On April 15, 2004 we have changed our name to Capgemini.

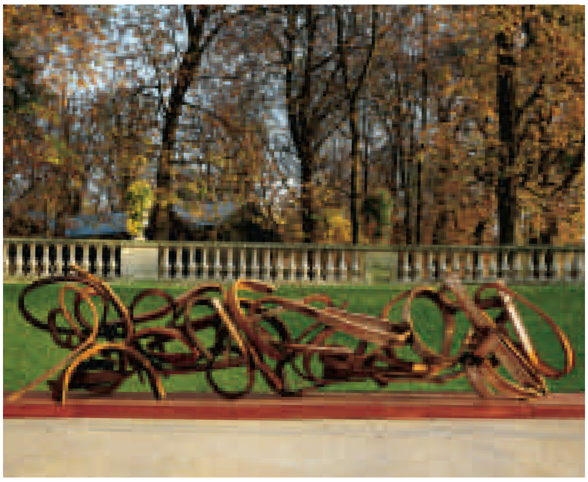
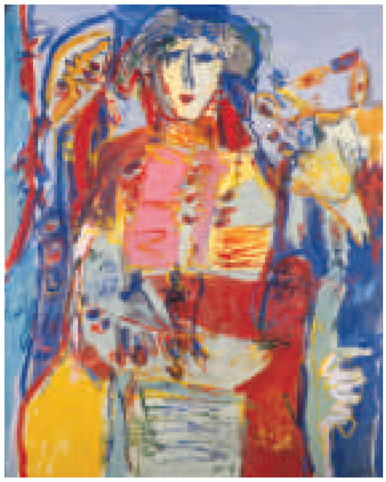
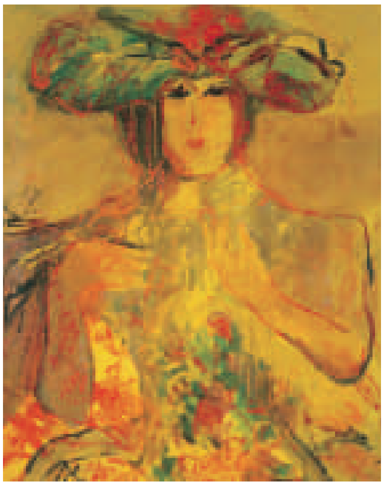
To help you achieve measurably faster, better and more sustainable results we have taken this opportunity to formalize our core strengths into what we call the Collaborative Business Experience.

Our clients tell us that what makes Capgemini different is the unique, collaborative way in which we help them take advantage of opportunities and solve their problems. Collaboration has long been a recognized cornerstone of our approach to business and is part of our DNA. We believe that success and collaboration go hand in hand and we have been a pioneer in developing collaborative practices such as our innovative Accelerated Solutions Environment (ASE), which helps companies create rich strategic and technology solutions in record time.

Why do we place so much emphasis on collaboration?
We believe that collaboration is the business imperative of our time. For a decision to be both relevant and effective in today's complex and unpredictable environment, few companies can succeed alone.

In our work with thousands of the world's best companies we have found that there are four key elements to successful collaboration: Targeting Value, Mitigating Risk, Optimizing Capabilities and Aligning the Organization.
However, Capgemini's Collaborative Business Experience is not a one-size-fits-all approach. The more complex the challenge and the situation, the more collaboration is required. We adapt the level of collaboration based on the nature of your needs and complexity.

Annual Report 2002


Reference Document

CAP GEMINI ERNST & YOUNG

Board of Directors

Serge Kampf, *Chairman*
Ernest-Antoine Seillière, *Vice-Chairman*
Christian Blanc
Jean-René Fourtou
Paul Hermelin, *Chief Executive Officer*
Michel Jalabert
Jean-Bernard Lafonta
Phil Laskawy
Ruud van Ommeren
Terry Ozan
Bruno Roger

Non-voting directors ("Censeurs")

Pierre Hessler
Geoff Unwin

Statutory Auditors

Coopers & Lybrand Audit, represented by Bernard Rascle
KPMG S.A., represented by Jean-Luc Decornoy and Frédéric Quélin.

CONTENTS

"The English language version of this annual report is a free translation from the original French version. All possible care has been taken to ensure that the translation is an accurate representation of the original. However in all matters of interpretation of information, views or opinions expressed therein, the original language version of the French document takes precedence over this translation".

FINANCIAL HIGHLIGHTS

(in millions of euros) (€)

		Consolidated financial statements				
		1998	**1999**	**2000**	**2001**	**2002**
OPERATING REVENUE		***3,955***	***4,310***	***6,931***	***8,416***	***7 047***
OPERATING EXPENSES		*(3,549)*	*(3,841)*	*(6,228)*	*(7,993)*	*(6,933)*
OPERATING INCOME	**Amount**	***406***	***469***	***703***	***423***	***114***
	%	***10.3%***	***10.9%***	***10.1%***	***5.0%***	***1.6%***
NET INCOME/(LOSS)		***188***	***266***	***431***	***152***	***(514)***
Total dividend (net)		58	78	149	50	(*) 0
NET MARGIN		***4.8%***	***6.2%***	***6.2%***	***1.8%***	***(7.3%)***
EARNINGS PER SHARE						
- Adjusted average number of shares		71,082,273	77,261,741	107,920,778	127,514,674	126,727,668
- Diluted earnings/(loss) per share (in euros)		2.65	3.44	3.99	1.20	(4.10)
NET CASH AND CASH EQUIVALENTS						
as of December 31		***577***	***508***	***849***	***698***	***465***
TOTAL NUMBER OF EMPLOYEES						
as of December 31		38,341	39,626	59,549	57,760	52,683

(*) Proposal subject to approval by the Shareholders' Meeting of May 7, 2003.

THE CAP GEMINI ERNST & YOUNG GROUP

The Cap Gemini Ernst & Young Group is one of the world leaders in management consulting and IT services.

With approximately 53,000 employees in 34 countries in Europe, North America and Asia-Pacific, the Group reported consolidated revenues of slightly more than € 7 billion in 2002.

I - BACKGROUND

Since its founding by Serge Kampf in Grenoble, France, in 1967, the Group has pursued both organic growth and acquisitions, allowing an international presence and a gradual development of a large range of value-added services, from management consulting to outsourcing, including systems integration and technical support.

Major acquisitions included the French company Sesa in 1987, which strengthened the Group's positions in its historical market; Hoskyns, acquired in the UK in 1990, gave the Group a significant foothold in the field of outsourced systems management; Volmac (the Netherlands, 1992) and Programator (Scandinavia, also 1992) acquisitions strengthened its presence in regions with strong development potential.

Management consulting reached a global scale in the early part of the 1990s with the purchase of the U.S.-based companies United Research (1990) and Mac Group (1991), as well as Gruber, Titze und Partners in Germany in 1993 and the Bossard Group in France on January 1, 1997.

The May 2000 acquisition of Ernst & Young's consulting businesses, specialized in IT services and management consulting, represented a turning point in the Group's development. It tripled the size of our operations in North America, the world's largest consulting and IT services market, and strengthened our position in Germany where Cap Gemini's presence had declined significantly following the disposal of our stake in Debis SystemHaus in August 1997.

The Cap Gemini Ernst & Young Group is now among the five main players in consulting and IT services worldwide, with a leading position in software package integration (enterprise management software, customer relationship management, supply chain management) that makes it a key partner for major technology manufacturers and software editors.

II - MARKET ENVIRONMENT

The Group operates in the management consulting and IT services market representing total worldwide revenues of over USD 500 billion (Gartner estimation). The market is currently highly fragmented but trending towards concentration. The ten major players represent less than 25% of the overall market, up from 13% a decade ago, with the leading player, IBM Global Services, accounting for approximately 6% in 2001.

