services are delivered in the most appropriate place to maximise the quality of service, the availability of skills and the cost.

Technical support has been anticipated and 320 Indian IT engineers have been provided for the development and maintenance of the new applications. *"For us, India's development in the new technologies is a great opportunity because it is difficult to find qualified manpower in sufficient quantity",* points out Torben Hohlmann. 78 Tele Danmark Communications employees were transferred to a TDC-focused entity of Capgemini Denmark. This project means that TDC is now concentrating on the development of new products and services in order to provide added value to its subscribers.

A brief introduction to TDC. Tele Danmark Communications has always been the public telecommunications company in Denmark. Called Tele Danmark until 2000, TDC subsequently joined the American telecommunications company SBC.

In 2005, TDC generated revenues of 47.43 billion krone (6.36 billion euros), which is 1.8% over the previous year, its net profit standing at 462 million euros. The telecom company has representation in Central Europe and in the Nordic Countries. Its workforce of 19,000 people service 11 million clients.

The Danish telecom market. This market, liberalized some ten years ago, is one of the most ferociously competitive markets in Europe. To date, 85% of the Danish population has a broadband (ADSL) connection to the Internet and mobile phone subscription rates exceed the 100% mark. TDC captured 80% of the telephone market and 60% of the broadband market in 2006.

What does Torben Hohlmann, Director, Business Development, Telecom & Media, of Capgemini have to say?

"Our relationship with TDC is excellent. We are over there on a daily basis and

everyone knows everyone else really well, which facilitates communication and team-working. The 78 people from TDC have fitted in easily, since they were keen to face new challenges. Monthly meetings

are held with Capgemini and the TDC senior management in addition to the regular project meetings."



Client story

Cadbury Schweppes boosts its IT system. The Global Confectionary firm chose Capgemini to help establish an Enterprise Architecture capability to enable delivery of a more responsive, higher value IT to support its business.

Business Rationale. Cadbury Schweppes, one of the world's leading confectionary businesses, operates in a highly competitive, seasonal market. Obtaining a rapid response to consumer demand, as competitor products are launched, and managing the seasonal aspects of the business are crucial. The IT landscape needs to be engineered to support this. As a multi-national firm, Cadbury Schweppes needs to

A brief introduction to Cadbury Schweppes. Based in England, Cadbury Schweppes is a leading confectionary and soft-drinks manufacturer. The two-century old company generated revenues of 9.9 billion euros in 2005, recording 6.3% growth compared to 2004. Its 60,000 employees work in 300 factories, located in 25 different countries. The products manufactured there are retailed in 200 countries in all.

standardize its functions, internal processes and IT systems. Historically, Cadbury has been operating more than 25 different SAP solutions worldwide. Maintaining this environment is costly and integrating new applications is complex. In 2000, the company decided to embark on a process to consolidate these platforms – moving to only three regional software platforms. This program aimed to standardize business operations. Whilst these goals have largely been achieved, they were achieved at the expense of agility. In mid-2004, Cadbury decided that a change of strategy was required – with agility and reuse at its core.

Defining new architecture. Together with Capgemini, Cadbury established key characteristics for its new IT architecture; *responsiveness, flexibility, upgradeability, standards-based and incremental* were key words underpinning the vision. Cadbury needed to define the path towards an IT landscape which could support rapid growth and allow them to respond to the recurrent, market-related demands. Secondly, it was critical to ensure that the value of the historic investment in the common solution was protected. Cadbury Schweppes worked with Capgemini as their trusted advisor to enable them to build and deliver a Service-Oriented Architecture (SOA [→ GLOSSARY]) based on the Capgemini Integrated Architecture Framework (IAF [→ GLOSSARY]) methods, and to leave Cadbury with the capability to manage and develop that Architecture going forwards.

The confectionary and soft drinks market. Cadbury Schweppes operates in a highly competitive market. Aggregate worldwide confectionary sales were 12.6 billion dollars in 2004, representing growth of 4% in 2003 according to Datamonitor. The statistics of the British research firm place Cadbury's first with a 10% share of the confectionary market. According to another research firm, AC Nielsen, Cadbury Schweppes ranks third in soft drinks market, which is even more seasonal than confectionary.

Implementing pilot projects. Working with a Capgemini team, the Cadbury IT Architecture team established a new approach to defining and delivering its own enterprise architecture, built on from well-defined software building blocks using industry standards. This has enabled Cadbury Schweppes to deliver business applications, with far higher levels of reuse. Moreover, packaged components from vendors like SAP or Siebel can be deployed and managed in a more progressive, more flexible way than before. Together we identified and designed a number of pilot projects, in line with these concepts, to demonstrate the value of this approach. These projects were implemented in record time with minimal disturbance to its daily operations. The value of this approach was demonstrated beyond doubt. As a result, Cadbury Schweppes can now modulate its IT projects at will, responding to sudden market changes when required.



"The Cadbury Schweppes Enterprise Architecture engagement challenged the whole team – Cadbury and Capgemini. We worked globally, establishing and embedding an overall vision,

an Architecture framework and a capability. The purpose of this work was to release more value locked up in IT assets, increase reuse of IT solutions, and reduce business risk in IT projects. Central to this

was the managed adoption of a Service-Oriented Architecture – leveraging packaged software," explains Jonathan Ebsworth, Vice President Capgemini UK.



Client story

Sogeti makes its contribution to air traffic safety. The DSNA has entrusted Sogeti in partnership with Astrium – agent of the joint liability group – with the development of the ERATO project.

A brief introduction to the DSNA. The French Air Navigation Services Provider, DSNA, is made up of a set of air-traffic control bodies that are answerable to the DGAC (*Direction Générale de l'Aviation Civile* – French Civil Aviation General Directorate). Its responsibilities involve controlling air traffic and the means of communication, navigation and surveillance, and producing and distributing aviation-related information.

The air traffic control market. Air traffic between the countries of the European Union, since its enlargement to 25 Member States, continues to grow, with a 10% increase for the month of November 2006 alone. As for the growth in international traffic (6.8% up over the first eleven months of 2006), this remains strong, despite being 1% down on 2005.

Facing up to the constant growth in air traffic. The increase in air traffic worldwide has sharpened the demand for air space management and fleet control solutions. The extent of these requirements is mirrored by the challenge they present in terms of safety and traffic flow. To deal with these demands, the French Air Navigation Services Provider, DSNA (*Direction des Services de la Navigation Aérienne*), has launched the ERATO (*En-Route Air Traffic Organizer*) project. This system should ultimately be deployed in four of the five en-route control centers that manage en-route traffic in French air space. It is intended to increase the traffic processing capacity and the safety of air transport.

Selecting a longstanding, reliable service provider.

"The national decision of the DSNA to launch ERATO was taken in Autumn 2002, but its conception is the result of some fifteen years' R&D," highlights Muriel Preux, Program Director in the DSNA's Technical & Innovation Department. Producing such a system requires the participation of a longstanding, reliable service provider. As it happens, the project development covers

a period of two years although the global contract, which includes corrective and upgrade maintenance and materials procurement, will last a total of seven years. The choice was made in mid-2005 from a short-list of three service providers via a negotiated contract involving competition. "The candidates had to comply with a 650-page specifications document containing nearly 3,000 requirements, which took a year to produce," Muriel Preux continues. The Astrium / Sogeti alliance came out on top in February 2006. "This proposal, compliant with our requirements, was the lowest responsible bid," Muriel Preux goes on to say.

Building close relations between partners. "Astrium was recognized for its ability to supply turnkey systems and Sogeti for its business area expertise, specifically with regard to air-traffic control," explains Frédéric Béchaud, Director of the Sogeti Space & ATM Agency. On the basis of a trajectory prediction, two main functions are the backbone of ERATO. The first function is the filtering function whereby, at the controller's request, the aircraft that pose no problem for a given flight can be faded down on the controller's screen. The controller's detection of potential conflicts is thus made more efficient, fewer flights having to be analyzed simultaneously. The second concerns the agenda. This involves creating a list of problems (aircraft groups that may potentially be in conflict) organized along a time-line and which the controller may modify according to his analysis and strategy. Thanks to the agenda, the controller can choose the geographic location for resolution of the conflict. It facilitates the memorization and planning of activities in the sector. "We are working as a joint Astrium / Sogeti team and there is a close relationship between the Group and the contracting partner," says Frédéric Béchaud. "We organize a monthly steering meeting and attend regular technical briefings with the client." The first version of the ERATO system should be delivered in 2008. "The real-time, security and system availability constraints made it necessary for us to carry out a large number of tests," explains Muriel Preux. "It is due to be rolled out in 2009, and brought into service as from 2010," she concludes.



"The story of Sogeti's involvement with aircraft navigation stretches back more than 15 years. Sogeti was looking to develop in this field on account of our presence in Toulouse, favorable to the

fostering of close relations with the main players in the sector. The company made every effort to recruit qualified personnel with the dual competences of business area and IT skills. This strategy has meant

that today we are best equipped to handle the big corporate tenders in the sector," confirms Frédéric Béchaud, Director of the Sogeti Space & ATM Agency.



Human
Resources
management

Working together, collaborating for success. In 2006, the Group's human resources management policy was prioritized around three main development areas: recruitment and retention of talent, managing the employee career path and focusing on leadership within our training curricula.

The Capgemini University is expanding with 6,900 participants in 2006, which was a record year. This figure represented a 40% increase over 2005, with an average satisfaction rate of 4.3 out of 5. Even if "Les Fontaines" (located in Chantilly near Paris), dedicated to training, remains the Group's nerve center for skills transfer, in 2006, the University went regional with University programs delivered in the American and Indian operations. In India, 35,000 training days were already delivered in this first year. In addition, the University organized five Business Priority Weeks in 2006 on key themes related to SOA [→ GLOSSARY] and Rightshore™. The purpose was to raise awareness levels and to mobilize Capgemini employees, from different disciplines and regions, around the major stakes involved in creating a common language across the Group.

"To recruit some 4,000 people in India, we received 88,000 resumes and carried out 16,000 interviews, including at the weekend!"

These three priorities were defined at the annual Managers' Kick-off Meeting in January 2006. "They reflected the Group priorities as presented by Paul Hermelin, and they determined the objectives assigned to Human Resources," explains Alain Donzeaud, Human Resources Director and General Secretary of the Group. Once validated by the Executive Committee, the priorities were implemented by international teams comprising members of both the corporate HR department and the country HR departments. Through these international teams working together, we are able to take into account the local cultures so that we can create operational tools for our managers and propose actions they can take in the field to ensure their successful implementation.

Recruiting talent: convincing results in a highly competitive job market. In 2006, recruitment initiatives proved fruitful: with 18,592 new employees, the Group headcount grew to 67,889 by the end of the year as compared to 61,036 at the end of 2005 (i.e. a growth of 11.2%). The two main engines of Group recruitment have been its subsidiary Sogeti, with 4,282 new employees, and India, with 3,897.

"To recruit some 4,000 people in India, we received 88,000 resumes and carried out 16,000 interviews, including at the weekend! This means that we have a rich pool of really exceptional talent, and this year the rate of recruitment is set to nearly double!" comments Paul Hermelin, Group CEO.

Recruitment in 2006 was strongly supported by a communication campaign via the press and billboards. "Our

strategy was to center the message on the employee and employee fulfillment within Capgemini. This campaign was firmly focused on our priority targets, these being students from the top universities and higher education establishments, and candidates with special expertise," explains Marie-Laure Rivier, Group Deputy HR Director.

For Alain Donzeaud, the recruitment performance in 2006 was also a sign that: "Capgemini is a company that remains a highly attractive proposition to many. These are statistics of which we can be proud, along with the fact that we have managed to keep attrition rates down to 16.6% for the Group as a whole." The job market is particularly competitive in Europe at the moment on account of the upturn in the economy and mass retirements. This means that talent is therefore at a premium. "Retaining our employees is no longer seen as merely the province of Human Resources, but as a permanent priority for the Management, generating the implementation of targeted actions," Marie-Laure Rivier goes on to say. "Consequently, in countries like Portugal or India, where the



"Today investing in competencies is not just about certification, training or sector content. It is about taking care of our

people and their professional and personal development. This is a key factor for an IT services company," notes

Alain Donzeaud, Group HR Director and General Secretary.

highly dynamic markets make it hard to hang on to talent, the management teams offer exemplary lessons in managing attrition." In India, Capgemini's attrition rate is in the order of 18%, as compared to a 25% average for the IT sector as a whole.

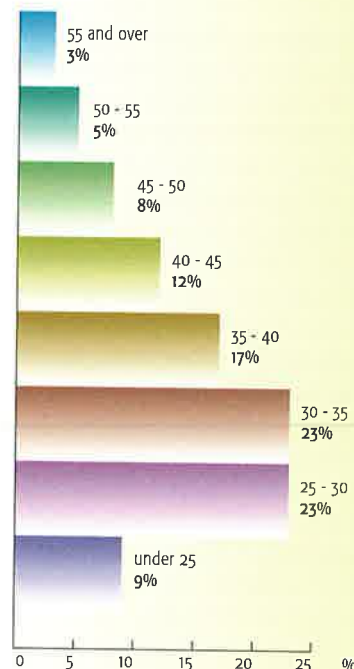
Career mobility: a model used on a worldwide scale. The challenge is to offer every employee the best possibilities for career development and, for those looking to develop their talents abroad, international prospects. The skills models, or "Competency Framework", now serve as the basis for performance evaluation and career development for each Group employee. These models are based on jobs and skills grids, and take account of the specific needs relating to each of the Group's activities in terms of expertise and know-how. They are built around a mentoring system that allows every employee to benefit, throughout his or her career, from the support and advice of more experienced colleagues. The Competency Framework also incorporates the multi-national dimension for projects, including the mobility and offshore aspects.

"We ask every manager to follow up the annual employee interviews with concrete measures, such as training plans and promotion prospects," underlines Alain Donzeaud, who goes on to say: "Employee evaluation also goes hand-in-hand with an internal certification process, for example, geared to project managers, architects or software engineers." This process helps to reinforce, through the solidarity of a well-knit and recognized professional community, the sharing of information and experience and the acquisition of skills and know-how in specific domains. Furthermore, TALENT, the Group Intranet, disseminates either locally or internationally information, eye-witness accounts or expert points of view, on a daily basis. TALENT thus consolidates our common, shared culture.