Cap Gemini Ernst & Young ranks number five worldwide[1] (excluding Futjitsu, which does not have a comparable scope of operations) in consulting, systems integration, outsourcing and technical assistance. The Group strengthened its market positioning in 2002 for integrated management software, customer relationship management and supply chain management and is now ranked either first or second by the main software developers, depending on the geographical region concerned.

In Europe, the Group has captured the top slot[1] for consulting and systems integration, as well as for the application management segment of the outsourcing business, with a total market share of 17% (source: Cap Gemini Ernst & Young based on an IDC estimation of the European application management market).

Cap Gemini Ernst & Young is also one of the top ten players[(1)] in the North American market, where it holds a forefront position in the healthcare sector.

III - OVERVIEW OF GROUP ACTIVITIES

The Group offers its local and multinational clients a complete range of services, aligned in four main disciplines:
- Consulting (transformation and process)
- Technology (systems architecture/integration/infrastructure)
- Outsourcing (management of information systems and business processes)
- Local professional services (Sogeti).

(1) 2001 ranking. Source: Gartner

Consulting

Consulting aims to improve the performance of client companies by transforming their business processes, integrating new technology, and redefining major functions or processes within the organization. This business calls for both far-reaching professional expertise and in-depth knowledge of strategic planning and process optimization.

Consulting accounted for 25% of Group revenues in 2002, and covers the following areas:

- Transformation and change management,
- Customer relationship management (CRM),
- Supply chain management,
- Management of financial and accounting functions,
- Human resources management.

Technology

Services with high-technology content represent a vital adjunct to the implementation of change within client companies. These services tie in closely with consulting, as information systems transformation or upgrades are highly dependant on clients' organizational choices within the company.

This "Technology" discipline accounted for 42% of 2002 Group revenues. It includes:

- Designing information systems architecture,
- Integrating systems and developing applications,
- Managing and optimizing systems, networks and data.

Outsourcing

Cap Gemini Ernst & Young has developed a range of services responding to clients' wishes to concentrate on their core business, reduce costs related to the operation and maintenance of their existing IT systems and, in some cases, to transform their systems (transformational outsourcing).

This type of activity may involve taking full management responsibility for all or part of a client's IT department, in the form of Applications Management (AM) services, Distributed Computing Services (DCS), or Central Computing Services (CCS).

This activity generated 27% of Group 2002 revenues and covers the following services:

- Applications Management, in which the Group is a European leader;
- Infrastructure management and network outsourcing;
- Business Process Outsourcing, which allows the client to outsource major support functions such as accounting or procurement.

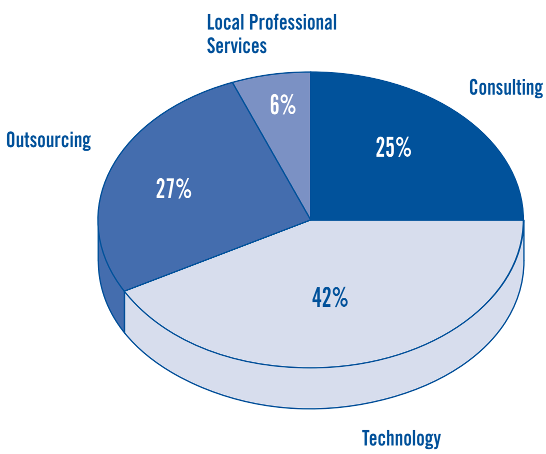
Local Professional Services (Sogeti)

These local technical assistance services are designed to help IT departments of client companies by making top-flight specialists available to meet the following needs:

- Development of specific software,
- Applications Management at client sites,
- Hardware and network management.

Beginning on January 1, 2002, Local Professional Services were brought together within entities operating under the "Sogeti" brand.

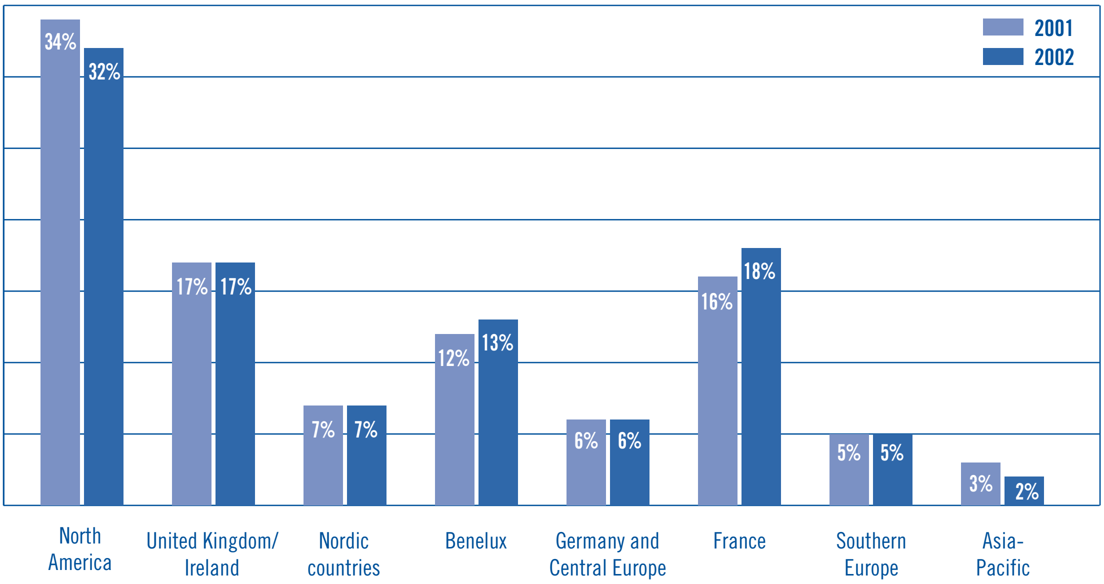
The Group's 2002 business mix is as follows:



IV - THE GROUP'S GLOBAL ORGANIZATION AND MAIN SUBSIDIARIES

The Group is established in 34 countries, with four major regions or countries generating 80% of its total revenues: North America accounted for 32% of revenues in 2002, followed by France, the Group's historic market with 18%, the United Kingdom with 17%, and the Benelux countries with 13%.

The Group's operations are conducted through 134 consolidated subsidiaries, whose list is provided in note 28 to the consolidated financial statements (pages 53 to 55). These subsidiaries are brought together into eight operational "geographies." The graphic below illustrates their relative weights in 2001 and 2002.
As of December 31, 2002, following the buyout in 2002 of the last minority shareholders in its Dutch subsidiary Cap Gemini NV, the parent company Cap Gemini S.A. wholly owned its main subsidiaries, except for Cap Gemini Telecom, in which it holds 95.1% (with the remaining 4.9% owned by Cisco).