Leadership training: the different countries took the concept on board. 2006 saw growing participation of all countries in the programs delivered by the University's Leadership Development School and in the creation of local programs. "The nomination in each entity or SBU of a person responsible for leadership training will offer concrete proof of how the concept is being transmitted in 2007," adds Marie-Laure Rivier.

In the Netherlands, the new three-year "Fast Forward" program, which centered on the activation of leadership qualities in promising young talent, allies training with situational coaching. In India, the "New Horizons" program integrates leadership, sales acumen, excellence and cross-disciplinary skills. For the top performers, this program offers possible access to the "Executive Mentoring and Shadowing" program where individuals shadow and are mentored by one of our top international Group leaders. In the UK, two new programs designed for young managers have been added to the portfolio of the Leadership Academy, which was previously reserved for experienced managers. Lastly, in Sweden, six leadership seminars brought together employees and clients to debate topical subjects such as motivation and the management of virtual teams. "Our managers are committed to the implementation of the HR priorities by integrating, in their management processes; regular checks of attrition rates, the distribution of competences and the development of their managers," points out Marie-Laure Rivier.

Age pyramid
within the Capgemini Group



The International Works Council (IWC), a body established for the purposes of exchange and dialog, is strengthened. The Group is placing heightened emphasis on dialog with the employee representative bodies. Since 2004, the US and Indian employee representatives have been taking part in the IWC's work. Following the announcement of the acquisition, in October 2006, of Kanbay, most of whose employees are based in India, the IWC has held one of its sessions in that very country. This offered the opportunity for these colleagues, from different continents and cultures, to get to know each other better.

"With a turnover rate approximating that of the international corporations doing business in the same markets, we have been able to manage the human and busi-

ness aspects at stake. Attracting and retaining employees on a long-term basis is the guarantee of good-quality customer relationships so that working on staff

turnover rates has been one of our main priorities in 2006. And it will continue to be so in 2007," confirms Marie-Laure Rivier, Group Deputy Director of Human Resources.



2007: a year of transformation for human resources. The objectives for 2007 are the integration of the Kanbay employees and, as part of the Group's "i3" project, the transformation of Group Human Resources. *"First of all, an in-depth study of our pyramids and of the impact of Rightshore™ on our competency model*

will be carried out. Then, we shall revitalize talent management and leadership development from the perspective of permanent value creation. Particular effort shall be put into the question of motivation as a means of attracting and retaining our employees. Finally, we shall grow our systems and processes, with a view to revamping the HR function," Alain Donzeaud concludes.

Portugal: new impetus.

The Portuguese entity of Capgemini came up with multiple Human Resource initiatives in 2006. Various "self-service" facilities were introduced for employees, such as access to personal data and performance appraisals, and the onlining of resumes in order to facilitate career management, all of which is accessible via a dedicated portal. As far as recruitment is concerned, the HR department launched the *GET-U (Great Expectations on Talent Universities)* program, targeting students and young graduates from the country's best universities. This involves identifying then recruiting talented individuals, first of all by proposing paid internships within the Group. The department has also created a specific program for the induction of new employees, the "Onboarding Program",

in order to attune them from the outset to the "CBE (*Collaborative Business Experience*) mentality" of the Group. The latest initiative to be highlighted is the implementation of the *GROW (Great Results with Outstanding Work)* and *WIN (Work Improvement Network)* models, in partnership with the worldwide "Mentoring" program. The first offers a simplified career plan model, enabling each employee to see precisely where he or she stands and to help improve their performance with a view to career development. The second, which dovetails neatly with the training plan, makes it possible to identify discrepancies between an employee's current competences and those required at later levels along their career ladder.

BREAKDOWN OF THE WORKFORCE

Present in 32 countries, over 18 time zones



Total of:

67 889 employees

as at December 31, 2006

6 441 North America

8 785 United Kingdom
and Ireland

20 438 France

6 235 Southern Europe

3 608 Nordic Countries

5 137 Central Europe

9 014 Benelux

8 231 Asia-Pacific

including 6 679 in India



"We are working in a completely multi-cultural environment. This helps us to understand our clients better, whether they

are American, German, Scandinavian or French, which is essential as we have recorded considerable growth in IT projects

for delivery from India, both to the USA and to Europe," says Baru Rao, Director of Capgemini India.



Corporate Social
Responsibility,
(CSR)

The principles of sustainability and social responsibility are deeply rooted in our core strategy and reflected throughout our long-standing business practices.

Since 2003, the senior management of Capgemini has been implementing its Corporate Social Responsibility [→ GLOSSARY]. Our seven core values – Honesty, Boldness, Trust, Freedom, Team Spirit, Modesty and Fun – have existed as long as the group. They are second nature to us now, and remain at the heart of our approach to being a responsible organisation. In 2004, as a natural step in the evolution of our focus on social responsibility and sustainability, we joined the UN Global Compact [→ GLOSSARY] and we are committed to support and respect the ten principles relating to human rights, the environment, labor rights, and anti-corruption.

These principles, including our shared values and ethics, guide our relationships with our clients, with our employees and with the communities in which we operate.

For our employees. As a people-oriented business our focus is on the professional development and wellbeing

of all our employees. Capgemini has a culture which respects and promotes diversity. In the Netherlands, Capgemini worked with the Institute for Work and Stress and developed the training scheme "Working Together". Through a series of interactive sessions Capgemini employees had the opportunity to learn how best to combine and organize work and private life. After a successful pilot, the training program was added to the standard training programs. This training program was followed up with a pilot training for managers: "Smart management from 7 till 7" teaching managers about their own work-life balance and how best to discuss these topics with their employees.

Our client relationship management process, known as OTACE Reporting, is a key factor underpinning our strong client relationships.

In France, Capgemini and Sogeti signed the *Charte de la Diversité dans l'Entreprise* (corporate diversity charter) and are actively involved in *IMS Entreprendre pour la Cité* [→ GLOSSARY], the organisation responsible for promoting the French diversity charter to help drive modern diversity in France. Training programs on the importance of diversity have been implemented for the HR teams in charge of recruitment.

In India, the "New Horizons" program focuses on the development of leadership skills. At the end of the session, a select number of high performers follow the *Executive Mentoring and Shadowing* program working alongside members of the Group management team.

In France, Sogeti has been supporting PlaNet Finance for several years now. The mission of PlaNet Finance is to reduce world poverty by offering micro-financial solutions (financial services, loans, savings, insurance, etc.) to the poor and needy who have been excluded from the system.

For our clients. Committed to exceeding client expectations, we engage with our clients to understand their business needs in order to deliver lasting results with tangible benefits. Our client relationship management process, known as OTACE Reporting (On Time and Above Client Expectations) [→ GLOSSARY], is a key factor underpinning our strong client relationships. Under OTACE Reporting, clients are requested to specify their expectations from our services based on a set of indicators that we document and review with our clients to provide the level of satisfaction for our work.

Capgemini is working to embed corporate responsibility principles into its offers and to review the sustainability impacts of projects carried out with clients by embedding social and environmental considerations into the project assessment processes, where appropriate.

For our partners and suppliers. Our commitment to ethical supplier relations is reflected in our ethical purchasing policies. These policies are in compliance with the principles of the British Chartered Institute for Purchasing & Supply (CIPS). We undertake to treat our suppliers



"We are capitalizing on well-established practices. Any company that claims to be socially responsible must respect a framework of both internal and external values,

standards and commitments – commitments which have always left their mark on Group history. Moreover, the purpose of Capgemini is to

uphold such commitments in all its basic procedures," asserts Carolyn Nimmy, Group CSR Director.

fairly, on an arm's length basis; to select them according to clear, auditable procedures depending on the value, performance and price of the offer; to maintain the confidentiality of supplier information and not to draw advantages from any mistakes they may make. We also expect our suppliers to uphold our commitments to ethical purchasing and to respect the ten principles of the UN Global Compact.

For our communities. Capgemini actively encourages employees at all levels to get involved in the communities, in which we live and work and to donate time, energy and creativity to having a positive impact.

In the UK, a challenging target to use our skills to help 2,007 people by 2007 improve their "Skills for the Future" was exceeded. The teams estimate they helped approximately 5,500 people in 2006.

In France, Sogeti has been supporting PlaNet Finance, the world's leading micro-credit promoter for a number of years. Sogeti helps PlaNet Finance by providing

IT systems support. They are currently working to restructure the system to make it more efficient, enabling the organization to help more people.

In the Netherlands, Capgemini is supporting a school project for street kids in India, the "Rainbow Home Project", with 10,416 weeks of education and accommodation delivered in 2006, plus a commitment to 40 children who will be supported for the next 5 years.

In China, the Guangzhou BPO teams have created a help fund, which collects clothing, shoes and second-hand books for a Tibetan orphanage. Charity donations for helping poor children is part of a continuous volunteer effort directed at helping the poor in their local communities.

In India, the employee blood donor schemes have been extremely successful. In addition, Capgemini is financing a school via the Naandi Foundation. Its purpose is to educate and train children from single-parent and impoverished families.

For our environment. At Capgemini, we recognize our responsibility to safeguard the environment and are taking steps to minimize the environmental impact of our activities (use of energy, transport, waste management) and on raising awareness of this issue among our employees.

Capgemini UK procures its energy for 2006 and 2007 from renewable sources in order to cut its CO₂ emissions. The IT asset reuse program has included increased internal redeployment, donating refurbished assets to well-managed and structured community schemes, or selling the asset on to extend its usefulness with only the residual items needing recycling. Capgemini UK is working with the Carbon Trust and other specialists to reduce energy consumption and look at all of the alternatives in its offices and data centers. A number of initiatives around the group are aiming to improve our environmental and work-life balance impacts from travel, including improved use of video conferencing and other collaboration tools.

For our shareholders. Through its responsible business practices, Capgemini aims to increase the intangible capital of the company, merit the trust of its clients and develop the skills of its employees all over the world. The development of this capital provides strong leverage in creating added value for our shareholders.

These policies are in compliance with the principles of the British Chartered Institute for Purchasing & Supply (CIPS).

In the Netherlands, Capgemini is supporting a school project for street kids in India.

In China, the Guangzhou BPO teams have created a help fund, which collects clothing, shoes and second-hand books for a Tibetan orphanage.





Group
Communication

Identity and visibility. Capgemini has invested in strengthening its global brand via advertising and sponsorship.

Vision and Mission – the art of managing opportunities. Any ambition stems from a well-defined mission and vision which serve to clarify identity and reflect, on the one hand, the history and values of the company and, on the other, its demands with respect to the future. For Capgemini, vision and mission

- Our mission: your transformation
- Our vision: your freedom of action

revolve around three key words which underpin the business and set it apart: client, transformation and freedom. This dual affirmation expresses a reality and a commitment. By relying on technology, which is its core business, Capgemini has placed transformation at the very heart of its activity – both for its clients and for itself. The proactive vision of managing opportunities rather than constraints is sup-

ported by the Group's independence both from hardware and software manufacturers and from inflexible models, thus enabling considerable freedom of action to benefit its clients.

"Together": a worldwide advertising campaign. This campaign was developed with three landscape photopaintings, taken by the American photographer Stephen Wilkes, and illustrates the difference between "Business as usual" and the Collaborative Business Experience (CBE) [→ GLOSSARY] proposed by

Capgemini to its clients. The CBE concept is summarized by the word "Together" which makes all the difference to a relationship between the company and its clients. "The word 'Together' expresses a modern concept, contrary to popular belief. It is simple, human and universal", asserts Philippe Grangeon, Group Director of Communications and Member of the Executive Committee.

Following its launch in the United States and Canada in early June, the campaign was started in India in August, and in September in France, then rolled out in nine European countries up to December 2006. Its

"This positioning originates in the company's genes: both Capgemini and its clients feel a strong need for freedom. And it is through our technical and managerial advice that clients aspire to freedom of action," says Philippe Grangeon.

business-oriented message flows directly from the 2004 campaign. After launching the *expert coach* concept, Capgemini is now emphasizing performance and, over and above the service-provider's expertise, is focusing on the fundamental importance of the quality of the relationship.

Capgemini is the Consulting and Technology sponsor of Rugby World Cup 2007. The partnership contract signed with Rugby World Cup Ltd, on 30 August 2006, is an important milestone in Capgemini's communications. According to the contract, which is far more than just a marketing partnership (visibility of the logo, through television broadcasting, public relations programs, etc.), the Group will place its service network and its disciplinary expertise at the service of Rugby World Cup 2007. Not only will Capgemini become the sole supplier of IT systems for the event, but it will also provide a wide array of other services: design and maintenance of official websites, provision and broadcasting on television of scoring and statistics, integration of software and tools for tournament planning and management, IT services for journalists in the stadiums and media centers, installation and maintenance of all IT applications and equipment in the 12 stadiums and Control Center.

This historic partnership is part and parcel of the rugby sponsorship policy conducted since 1992, in particular as principal partner of *Biarritz Olympique Pays Basque* which won the French Cup and was in the European Final in 2006. This equally historic commitment, coinciding with the 40th anniversary of Capgemini, will provide the Group with unprecedented visibility and will undoubtedly reinforce the brand image.



"I don't think that you can put a label on a company without the label having a basis in reality. Now, the trademark of our Group is its ability to form special relationships

with its clients who have chosen to undertake profound transformation projects. We call this CBE," declares
Philippe Grangeon, Group Director of

Communications and Member of the Executive Committee.



Points of view
of Group experts

Six Group experts managers share their thoughts on organizational transformation and technology and how users take these onboard; the challenge of offshore for Capgemini; and the Group's ambition to serve its clients' quest for liberty of action and freedom of thought.

Charles de Monchy is leader of Capgemini Consulting, The Netherlands and **Ron Tolido** is Chief Technology Officer, Continental Europe and Asia-Pacific. Creating the strategy plans turns out not to be

Transformation Now: the fun art of changing. A recent study by Capgemini shows that, over the past three years, large European organizations have undergone eight transformations on average.

causing the problem, but rather to be bringing about the expected impact. How do you really transform? The world is becoming more exciting by the hour. Friedman calls it the Flat World; Mulholland calls it "mashed up". No matter what you call it, companies need to transform their business faster and more frequently than ever before. The transformations are complicated by the fact that customers, shareholders and public authorities are now monitoring change much more critically. And the media are watching too. Transformation has become a "have to". Yet it is, at the same time, a matter of "wanting to" and – ultimately – "being able to". As Transformation is becoming just as normal as HR, F&A or Fulfilment, it has become critical to be able to respond to change and to reap the benefits.