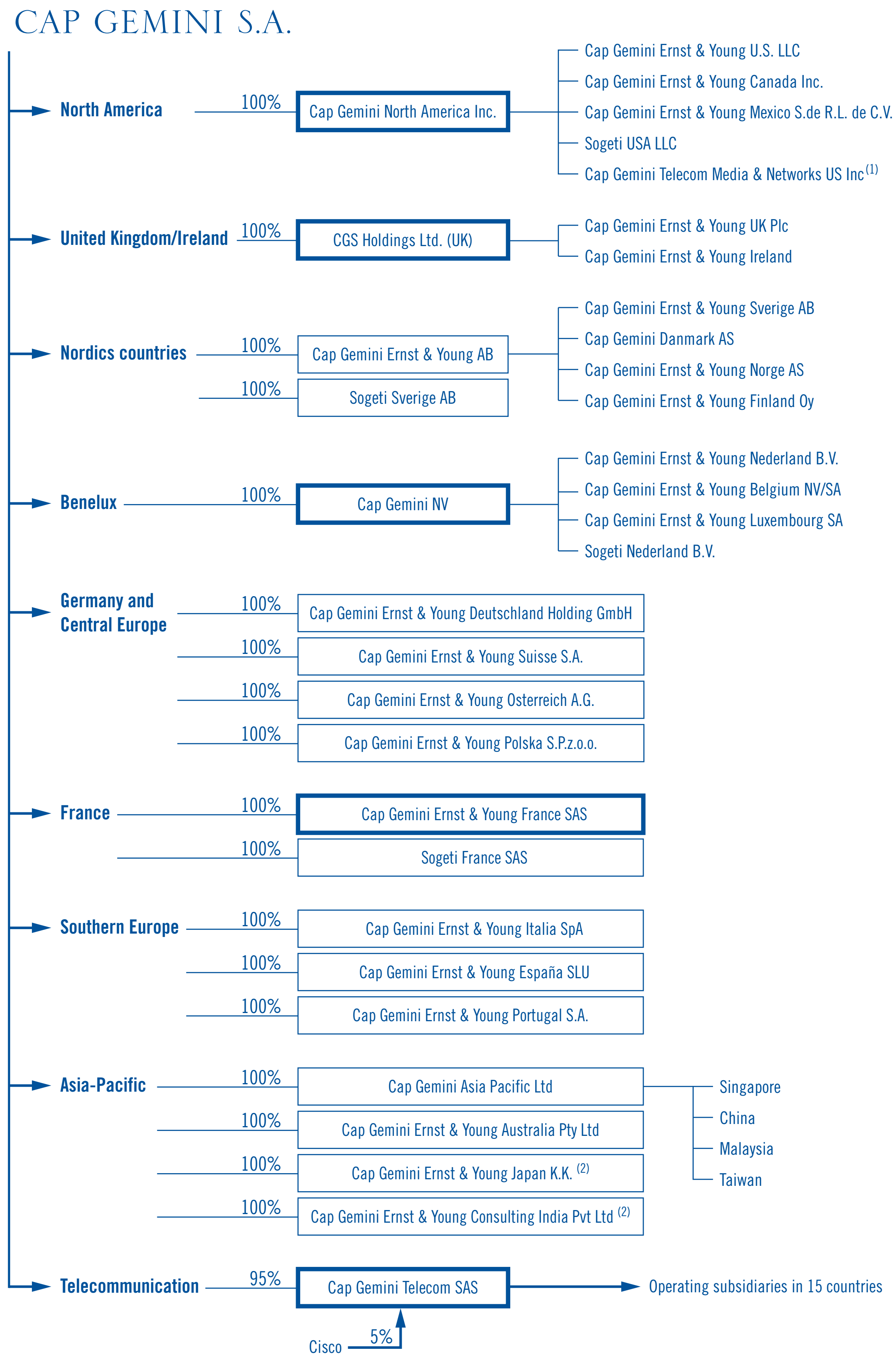


In addition to these operating subsidiaries, Cap Gemini S.A. wholly owns:

- two real-estate companies, one of which owns the Group's corporate headquarters on Place de l'Etoile in Paris and the other which owns the site of the Group's former university campus in Behoust, west of Paris,
- one limited liability company, which owns the Group's new international training facility in Gouvieux, 40km north of Paris, which opened in early 2003.

The Board of Directors of Cap Gemini S.A., the parent company, determines the overall strategies for the Group and oversees their implementation. In its role as a shareholder, Cap Gemini S.A. contributes to the financing of its subsidiaries either in the form of equity or by providing loans or guarantees. Finally, the parent company allows its subsidiaries to use its brands and methodologies (including "Deliver"), for which it receives royalties which amounted to € 159 million in 2002 and € 180 million in 2001.

Simplified legal structure

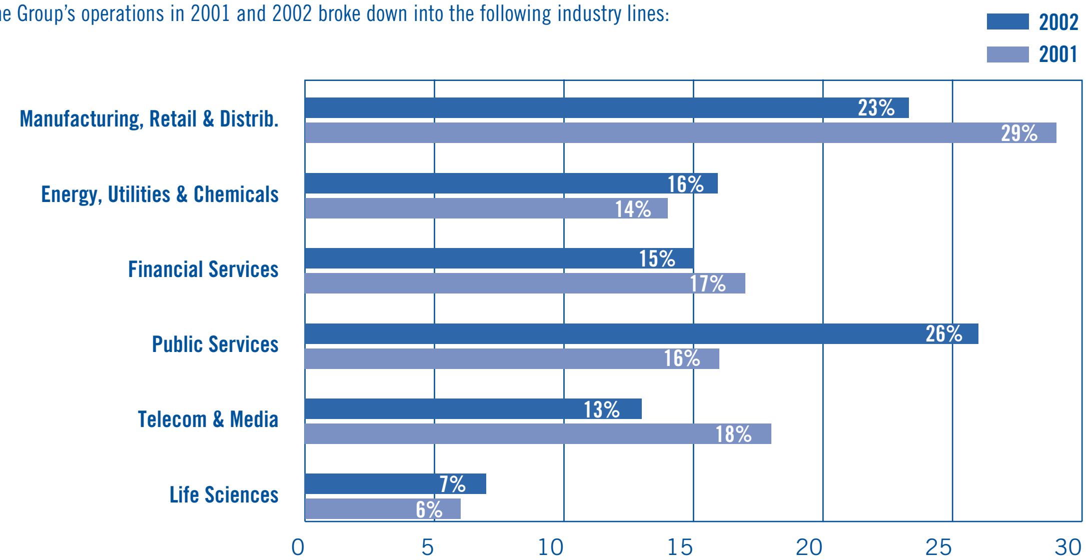


(1) Company 20% owned by Cap Gemini Telecom SAS
(2) Company owned by Cap Gemini Ernst & Young U.S. LLC

V - THE GROUP'S CLIENTS

To develop service offerings with high added value, the Group needs thorough knowledge of its clients' business. That is why its engagement teams are staffed with top experts in the relevant fields.

The Group's operations in 2001 and 2002 broke down into the following industry lines:



The key highlights by industry in 2002 were as follows:

Manufacturing, Retail & Distribution (MRD)
In the **Automotive** industry, building on its award as 2001 Auto Consultancy of the Year by the Institute of Transport Management (ITM), the Group serves thirteen of the world's largest automotive vehicle manufacturers and many of the largest automotive suppliers. Major clients in this industry include General Motors, Ford, DaimlerChrysler, Nissan, Toyota, BMW, Renault, Mitsubishi, PSA, VW/Audi, Honda, Fiat and Visteon.

In 2002, the **High Technology** industry practice served major accounts, including Hewlett-Packard, IBM, Philips, Sony, Nokia, Ericsson and General Electric – which awarded us certification as a GE Global Development Center.

In **Consumer Products and Retail,** the Group worked with key clients such as Carrefour, The Coca-Cola Company, Marks & Spencer, Tesco and Unilever. Together with Intel and Cisco Systems, the Group developed Extended Retail Solutions (ERS), a joint initiative that provides retailers with an adaptive open-standards-based approach to help improve customer satisfaction and leverage new technology, while reducing costs and increasing flexibility.

The Group's **Distribution** practice has developed successful offerings such as Supply Chain Management, Transportation and Warehouse Management, and worked with nine out of ten of the world's leading logistics providers such as Deutsche Post World Net, Exel, FedEx and TPG.

Energy, Utilities & Chemicals
The Group's offerings in this sector address the needs of both oil and gas companies and the electricity, gas or water utilities which are unbundling their value chains to comply with deregulation.

During 2002, key projects were carried out for several major clients worldwide. Among them EDF, EON and TotalFinaElf in Europe, Shell and Hydro Quebec in North America, BHP in Australia.

Financial Services
In this sector, Cap Gemini Ernst & Young is working with more than half of the 50 top financial institutions worldwide.

At Merrill Lynch, for example, our team has been supporting the upgrade of workstations used by the vast global network of financial advisors. And in a deal that brings together teams from France, India and Japan, Cap Gemini Ernst & Young has signed its first off shore Application Development deal with AXA Direct Japan.