Not just the context, but also the goal of transformation has changed. Increasingly, the change agenda is moving beyond regular, step-by-step improvements. Transformation now aims to change perspectives. Three important factors tend to impede the transformative process: resistance to change, a lack of required management skills and knowledge, and the slow response of an organisation to rapid developments. The duration of a transformative process is therefore often underestimated, while it is



Charles de Monchy



Ron Tolido

the capacity to change rapidly that delivers a crucial competitive advantage.

The winners will be those companies that are best able to anticipate and respond to developments in their environment, to innovate and industrialize their services and to reconfigure their organization. They will succeed in having the best relationships with their clients and in discovering and locking in new customers. This creates a smart organisation that is always ready for the next move forward.

Although there is no fixed recipe for becoming a winner in the transformation game, experience has shown that the following best practices help you to create successful transformations:

Create responsiveness, rather than predictability. Change is an unpredictable beast that does not allow for traditional planning. Creating a clear vision and set of beliefs will help you to manage the desired impact alongside your objectives.

Collaboration is a given. Eight out of ten new business concepts involve multiple partners. Opening up and leveraging new capabilities increases the "transformation potential".

Epidemic communication. Information – or, more aptly, communication technology – makes it possible to communicate to a level of granularity that was unthinkable until now. A word spoken will grow like a

fractal in minutes and can cause either havoc or immediate success.

Towards the perpetual delta. When a company has evolved into a transformation engine, the true competitive edge has been created. Collaboration is the norm and the key to achieving sustainable impact. Through great internal teamwork and also by working with partners in the ecosystem, the organisation is assured of the necessary content and experience, and the required mobilisation and commitment. There is actually just one skill that an organisation cannot outsource, and that is leadership to the transformation process. In any successful transformation, leadership, daring and intuition are the prime determinants. Direct communication and mobilisation, from the very start, is essential. In this way, *changing* is embedded in the organisation as a fundamental skill. Transformation will then no longer be something to turn away from, but something to look forward to. As a gateway to success, it becomes invigorating and just plain fun. Competing on the basis of superior products and services or the most attractive price are well-known strategies. Now, competing on the basis of speed and change capacity is part of the game as well. A wonderful and exciting period beckons!

A word spoken will grow like a fractal in minutes and can cause either havoc or immediate success.

Andy Mulholland, Group Chief Technology Officer. It started with PCs (initially for spreadsheets) through cell phones, PDAs, then the Internet, and now the Web. The explosion of so-called "Web 2.0" in 2006 has pushed the envelope further and changed the personal, social and professional lives of many. The effect of mass technology adoption at this pace is that *Generation Y* (people below their mid-30s) have mastered technology as a basic life skill.

As potential customers or employees, the expectations of this generation are different. Markets where this group is dominant (e.g. music, entertainment, travel) have changed irrevocably. It is no longer a case of "Business as Usual". Business models have changed. The iPod generation does not visit travel agents or open conventional bank accounts! Demographic shifts, equating to an increasing *Generation Y* among the population, will mean that the change will permeate through all the vertical industry sectors over time.

The question for CXOs is when and how to make the necessary changes that this shift is creating, to gain market share from new opportunities. *Generation Y* brings a complex blend of technology awareness coupled with business experience so the "who" for the buyer is a significant factor for supplier decisions on all goods and services.

The technology element is far more complex than suggested in the hype on Service Oriented Architecture (SOA) [→ GLOSSARY]. A number of new technologies have converged to support the core elements of the phrase "*Browsers browse content, services execute transactions, people interact in communities and also link up with existing corporate applications*". Properly understood and deployed, this can bring new "value" rather than being justified on cost reduction alone. If a call center uses technology to handle more calls per hour, the improvement is justified by *cost*. But where it also facilitates increased sales per hour, the justification is by *value*. How is this achieved? By having the flexibility to create a "product" in response to customer demand. Think about low-cost airlines and how they interact with buyers for tickets/time/place. Ultimately, customers pick the variables that best suit their requirements. Web queries start with customer preferences for time of travel and cost, which are used to match a suitable destination. An unexpected consequence is that many people now plan last-minute weekend breaks; this flexibility has significantly enlarged the air travel market.

Competitive improvements like these demand deep understanding of the marketplace for your product. It is here that MashUps are increasingly driving change. These allow quick assembly of content in per-

Welcome to the end of Business as Usual. In the last 20 years, the personal user has led most, if not all, significant technology adoption.



Andy Mulholland

sonalized and visualized ways from a wide variety of external and internal sources. A MashUp [→ GLOSSARY] uses technology already in place and in use (the famous AJAX [→ GLOSSARY] model comprising Asynchronous JavaScript and XML) to aggregate information from a wide variety of sources on the Web, in easy-to-understand formats. A next-generation spreadsheet is another way of conceiving this innovation.

"Browsers browse content, services execute transactions, people interact in communities and also link up with existing corporate applications."

Quick and easy to use, rapid to build and simple to change. When coupled to other tools, business managers gain ability to make better business decisions faster and more accurately, based on more reliable information sources.

For those buying from or working in business to those running large enterprises, the impact of this change is already visible.

In time, it will affect every industry. For those looking to re-establish value and differentiation in their business, it is the reason to welcome the end of "Business as Usual".

Service orientation is an organizing principle for business, rather than a discrete technology or a set of mechanisms, according to a new book, *Mashup Corporations: The End of Business As Usual*. Published by leading thinkers from Capgemini, Intel and KurMeta, the book

The iPod generation does not visit travel agents or open conventional bank accounts!

takes a unique approach to chronicling the impact of service orientation on business. *Mashup Corporations* tells the story of fictional appliance maker Vorpai Inc. and its pursuit of creative sales methods for its popcorn poppers. Mashup Corporations jumps deftly from its fictional setting to the real world and provides specific guidance in the form of rules that are analyzed and supported with examples. The result is a cultural rather than a technical guide to Service-Oriented Architectures and Web 2.0 technologies. More information on the book is available at www.mashupcorporations.com.

Alain Donzeaud, Group Director Human Resources & General Secretary. When faced by the increasing momentum of the trend towards offshore among our European and American clients, there are two possible attitudes to adopt: either try to put up a barricade

in order to defend our positions or go with the flow, for the good of the company, its clients and its employees. Capgemini, already committed for several years now to the Rightshore™ [→ GLOSSARY] approach, has clearly chosen the second way, as demonstrated both by our investments in India, Poland and Morocco and by the acquisition of Kanbay at the end of 2006.

In the first instance, the bolstering of our offshore options will also allow us to bolster (or at least to safeguard) our positions in Europe and North America.

Offshore: opportunities and stakes.

The upthrust in offshore is both an unavoidable reality and a major challenge for Capgemini.

This has already been the case for the last four years, during which time the Group has recruited nearly 7,000 employees in India and over 1,500 employees in Poland, while continuing to build on its positions in Europe and the USA. Paradoxically, in fact, in a dynamic market, offshore helps to generate employment rather than to erode it. Far from being a zero-sum game, it helps to expand the jobs base, with the benefits going to those players who are best placed to profit.