Public Services
Governments and government agencies will soon have to change the way they provide public services. Increasing demand, combined with decreasing budgets, will lead to serious reforms. To succeed, they will put the public at the heart of the process, thinking and organizing differently. The public sector is beginning to make up for its delay in the use of information technology. Government agencies are looking for solutions beyond their borders, solutions they can reuse in their own countries despite cultural and regulatory differences.

In this context, Cap Gemini Ernst & Young is providing new impetus to its public services business in areas such as health, employment, social security, education, tax collection, homeland security, and defense.

Among Cap Gemini Ernst & Young's recent public sector references are the British Home Office; the Federal Government of Germany; the French Finance Ministry; the French Arms Agency; NATO; the Dutch Ministry of Education, Culture and Science; and several U.S. healthcare providers.

Telecom & Media

In 2002, drawing on the skills and resources of its strong workforce and extensive partnership network, the Group's Telecom & Media global industry practice continued to deliver innovative solutions to the industry's leading players, helping them to grow and operate profitably in low growth and highly competitive markets. Recent clients include Deutsche Telekom, Nextel, Comcast, France Telecom, O2, AOL TimeWarner, BSkyB and Cegetel.

Life Sciences

The Group's Life Sciences practice has worked with 17 of the 20 top pharmaceutical companies worldwide including Pfizer, GlaxoSmithKline, Johnson & Johnson, Lilly, and Syngenta. The practice is a leader in CRM Siebel implementation and excels in marketing and sales effectiveness. The pratice has also developed sector-specific solutions in the areas of clinical excellence, pharmaceutical supply chain transformation, regulatory compliance, post-merger integration and applications management.

At the same time, an ongoing research collaboration with the INSEAD Business School and close relationships with technology partners help the Group maintain a highly contemporary perspective in all client work.

No client represents over 1.6% of consolidated revenues and the Group's 10 major clients combined represent less than 11%.

VI - THE GROUP AND ITS EMPLOYEES

In 2002, the Group's human resources efforts focused on continued development of skill-sets and bolstering leadership capabilities among its managers of legal entities, programs or accounts.

Employees were helped to bring their capabilities up to date in line with market needs through training, redeployment towards new skills and personal development. This ongoing human resources drive was particularly intensified in 2002 to respond to changes in client requirements. A substantial number of employees obtained technological certification, either through third-party programs created by our partners or through in-house validation.

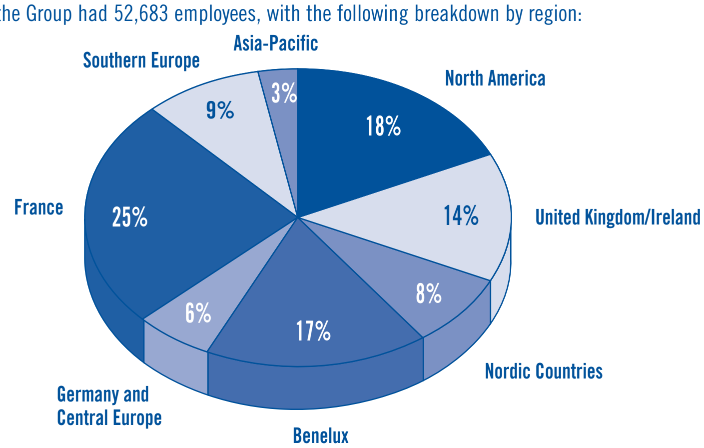
The management and career development of high-potential employees was considerably strengthened. Several new initiatives launched in 2002 will be rolled out to a broader target group in 2003, particularly the "Leaders of Tomorrow" program which aims to groom the next generation of leaders for increasing responsibility within the Group. These programs are implemented at the new Cap Gemini Ernst & Young University, located in Gouvieux near Paris's Roissy Charles de Gaulle airport. This center, which opened its doors on January 1, 2003, represents a powerful tool for supporting Group strategy through effective training.

Group entities are responsible for managing the basic aspects of their staff's career development, with added assistance from communities that are organized by business line. Each year, employees receive an appraisal of their career path to date, with recommendations concerning the training they need.

Particular effort was placed on internal communications to all employees through an intranet newsletter called Talent.

The activity rate in 2002 stood at 71.2%, representing the ratio of time charged by employees for work on projects to total time worked and paid.

As of December 31, 2002, the Group had 52,683 employees, with the following breakdown by region:



Over the past 8 years, the number of Group employees has changed as follows:

Year	Average number of employees	Number of employees as of December 31
1995	20,477	22,079
1996	23,934	25,950
1997	28,059	31,094
1998	34,606	38,341
1999	39,210	39,626
2000	50,249	59,549
2001	59,906	57,760
2002	54,882	52,683

VII - THE GROUP'S INVESTMENT POLICY

Since its acquisition of Ernst & Young's Consulting operations, the Group believes that it has reached sufficient critical mass to be able to operate successfully in its various businesses, regions and market segments.

Nevertheless, Germany and the Asia-Pacific region are two key markets for IT services in which the Group could still strengthen its presence. More generally, the Group may decide to set up partnerships, with or without financial ties, to strengthen its geographical coverage or speed up the implementation of its development strategy in specific market segments.

The Group is also stepping up its efforts to standardize or "industrialize" an ever-increasing share of its production of services.

Regarding outsourcing, the weight of which is expected to continue to grow within the Group's operations, the priority is to boost productivity particularly for infrastructure management. Toward this end, a program has been launched to rationalize the Group's data centers network: as a result, computing capabilities should be consolidated on a continental basis, with increasing automation of tasks.

For consulting and systems integration operations, the emphasis is being placed on more systematic and coordinated use of the worldwide network of applications development centers, several of which are located in areas where labor costs are lower. In particular, the Group is planning to more than double its production capacity in India in 2003 (up from the current level of 600 employees) and to strengthen them in certain European countries such as Spain and Poland.

Lastly, the new international training center known as Cap Gemini Ernst & Young University opened on schedule at the beginning of 2003. Its construction cost had initially been estimated at € 100 million but finally came to € 96 million.

The major investments carried out in 2000, 2001 and 2002 are listed in note 2 a), b), c) and notes 11, 12 and 13 to the consolidated financial statements.

VIII - RISK

A - Market risks

1) Credit risks

The Group's short and medium-term assets, which could potentially give rise to a concentration of credit risk, consist of short-term investments and trade receivables. The short-term investments mainly comprise marketable securities managed by leading financial institutions as well as negotiable debt instruments issued by financial companies or institutions with a high rating from a recognized rating agency. There is therefore no significant risk on these short-term investments. Concerning trade receivables, Group clients are not concentrated within any single geographic area or business sector.

The businesses of Group clients may be affected by changes in the economic environment, with a resulting impact on the amounts receivable from these companies, but the Group considers that no single client, business segment or geographic area represents a material credit risk.

2) Liquidity risks

The Group has a positive net cash position and is therefore not exposed to liquidity risk. The main characteristics of the Group's medium- and long-term financing is provided in note 17 to the consolidated financial statements

3) Interest rate and currency risks

Financial instruments are used to hedge certain risks arising in the normal course of business. All hedging positions relate to existing assets or liabilities and/or business or financial transactions.
Hedging contracts are set up with leading financial institutions and the Group therefore considers that the related counterparty risk is not material. All currency and interest-rate positions are taken using instruments quoted on organized markets or over-the-counter, for which counterparty risks are minimal. These instruments consist mainly of forward interest-rate and currency swaps. Gains and losses on hedging instruments are recognized on a symmetrical basis with the loss or gain on the hedged items. The fair value of financial instruments is estimated based on market prices or data supplied by banks.
Detailed data are given in Note 20 to the consolidated financial statements.