Secondly, offshore as Capgemini conceives it consists in constructing an integrated operational model in order to progress in terms of industrialization. Kanbay, which already integrates back-office and front-office functions and implements production processes according to CMMI5 [→ GLOSSARY] standards, provides a superb illustration of the model and thereby gives us a competitive edge with our clients.

Furthermore, our business lines are being developed and adapted to this new context. These developments are based on the capacity of our employees to take on board this model and accommodate its consequences.

The Capgemini Group has been one of the pioneers in adopting this approach. The skills models, career paths, training and mobility opportunities will progressively reflect these transformations. These are the keys to the Group's success.

Jean-Michel Estrade, Director of Human Resources, Capgemini France. For our French employees, off-shore represents a unique opportunity to reinvent what they do. The construction of an integrated production mode, implemented by multicultural project teams, indeed presupposes a major change in behavior. Our teams work in line with an industrial approach to project management, based on the implementation of shared and harmonized processes using common, non-interpretable languages and reference systems. Our employees are becoming more and more attuned to cultural diversity, while respecting the sense of individual identity and remaining focused on common objectives. By means of the drip-down effect, our employees are helping to raise the awareness of our clients' teams with respect to this new service production paradigm.

In concrete terms, our offshore approach goes hand-in-hand with a very important "HR Action Plan", for which we are today starting to apply the broad principles. On the program are seminars on integrating and opening up to cultural diversity; exchanges between countries in order to learn about and get to know one another, and create multicultural teams, culminating ultimately in a genuine international mobility policy in both directions; and training in new processes, with a more dynamic and more flexible professional career path system.

Rightshore™ constitutes an additional development opportunity for our employees. It is by way of their mobilization and their commitment that they contribute to the company success. It is by using the resources made available to them that they underscore their value and their competencies in order to take charge personally of how their careers progress.



Jean-Michel Estrade

Pierre Hessler, Member of the Board of Directors. Driven by the spirit of free enterprise, beholden to none yet strengthened by its alliances, Capgemini's ambition is to serve its clients' quest for freedom of thought and liberty of action.

A shackled enterprise. An entrepreneur forms his own company. What a superb example of freedom! This difficult, courageous act opens up boundless prospects, offers countless options, and delineates manifold futures. As the years pass by, the constraints to be managed replace the opportunities to be seized. Freedom gradually vanishes, the company then becomes fettered.

Initially, the constraints are of an intellectual nature: history is gradually built, habits become a reflex, knowledge is compartmentalized, and new ideas become scarcer and scarcer. Then there are the rules and impositions of the company's markets – the markets for its products and services, of course, but also the other markets, from finance to labor. Competitors endeavor to expand their freedom, at the expense of their rivals. Lastly, once worked out and decided upon, the action clashes with the status quo, organizational boundaries, weak financing capacity, or inflexible systems and processes.

Freedom through transformation. "Enabling freedom" is perhaps an immodest ambition... but, much more than an ordinary goal, it gives meaning to each assignment, year by year, as fruitful relationships grow. The concept of freedom as applied to the business world has been partly explored, and Capgemini intends to develop its substance. Putting the concept into practice will be a long haul effort. Some routes are already clearly laid out and follow the well-established tradition of respecting clients and striving towards mutual success.

There can be no freedom without opening up **new horizons**.

Capgemini endeavors to sweep away intellectual pigeon-holing. Professional communities, global practices, diversified teams – all aim to provide client executives and professionals with original points of view

"Enabling freedom" the Capgemini vision whose ambition is to serve its clients' quest for liberty of action and freedom of thought.

and experience from other fields: ideas take flight, moving into the fast-expanding horizon. By helping its clients develop an open-minded outlook among their employees, Capgemini supports their quest for innovation, which is the key to their success. Innovation is sustained by breaks from the past, cross fertilization, inspiration from elsewhere – it is born of freedom.

Freedom also means liberty of **action**.

Enlarging a field of action is as vital as opening minds – too many ideas go unnoticed. In order to enlarge its clients' scope of freedom, Capgemini tries to help them save time, achieving this through strict project management and a palette of accelerators – from rapid development to top-speed implementation. The development of information technology has produced new space for liberty, a far cry from the ponderous systems of yesteryear. Modern IT tools provide experimentation capacity and fast reactivity, to which Capgemini is a contributor. Lastly, complex processes and organizations can imprison a man of action, be they managers or rank and file employees. Liberating them from their shackles is one of the main objectives of transformation. By making transformation its mission, Capgemini intends to give its clients the means of implementing its own vision – freedom requires transformation.

Finally, when they meet the criteria of **true collaboration**, relationships with other players help freedom of thought and liberty of action to become stronger within any company or public organization.

The contract forms the basis of all commercial relations: it formalizes the service provision, the results, the responsibilities and the finances. But alone it is incapable of providing Capgemini and its clients with the impetus required to develop the fruitful relationships they would like to develop.

In order to combine ambitions and galvanize a united will, a different way of working is necessary: together. When collaborating to fulfill higher objectives, to master the risks more effectively, to get their organizations on the road, Capgemini and its clients achieve their goals far more effectively by sharing their freedom.

*Innovation is sustained by breaks
from the past, cross-fertilization,
inspiration from elsewhere – it is born of freedom.*



Pierre Hessler

Enlarging a field of action is as vital as opening minds

*"I am not really sure
what freedom is,
although I am quite sure
what liberation is"*

André Malraux



Where to reach Capgemini worldwide.

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Cap Gemini S.A.

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| Grenoble | +33 4 76 59 63 00 |

Capgemini University

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| Les Fontaines | +33 3 44 62 91 00 |
| Route de Chantilly | |
| 60270 Gouvieux – France | |

Strategic Business Units

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| Continental Europe and Asia | |
| Utrecht | +31 30 689 00 00 |

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| Western Europe | |
| Paris | +33 1 49 00 20 00 |

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| North America | |
| New York | +1 212 314 8000 |

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| Outsourcing | |
| London | +44 1483 764 764 |

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| Sogeti | |
| Paris | +33 1 58 44 55 66 |

Sector Management

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| Energy & Utilities | |
| Paris | +33 1 49 00 22 14 |

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| Manufacturing, Retail & Distribution | |
| Utrecht | +31 30 689 60 76 |
| Automobile | +31 30 689 60 76 |

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| Life Sciences (Europe) | |
| Paris | +33 1 49 67 30 00 |

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| Financial Services | |
| Paris | +33 1 47 54 52 00 |

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| Public Services | |
| Paris | +33 1 47 54 52 00 |

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| Telecom, Media & Entertainment | |
| Paris | +33 1 49 00 40 00 |

North & South America

Canada (+1)

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| Montreal (Quebec) | 514 989 41 00 |
| Toronto | 416 365 44 00 |

United States (+1)

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| New York (New York) – 7 th Avenue | 212 314 8000 |
| Atlanta (Georgia) | 404 806 4200 |
| Bloomfield (New Jersey) | 973 337 2700 |
| Cambridge (Massachusetts) – ASE | 617 768 5600 |
| Chicago (Illinois) | 312 395 5000 |
| Chicago (Illinois) – ASE | 312 395 5800 |
| Cleveland (Ohio) | 216 373 4500 |
| Cupertino (California) | 408 850 5500 |
| Dallas (Texas) | 972 556 7000 |
| Detroit (Michigan) | 313 887 1400 |
| Detroit (Michigan) – ASE | 312 395 5800 |
| El Segundo (California) | 310 727 8400 |