4) Financing policy

For financing purposes, the Group can draw on credit lines, in particular a € 600 million multi-currency facility from a banking syndicate signed on July 31, 2001 for a period of 5 years, which so far has been used as a back-up to a € 550 million commercial paper program.

As of December 31, 2002, none of these facilities had been used.

The only draw downs were local lines of credit and overdrafts covering short-term and medium-term operational needs. As of December 31, 2002, 62% of these borrowings, including obligations under operating leases and capital leases, were at variable rates and 38% at fixed rates.
The Group finances some of its buildings under capital leases.

5) Equity risks

The Group has no significant exposure to equity risk.

B - Legal risks

The Group is not subject to any specific regulations and does not require any legal, regulatory or administrative authorizations to carry out its operations.

C - Risks related to operations

The services provided by the Group expose it to general or professional liability. To control this risk, signoff and verification procedures have been put in place from the start of the engagement to final delivery to the client. Each project is fully described in an agreement, the terms of which are reviewed and approved by the Legal Departments. The Group has developed best practices and brought them together under the heading of the Deliver methodology, an ISO 9001-certified process that is applied to all projects.

The Group's operating sites are spread across several countries, and in most nations there are several different sites. A large part of the services are provided at client sites, further adding to geographical dispersion of risks, particularly of business interruption that could result from damages to a production site. The Group's largest outsourced systems management site, which is obviously covered by an emergency recovery plan, accounts for less than 2% of the Group's total revenues. Insurance coverage for direct losses and business interruption is managed at the local level, according to the nature of operations and the risks involved.

D - Insurance

- **General and professional liability**

  Cap Gemini SA as well as all subsidiaries and any companies at least 50%-owned, either directly or indirectly, are insured for possible financial losses resulting from general or professional liability claims arising in the course of their business. The coverage has been taken out with several different insurance companies as part of a worldwide program. The terms and conditions of the program, including coverage ceilings, are reviewed and adjusted periodically in order to take into account any changes in the Group's revenues, businesses and risks.

  Part of this program for € 35 million, is organized through a captive arrangement that includes reinsurance coverage.

- **Property damage and business interruption**
  Coverage for property damage and business interruption is managed at the local level, according to the value of the property, the nature of operations in each business site and the risks involved.

- **Other risks**
  Other types of coverage, such as fraud and malice or employees' vehicles and travel, are taken out on a country by country basis in accordance with local practice and regulations, based on the applicable risk exposure.
  Coverage for some types of risk, in particular terrorism, has been excluded from standard insurance policies. To date, the Group has not felt the need to take out specific coverage for such risks, except in cases where such coverage is mandatory and available.

IX - CAP GEMINI AND THE STOCK EXCHANGE

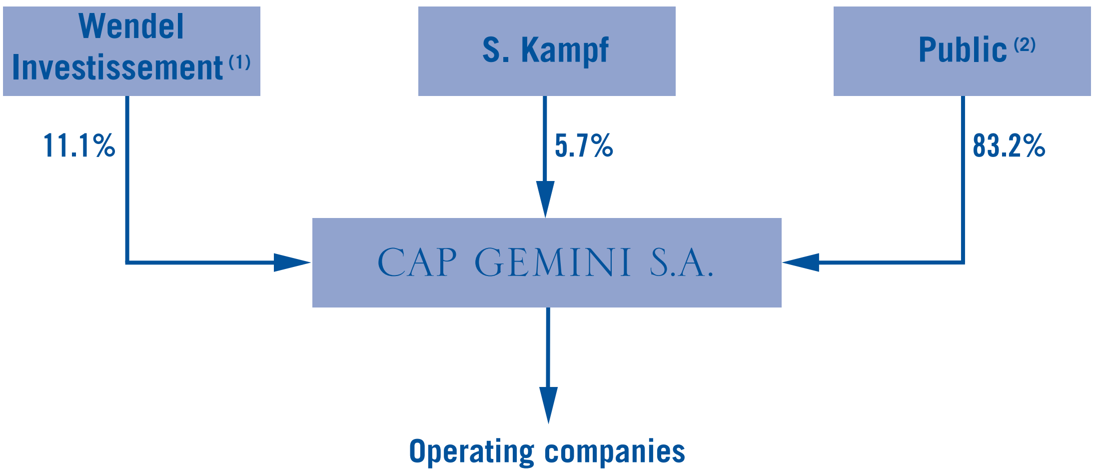
As of December 31, 2002, the share capital of Cap Gemini S.A. was made up of 125,479,105 shares, an increase of 234,849 shares compared to 2001. A total of 472,201 shares were issued during the year on exercise of stock options by Group employees and 237,352 shares were cancelled after being returned to the Company in accordance with the agreements entered into between Cap Gemini and Ernst & Young on the acquisition of the Ernst & Young consulting businesses, and with the sixth resolution of the May 23, 2000 General Shareholders' Meeting. The Company's shares are quoted on the First Market of the Paris Bourse under the EUROCLEAR code 12533.

During the year, the proportion of total shareholders' equity held by certain Group managers and the public (mainly institutional investors) remained unchanged at 83.2%.

Cap Gemini shares are included in the CAC40, Euronext 100 and Dow Jones STOXX and Dow Jones Euro STOXX indices. They were temporarily removed from the CAC40 index between November 17, 1993 and February 13, 1998. The share price on the First Market of the Paris Bourse started the year at € 81.00 and ended the year at € 21.78.

Average daily trading volume in Cap Gemini shares, in value, represented around 2.1% of total trading volume on the Paris market in 2002.

OWNERSHIP STRUCTURE
AS OF DECEMBER 31, 2002

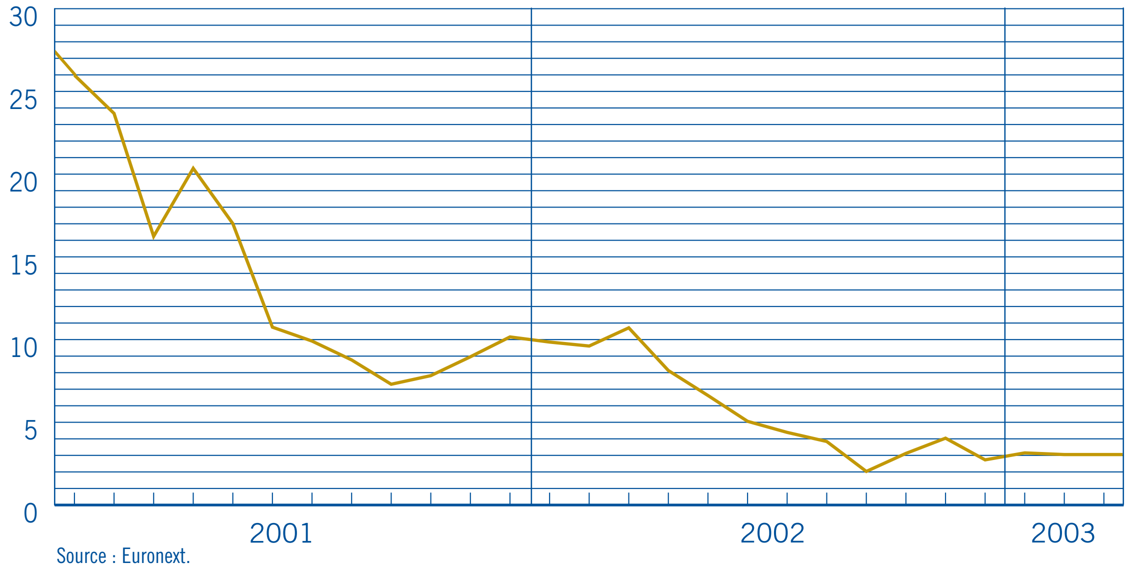


(1) Including the Cap Gemini S.A. shares sold to BNP Paribas Arbitrage (3.6% of the Company's capital) which may be bought back at the sole discretion of Wendel Investissement. In accordance with disclosure threshold legislation set out in para. 4 of article L.233-9 of the Commercial Code, these shares must be accounted for as if Wendel Investissement still owned them.