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| El Segundo (California) – ASE | 310 727 8463 |
| Freehold (New Jersey) | 732 358 8900 |
| Herndon (Virginia) | 571 336 1600 |
| Houston (Texas) | 281 220 5408 |
| Kansas City (Missouri) | 816 347 7500 |
| New York (New York) – ADC | 917 320 3200 |
| New York (New York) – ASE | 201 915 0794 |
| Philadelphia (Pennsylvania) | 212 314 8000 |
| Southfield (Michigan) – Outsourcing | 248 233 3101 |
| Washington - ASE | 703 673 2870 |

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| Mexico | 55 8503 2400 |
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| Sao Paulo | 11 5502 6802 |
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| Düsseldorf | 211 566 11 000 |
| Frankfurt | 69 95 15 0 |
| Hamburg | 40 2 54 491 810 |
| Hannover | 511 67 692 0 |
| Lübeck | 451 882 44 00 |
| Munich | 89 94 00 0 |
| Stuttgart | 711 50 50 5 0 |
| Walldorf | 6227 73 39 00 |

Germany (+49) Software Design & Management (SD&M)

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| Munich | 89 638 12 0 |
| Ratingen (Düsseldorf) | 211 566 230 |
| Stuttgart | 711 783 24 0 |
| Troisdorf (Köln-Bonn) | 224 197 37 0 |

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| Roma | 06 231 901 |
| La Spezia | 0187 28 381 |
| Milan | 02 414 931 |
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| Turin | 011 50 94 311 |

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| Warsaw | 22 850 92 00 |
| Krakow | 12 631 63 00 |
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| Lisbon | 21 412 22 00 |
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| Bucarest | 21 402 40 85 |
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| Basel | 61 692 08 42 |
| Lausanne | 21 317 50 11 |
| Pratteln (Outsourcing) | 61 825 63 35 |
| Schaffhausen (Outsourcing) | 52 631 38 22 |

Northern Europe

Belgium (+32)

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| Anvers | 3 546 31 11 |
| Diegem (Brussels) | 2 708 11 11 |

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| Amsterdam (Outsourcing) | 20 486 39 31 |
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| Woking | 1483 764 764 |
| Birmingham (Aston) | 121 333 3536 |
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| Edinburgh | 131 339 9339 |
| Glasgow | 141 221 7017 |
| Inverness | 1463 238 434 |
| London (Wandsworth Road) | 207 735 08 00 |
| London (Wardour Street) | 207 734 57 00 |
| Manchester (Sale) | 161 969 36 11 |
| Rotherham | 170 971 00 71 |
| Swansea | 1792 792 777 |
| Teeside (Wynyard Park) | 1740 645 500 |

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| Stockholm (Bromma) | 8 5368 5000 |
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| Kalmar | " |
| Karlskrona | " |
| Linköping | " |
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| Sundsvall | " |
| Västerås | " |
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| Canberra | 2 6276 2000 |
| Melbourne | 3 9613 3000 |

China

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| Guangzhou (+86) | 20 84 10 43 00 |
| Hong Kong (+852) | 2299 1688 |
| Shanghai (+86) | 21 61 05 38 88 |

India (+91)

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| Mumbai | 22 6755 7000 |
| Bangalore | 80 6656 7000 |
| Calcutta | 33 6610 2400 |

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France (+33)

Capgemini France

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Capgemini Consulting

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Capgemini Finance & Services

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Capgemini Manufacturing & Distribution

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Capgemini Institute

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Capgemini Service

| | |
|-------|---------------|
| Paris | 1 47 54 52 00 |
|-------|---------------|

Capgemini Telecom & Media

| | |
|----------|---------------|
| Paris | 1 49 00 20 00 |
| Grenoble | 4 76 52 62 00 |
| Rennes | 2 99 27 45 45 |

Capgemini University

| | |
|----------|---------------|
| Gouvieux | 3 44 62 91 00 |
|----------|---------------|

Accelerated Solutions Environment (ASE)

| | |
|------------|---------------|
| Courbevoie | 1 49 00 34 84 |
|------------|---------------|

Capgemini East

| | |
|------------------|---------------|
| Clermont-Ferrand | 4 73 28 23 81 |
| Grenoble | 4 76 52 62 00 |
| Lyon | 4 72 21 30 30 |
| Nancy | 3 83 95 85 85 |
| Strasbourg | 3 90 22 86 10 |

Capgemini West

| | |
|----------|---------------|
| Bordeaux | 5 56 46 70 00 |
| Brest | 2 98 33 60 77 |
| Caen | 2 31 46 81 90 |
| Le Mans | 2 43 57 45 00 |
| Nantes | 2 51 17 35 00 |

| | |
|---------|---------------|
| Orléans | 2 38 24 01 01 |
| Rennes | 2 99 12 55 00 |
| Rouen | 2 35 12 20 20 |
| Tours | 2 47 60 67 60 |
| Vannes | 2 97 01 29 20 |

Capgemini South

| | |
|-------------|---------------|
| Bayonne | 5 59 25 34 00 |
| Marseille | 4 91 16 57 00 |
| Montpellier | 4 67 20 92 92 |
| Nice | 4 93 72 43 72 |
| Pau | 5 59 84 12 23 |
| Toulouse | 5 61 31 52 00 |

Capgemini Outsourcing Services

| | |
|------------------|---------------|
| Paris | |
| Saint-Cloud | 1 57 58 51 00 |
| Roissy | 1 49 90 65 00 |
| Clermont-Ferrand | 4 73 28 23 81 |
| Douains | 2 32 78 16 05 |
| Grenoble | 4 76 52 62 00 |
| Lille | 3 20 42 32 00 |
| Toulouse | 5 34 46 23 00 |

Kanbay**India (+91)**

| | |
|-----------|--------------|
| Pune | 20 2760 1000 |
| Chennai | 44 6633 1000 |
| Hyderabad | 40 2312 5000 |

Singapore (+65)

6224 6620

United Kingdom (+44)

| | |
|-----------|---------------|
| Cambridge | 122 359 78 36 |
|-----------|---------------|

Ireland (+353)

| | |
|--------|------------|
| Dublin | 1 477 3176 |
|--------|------------|

Hong Kong (+852)

3512 3888

Australia (+61)

| | |
|-----------|-------------|
| Melbourne | 3 9605 3600 |
|-----------|-------------|

United States (+1)

| | |
|--------------------------|--------------|
| New York (New York) | 212 884 8400 |
| Atlanta (Georgia) | 404 260 5400 |
| Boston (Massachusetts) | 508 573 1952 |
| Chicago (Illinois) | 404 260 5400 |
| Jersey City (New Jersey) | 201 793 6500 |
| Miami (Florida) | 305 269 8588 |
| Phoenix (Arizona) | 602 333 3000 |
| Tampa (Florida) | 813 407 5678 |
| Washington, D.C. | 703 788 6751 |

Caribbean

| | |
|----------|--------------|
| Kingston | 876 752 1596 |
|----------|--------------|