(2) Including capital held by managers, particularly those who have exercised stock options in the past and retained their shares, as well as shares received in May 2000 by former Ernst & Young Consulting partners who became Group employees after the acquisition of the Ernst & Young consulting businesses.

MARKET CAPITALIZATION FROM JANUARY 1, 2001 TO MARCH 31, 2003

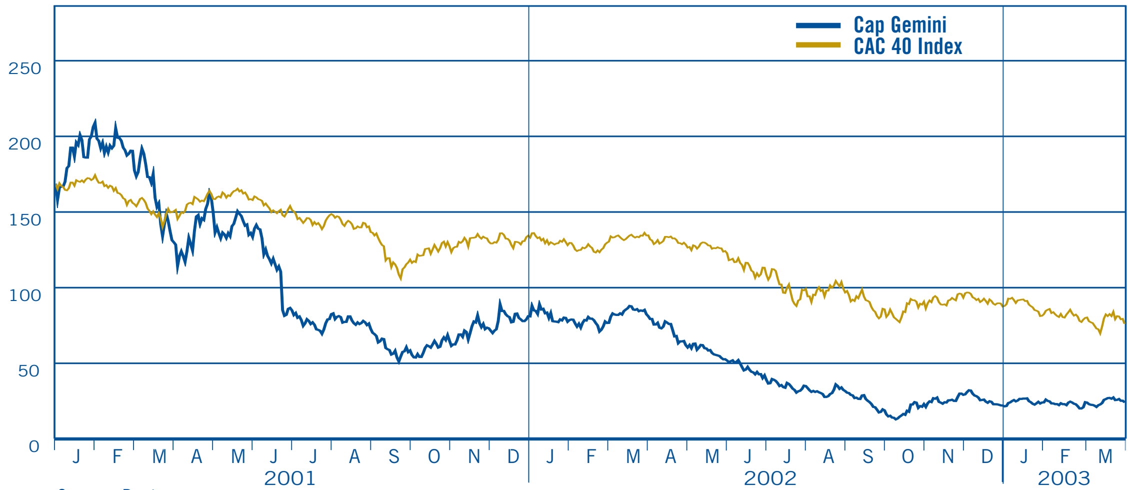
(in billions of euros)



Source : Euronext.

SHARE PERFORMANCE FROM JANUARY 1, 2001 TO MARCH 31, 2003

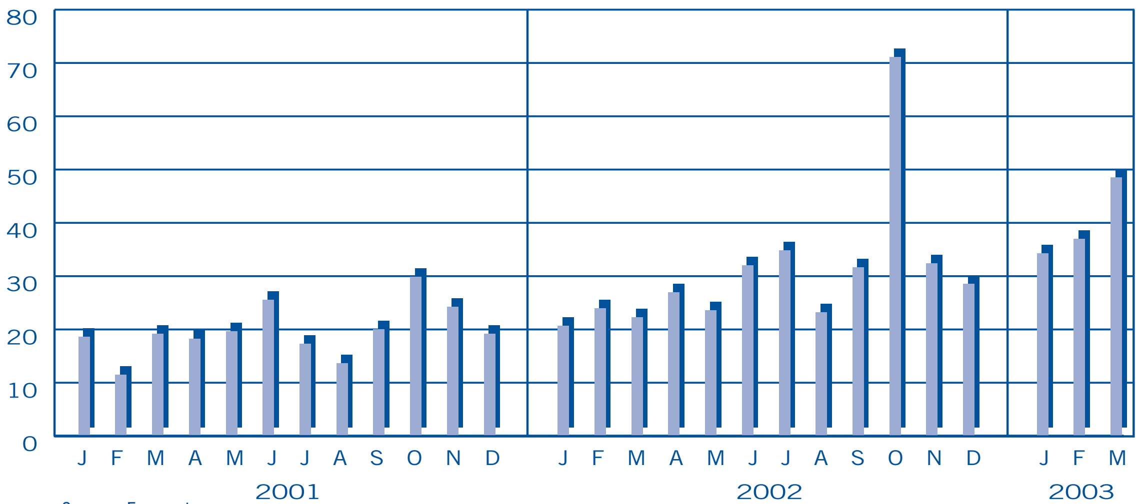
(in euros)



Source : Reuters.

MONTHLY TRADING VOLUME FROM JANUARY 2001 TO MARCH 2003

(in millions of shares - including trading in Amsterdam)



Source : Euronext.

SHARE PRICE AND TRADING VOLUME

The following table presents an analysis of trading in the Company's shares over the last 24 months:

Month	Number of trading days	Share price (in euros)			Trading volume		
					Number of shares		Value
		High	Average	Low	total	Average *(daily)*	*(millions of euros)*
April 01	19	164.80	135.32	109.70	17,792,543	936,450	2,395.0
May 01	22	166.70	140.98	129.10	19,396,909	881,678	2,736.2
June 01	20	143.40	116.64	77.40	25,334,525	1,266,726	2,671.9
July 01	22	86.90	77.53	68.00	17,210,624	782,301	1,362.4
August 01	23	88.30	77.84	69.60	13,566,487	589,847	1,074.2
September 01	20	71.10	59.9	49.00	19,866,639	993,332	1,196.9
October 01	23	70.40	60.65	49.70	29,803,388	1,295,799	1,800.8
November 01	22	82.90	71.87	61.10	24,217,567	1,100,799	1,759.8
December 01	18	92.50	80.44	69.60	19,160,183	1,064,455	1,545.5
January 02	22	90.70	81.61	75.45	20,634,169	937,917	1,695.4
February 02	20	82.55	76.67	70.40	23,942,177	1,197,109	1,814.8
March 02	20	89.25	83.99	75.25	22,280,715	1,114,036	1,893.2
April 02	21	84.00	73.46	61.90	26,922,863	1,282,041	1,940.5
May 02	22	64.80	58.55	51.40	23,547,876	1,070,358	1,388.7
June 02	20	53.50	47.13	40.15	32,026,793	1,601,340	1,488.3
July 02	23	42.02	35.58	29.30	34,798,941	1,512,998	1,240.2
August 02	22	36.50	31.43	27.36	23,157,859	1,052,630	749.4
September 02	21	30.94	23.99	15.10	31,601,084	1,504,814	772.7
October 02	23	26.25	18.87	12.85	70,946,117	3,084,614	1,394.9
November 02	21	32.81	26.77	22.78	32,302,064	1,538,194	870.1
December 02	20	33.27	25.03	21.15	28,491,455	1,424,573	741.0
January 03	22	27.20	24.92	21.75	34,243,579	1,556,526	847.6
February 03	20	25.98	22.92	19.15	36,974,146	1,848,707	850.4
March 03	21	27.69	24.62	21.10	48,397,484	2,304,642	1,262.1

Source : Euronext.

DIVIDENDS PAID BY CAP GEMINI

Year ended December 31	Total dividend In millions	% of net income	Number of shares	Dividend per share	"Avoir fiscal" tax credit	Total payout
1997	MFF 214	28%	61,198,877	FRF 3.50	FRF 1.75	FRF 5.25
1998	MFF 380	31%	69,130,658	FRF 5.50	FRF 2.75	FRF 8.25
1999	M€ 78	29%	77,945,108	€ 1	€ 0.50	€ 1.50
2000	M€ 149	35%	124,305,544	€ 1.20	€ 0.60	€ 1.80
2001	M€ 50	33%	125,244,256	€ 0.40	(a) € 0.20	(b) € 0.60

The Board of Directors recommends that no dividend be paid for 2002.

(a) and (b): Under the terms of the 2002 Finance Act, the "avoir fiscal" tax credit has been kept at 50% of the net dividend in the case of individual shareholders and corporate shareholders qualifying for the affiliation privilege provided for in article 145 of the General Tax Code, but has been reduced to 15% for all other corporate shareholders that use the tax credit after January 1, 2002.

MANAGEMENT REPORT PRESENTED BY THE BOARD OF DIRECTORS TO THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF MAY 7, 2003

1- GENERAL COMMENTS

Market analysts have justifiably described 2002 as one of the most difficult years ever witnessed by the IT services industry and the IT sector as a whole. The recovery initially forecast by most market watchers for the second half of 2002 did not materialize and demand is not expected to pick up for at least another year. Although some experts now say that the worst is behind us, visibility still remains low.

The Group's business was significantly affected by lackluster demand in 2002. Our clients continued to cut back on IT budgets, favoring debt reduction over investment due to the downturn in financial markets. Purchasing behavior also evolved, with clients expecting an immediate return on their investments and generally entering into lower-volume shorter-term contracts with the exception of certain major outsourcing engagements. This has led to production over capacity favoring price pressure and increasing competition in the most competitive segments of our market – often from players operating in countries with low labor costs.

In addition to this, we do not foresee in the short term any major technological innovation that could significantly boost demand, as opposed to over the last two decades with client servers, integrated management software and the Internet.

In this context, Group management decided to launch in June 2002 a 3-year strategic plan named LEAP focusing on four key streams: motivating people (Leadership), stepping up sales and marketing (Expansion), simplifying operating structures (Alignment) and increasing productivity (Portfolio & Productivity Management).

Through the LEAP program, the Group is pursuing two main objectives: to progressively deliver a satisfactory operating margin by streamlining its cost structure, and to set up a more flexible, more responsive and more competitive business organization, both in terms of sales efficiency and delivery capacity.

The program has swiftly proved successful with operating margin rising from 0.3% in the first half 2002 to 3.1% in the second half. The Group expects to reap the full benefits of LEAP through 2003 and 2004.

Although performance measurements are still mainly based on the geographic entities, from January 1, 2003 the organization and management of the Group's operations will focus on its four main business lines, or "disciplines": Consulting, Technology, Outsourcing and Local Professional Services (Sogeti).

This new organization, which better fits the varying demands from different contacts within the same client companies, improves market coverage by opening up direct sales channels for the Technology and Outsourcing Divisions, building on the Sogeti initiative launched in early 2002. Although the Group continues to combine its broad range of expertise for its sales approach and services provided to clients, this is not necessarily the case for organizational purposes. Indeed the Group's four disciplines operate according to different business models, with different billing and utilization rates, management structure and different operating cost structures. The new organization based on differentiated operating models is intended to provide the Group management with a clearer understanding of operations, as well as facilitating the optimization of the cost structure while enhancing the Group's responsiveness to a changing environment.

The implementation of this new organization entails a leaner operational structure as a result of the reduction of non-directly billable positions. The Group has also introduced measures aimed at reducing non-people related operating expenses, particularly through procurement centralization, rationalization of support functions and office space.

From September 2002, sales initiatives were launched across all of the Group's businesses to focus efforts on the most dynamic market segments. As an example, the Technology discipline specific sales channel was opened with the launch of a new offering called Technology Direct, specifically designed to meet the needs of IT departments, including system architecture, enterprise applications integration and security issues.

Another key stream of the LEAP program is about industrialization of the Group, or services delivery. Indeed, a more systematic and better coordinated use of the existing network of development centers across the world – some of which are based in areas with low labor costs-should translate into significant productivity gains and improved competitiveness for the Group. Productivity gains in Outsourcing – and particularly Infrastructure Management – will be achieved through the rationalization of the existing data centers capabilities; computing capacity will be consolidated on a regional basis, an increasing number of tasks will be automated and part of the delivery will be relocated to lower cost countries.

The disappointing financial performance reported by the Group for what was a difficult year in 2002 should not overshadow the progress made on the sales and marketing front, particularly in terms of market positioning.

The Group continued to refocus both its business and client mix throughout the year. Outsourcing now represents 27% of consolidated revenues, compared with 21% in 2001 and 17% in 2000, leading to a higher level of recurring revenues which in turn provides improved visibility. In the systems integration segment, the Group significantly strengthened its leadership position as software package integrator in 2002 (enterprise resource planning, customer relationship management, supply chain management, etc.).

The Group also strongly rebalanced its client portfolio with an increased contribution by Public Services and Life Sciences. Public Services as a whole accounted for 26% of consolidated revenues in 2002 compared with 16% in 2001 and 14% in 2000. Life Sciences contributed 7% in 2002, up from 6% in 2001 and 4% in 2000 – particularly visible in the US where the Group is a market leader in the healthcare sector. The Group is now less exposed to the Telecommunications sector – which represented 13% of total revenues in 2002 versus 18% in 2001 – and to the Financial Services sector, whose contribution eased back to 15% of total revenues in 2002 from 17% a year earlier. These two sectors' combined contribution to Group revenues has contracted from 37% in 2000 to 28% in 2002.

2 - COMMENTS ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE CAP GEMINI ERNST & YOUNG GROUP

2.1 Consolidated statement of operations

Operating revenue amounted to € 7,047 million in 2002 (€ 3,733 million in the first half and € 3,314 million in the second half), down 13.9% on a like-for-like basis. On the basis of published figures the decrease was 16.3%, primarily due to the steady weakening of the US dollar and pound sterling over the year. The breakdown of operating revenue by geographic area, provided in note 25 to the consolidated financial statements, shows that full-year operating revenue declined across the board with contractions of 35% in the Asia-Pacific region, 25% for Southern Europe, 11% for the Benelux countries and 9% for France.

Half-yearly performances were contrasted. In North America and the United Kingdom, downward price pressure started to level off during the second half and the contraction in revenues (excluding the impact of exchange rates and perimeter changes) was less marked in the second half of the year. Conversely, the Group experienced a slowdown of its business in continental Europe from summer onwards, particularly in France, Central Europe and the Nordic countries.

The breakdown of revenues by business line shows that Outsourcing increased by 13% over the year to represent 27% of the Group's revenue in 2002 versus 21% in 2001. Based on the new business organization, Consulting – which now includes Customer Relationship Management, Supply Chain and People Relationship Management – represents 25% of total revenues, Technology (i.e. systems integration) 42% and Local Professional Services (Sogeti) 6%.

The average number of Group employees fell by 5,024 in 2002, representing an 8.4% reduction compared with the 2001 figure (see note 24 to the consolidated financial statements). At December 31, 2002, the Group had 52,683 employees, a decrease of 5,077 people or 8.8% on the December 31, 2001 figure. This decrease in staff roughly represents a total of 11,000 people who left the Group (6,000 voluntary departures and 5,000 lay-offs) and 6,000 people who joined, of which 4,000 new hires with profiles more suited to the new requirements of the market and 2,000 client employees taken on under outsourcing contracts.

This headcount reduction, although significant, does not explain all of the downturn in revenues and other factors also came into play:
- some price pressure (approximately 2.7% between January 1 and December 31, 2002),
- a lower staff utilization rate than in 2001, although the second half figure at 73% was a considerable improvement on the first half under 70%,
- a significant change in the qualifications pyramid, with the top section more substantially affected by headcount reductions,
- and, as mentioned above, negative currency impact mainly due to the dollar and pound sterling.

Operating expenses amounted to € 6,933 million, down € 1,060 million or 13.3% on a year earlier.