SOGETI

6 rue Duret
75016 Paris – France

Tel.: + 33 1 58 44 55 66
Fax: + 33 1 58 44 58 10
www.sogeti.com

Germany (+49)

| | |
|----------------|-------------------|
| Düsseldorf | (0) 211 52 285 0 |
| Neu – Isenburg | (0) 61 02 36 75 0 |

Belgium (+32)

| | |
|--------------------|-----------------|
| Brussels | (0) 2 538 92 92 |
| Edegem | (0) 3 231 12 90 |
| Zaventem (T.R.E.C) | (0) 2 761 05 92 |

Spain (+34)

| | |
|--------------------------|--------------|
| Barcelona | 93 253 01 88 |
| Bilbao | 94 423 56 21 |
| Madrid | 91 308 44 33 |
| Madrid (Training Center) | 91 436 46 38 |
| Valencia | 96 346 85 60 |

United States (+1)

| | |
|-------------------------|--------------|
| Baltimore (Maryland) | 410 581 5022 |
| Chicago (Illinois) | 708 531 1300 |
| Cincinnati (Ohio) | 513 563 6622 |
| Columbus (Ohio) | 614 898 3044 |
| Dallas (Texas) | 972 776 5600 |
| Dayton (Ohio) | 937 433 3334 |
| Des Moines (Iowa) | 515 282 4802 |
| Detroit (Michigan) | 248 702 1900 |
| Houston (Texas) | 713 571 7823 |
| Indianapolis (Indiana) | 317 810 2004 |
| Kansas City (Kansas) | 913 451 9600 |
| Minneapolis (Minnesota) | 612 243 4545 |
| New York (New York) | 212 328 7800 |
| Northeast Ohio (Ohio) | 216 654 2230 |
| Omaha (Nebraska) | 402 492 8877 |
| Portland (Oregon) | 206 624 4600 |
| Seattle (Washington) | 206 624 4600 |
| Saint Louis (Missouri) | 314 898 1180 |
| Washington DC | 703 734 1511 |

France (+33)

| | |
|------------------------------------|---------------|
| Aix-en-Provence (High Tech) | 4 42 97 64 34 |
| Anthony (Chryseis Micro & Réseaux) | 1 46 74 12 00 |
| Aubière | 4 73 28 23 81 |
| Belfort | 3 84 90 35 50 |
| Blagnac | 5 61 30 60 00 |
| Blagnac (High Tech) | 5 34 36 26 00 |
| Bouguenais | 2 40 32 42 00 |
| Boulogne-Billancourt (High Tech) | 1 41 22 42 42 |
| Brest (High Tech) | 2 98 44 57 93 |
| Caen | 2 31 47 24 89 |
| Carry-le-Rouet | 4 42 13 26 00 |
| Cesson-Sévigné | 2 23 45 59 00 |
| Saint-Grégoire (High Tech) | 2 23 25 36 40 |
| Lille (Sinfor Automation) | 3 28 32 31 39 |
| Marcq-en-Baroeul | 3 28 32 31 00 |
| Melun (High Tech) | 1 64 10 45 00 |
| Mérignac | 5 56 12 72 20 |
| Mérignac (High Tech) | 5 56 18 04 00 |
| Montbonnot-St Martin | 4 76 52 62 00 |
| Montbonnot-St Martin (High Tech) | 4 76 52 62 00 |
| Montpellier | 4 99 61 41 80 |
| Mulhouse | 3 89 36 31 20 |
| Niort | 5 49 04 08 53 |
| Orléans | 2 38 55 49 10 |
| Paris (Infrastructures Services) | 1 58 44 55 66 |
| Pau | 5 59 14 67 10 |
| Pau (High Tech) | 5 59 14 33 91 |
| Poissy (High Tech) | 1 30 74 05 71 |
| Rochefort (High Tech) | 5 46 88 29 00 |
| Bois-Guillaume | 2 32 76 41 80 |
| Saint-Cloud | 1 41 12 37 50 |
| Saint-Cloud (Sinfor Automation) | 1 41 12 46 44 |
| Saint-Marcel (High Tech) | 2 32 71 20 00 |
| Sophia-Antipolis | 4 93 95 62 62 |
| Strasbourg | 3 88 65 73 80 |
| Toulouse (High Tech) | 5 34 50 22 00 |
| Toulouse (High Tech) | 5 34 56 75 00 |

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|----------------------------------|---------------|
| Toulouse (High Tech) | 5 62 47 50 00 |
| Valbonne (High Tech) | 4 92 90 68 00 |
| Vandœuvre-les-Nancy | 3 83 15 22 26 |
| Villeurbanne | 4 72 44 46 90 |
| Villeurbanne (High Tech) | 4 72 44 46 90 |
| Villeurbanne (Sinfor Automation) | 4 72 44 46 58 |

Luxembourg (+352)

| | |
|-----------|----------|
| Bertrange | 31 44 01 |
|-----------|----------|

The Netherlands (+31)

| | |
|-----------|--------------|
| Den Bosch | 20 660 68 22 |
| Diemen | 20 660 66 10 |
| Groningen | 20 660 66 19 |
| Rotterdam | 20 660 66 18 |
| Viannen | 20 660 66 00 |

United Kingdom (+44)

| | |
|--------|--------------|
| London | 20 3008 8213 |
|--------|--------------|

Sweden (+46)

| | |
|-------------|---------------|
| Borlange | 243 922 00 |
| Bromma | 8 536 8 20 00 |
| Fagersta | 223 418 00 |
| Gävle | 26 63 28 00 |
| Helsingborg | 42 26 77 00 |
| Jönköping | 36 34 85 00 |
| Karlstad | 54 14 63 00 |
| Linköping | 13 25 48 00 |
| Luleå | 920 24 15 40 |
| Lund | 46 286 55 00 |
| Oxelösund | 155 25 50 00 |
| Skövde | 500 42 49 30 |
| Sundsvall | 60 59 47 00 |
| Umeå | 90 10 81 00 |
| Uppsala | 18 18 52 30 |
| Västerås | 21 10 58 00 |
| Örebro | 19 601 45 00 |

Switzerland (+41)

| | |
|----------|--------------|
| Basel | 61 261 75 81 |
| Geneva | 22 879 16 50 |
| Lausanne | 21 321 60 80 |

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Delamonica

Without any doubt, Delamonica is a poet and a storyteller who claims the freedom of leading us into a universe where only his personal vision matters.

This born storyteller who translates his text into highly fanciful images rather than words nurtures his imagination on Biblical, mythological stories and on legends from other cultures. He probably adds to that a lot of himself. He cares first and foremost about the beauty and the light of his painting, and wishes to share his daydream with us.

Each theme, each story is a pretext for building a fairytale universe where the slightest detail has its own importance and is a sort of key. For the deciphering to be richer, more complete, one must move from one side of the painting to the other, find clues, admittedly, but also accept to be immersed in the narrative.

Entering into the Delamonica world without losing your bearings means returning to childhood instincts, accepting the irrational, becoming part of the dreamlike surroundings, thus leaving reality completely behind you. More important still is to know the legends of the past, the bygone tales told by the fireside, all those stories told the world over.

For more about the work of this artist, please contact:

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www.artclub.fr

Permission to reprint these works has been kindly granted by the artist. Thanks also to the gallery which assisted with the selection.