The breakdown by type of costs shows that:
- payroll costs and travel expenses - which amounted to € 4,754 million and represented 68.6% of total operating expenses - were scaled back by €783 million or 14%, whereas average employee numbers only contracted by 8.4%. Beyond the currency impact, this significant reduction reflects the lower relative weighting of North America and the United Kingdom in total payroll costs, the streamlining of the Group's top management levels, and the larger proportion of employees working in outsourcing, where qualification levels tend to be lower than in the project and consulting practice;
- purchases and other external costs came to € 1,687 million, representing 24.3% of total operating expenses, down € 299 million or 15% compared with 2001;
- rental charges amounted to € 300 million, a 5.6% increase compared with 2001, reflecting the fact that some rental contracts were signed at the end of 2001, while the effects of the office space rationalization program launched in June 2002 will only start to be felt in 2003;
- lastly, depreciation and amortization expenses amounted to € 192 million in 2002 (2.8% of total operating expenses) versus € 186 million in 2001.

The analytical breakdown of operating expenses shows that the cost of services rendered was flat in 2002 versus 2001 at 67.3% of revenues, whereas general, administrative and selling expenses increased from 27.7% of revenues in 2001 to represent 31.1% in 2002. As these costs only went down by € 138 million or 5.9%, there is significant room for improvement for 2003 and beyond.

Operating income decreased from € 423 million in 2001 to € 114 million in 2002, representing 1.6% of revenues compared to 5% a year earlier. The full year margin combines a slight positive margin in the first half at 0.3% and a second half figure of 3.1% boosted by the impact of the various restructuring measures implemented earlier in the year. The € 114 million total operating income figure reflects:

- total operating income of € 174 million reported by France (€ 85 million), the Benelux countries (€ 47 million) and the United States (€ 42 million),
- a € 60 million total operating loss reported in the five other geographic areas: the United Kingdom (€ 24 million), Southern Europe (€ 15 million), Asia-Pacific (€ 12 million), the Nordic countries (€ 6 million) and Central Europe (€ 3 million).

Other revenues and expenses represented a net expense of € 401 million in 2002 versus € 139 million for the year-earlier period. This item breaks down as follows:

- € 463 million in restructuring costs, representing € 359 million for the staff cutbacks carried out mainly in the United States and the United Kingdom and € 104 million in costs relating to the closure or transformation of unsuitable or surplus premises;
- the € 102 million positive impact of discounting deferred tax assets (see "income tax" below);
- the remaining € 40 million includes an € 11 million loss on a financial receivable and the exceptional write-down of a building in Behoust (€ 10 million) which was hosting the Group's University before the new site was opened in Gouvieux at the beginning of 2003.

Income tax for the year amounted to € 108 million, on a par with the year-earlier figure, despite the fact that the Group made a pre-tax loss of € 288 million in 2002 versus income of € 290 million in 2001. This reflects:

- the impact of an additional € 377 million set aside in the provision recorded in relation to the long-term deferred tax asset recognized at the time of the acquisition of the Ernst & Young consulting businesses in North America, which stood at € 762 million at December 31, 2001. The provision has been cautiously adjusted to reflect changes in earnings assumptions for the Group's North American operations for the next fifteen years. In addition, a € 50 million provision was recorded against deferred tax assets recognized in relation to tax loss carryforwards booked before the Ernst & Young transaction.

- a tax benefit of € 387 million recognized in relation to French tax losses, primarily due to a net short-term capital loss of € 2 billion generated in 2002 on the reorganization of the Group's North American operations. A provision was recorded for this amount in the statutory books at December 31, 2001, but was not deducted from income taxable at the full corporate tax rate.

The impact of this capital loss in 2002 was as follows:

- part was set off against the 2002 taxable income of the operating companies part of the French tax group, thus neutralizing € 62 million in taxes;
- part of the balance was carried back against prior years' taxable income of the French tax group, generating a carryback tax credit of € 96 million,
- a deferred tax asset was recognized for the remaining balance which, taking a conservative stance, was limited to € 229 million.

- the net effect of recognizing deferred tax assets on tax loss carry-forwards of some Group subsidiaries and of writing down deferred tax assets recognized in prior years in certain countries.

Amortization of goodwill and write-down of market shares totaled € 123 million in 2002, versus € 31 million in 2001. The 2002 figure includes an €81 million exceptional write-down of the value attributed to the market share of the Group's Telecoms operations in the United States, which was already recorded in the first half 2002 financial statements. The Group reviewed its intangible assets at December 31, 2002 and determined their estimated value based on market value and fair value to the Group (value in use), calculated using the discounted cash flows method.

After taking into account the Group's equity in the results of affiliates and minority interests, **the Group ended the year** with a net loss of € 514 million, as opposed to net income of € 152 million in 2001.

2.2 Consolidated balance sheet

At December 31, 2002, consolidated shareholders' equity including minority interests stood at € 3,534 million. The € 808 million decrease compared with the December 31, 2001 figure was primarily due to:

- € 514 million consolidated net loss for the year,
- € 238 million in negative translation adjustments, primarily due to the US dollar and the pound sterling losing ground against the euro,
- payment of the Cap Gemini S.A. 2001 dividend in an amount of € 50 million,
- share issues amounting to € 12 million, on exercise of employee stock options,
- cancellation of shares returned to Cap Gemini S.A. by former Ernst & Young partners who became Group employees following the acquisition of the Ernst & Young Consulting businesses in May 2000 and who left the Group in 2002, leading to a net reduction in shareholders' equity of € 7 million.
- a € 10 million reduction in minority interests.

At € 3,534 million, consolidated shareholders' equity at December 31, 2002 exceeded market capitalization at that date, which amounted to € 2,733 million, based on 125,479,105 shares. Group management considers that no accounting impact should be recognized as a result of this discrepancy, given that the stock price has fluctuated significantly over the last few years, reflecting not only the Group's performance but also general financial market conditions, and in particular increased volatility. In 2002, average market capitalization amounted to € 6,094 million based on 125,420,369 shares and an average price of € 48.59.

The € 360 million decrease in non-current assets compared with December 31, 2001 stemmed mainly from:

- the € 84 million exceptional write-down of market shares, primarily for the Group's Telecoms operations in the United States,
- the recognition of € 26 million worth of goodwill arising mainly on the acquisition of 49% of New Horizons and part of Werklinq's business
- net additions to property, plant and equipment and intangible assets for € 234 million, mainly in the United States (€ 71 million), France (€ 57 million), the Benelux countries (€ 62 million) and the United Kingdom (€ 23 million).
- depreciation and amortization for the year of € 240 million, including € 201 million relating to property, plant and equipment and intangible assets and € 39 million in goodwill amortization,
- decrease in long term deferred tax assets (€ 66 million), resulting in particular from the write-down of deferred tax assets recognized in the United States on the acquisition of Ernst & Young's North American Consulting businesses, partially offset by the recognition in France of a deferred tax asset relating to the reorganization of the Group's North American operations in 2002,
- net negative translation adjustments in an amount of € 230 million arising on conversion of non-current assets in foreign currencies, including a € 111 million negative adjustment to long-term deferred tax assets.

Accounts and notes receivable amounted to € 1,664 million, including € 1,550 million in trade receivables, versus € 2,068 million at December 31, 2001, a decrease of € 518 million. At December 31, 2002, receivables represented 80 days' sales versus 90 days at the previous year-end.

Net cash and cash equivalents came to € 465 million at December 31, 2002, versus € 247 million at June 30, 2002 and € 698 million at December 31, 2001. The year-on-year change was mainly due to the following factors:

- € 71 million in cash provided by operating activities, mainly due to the significant reduction in trade receivables mentioned above,
- € 251 million in cash used by investing activities,
- dividend payments of € 50 million.

3 - COMMENTS ON THE CAP GEMINI S.A. FINANCIAL STATEMENTS

3.1 Statement of operations

The Company's **operating revenue** amounted to € 162 million compared with € 184 million in 2001, including royalties of € 159 million versus € 180 million, in line with Group revenue trends.

Operating income eased back to € 144 million, compared with € 166 million the previous year. The decrease reflects a contraction in royalties as operating costs remained stable at € 18 million.

The Company had **net interest expense** of € 4,629 million versus € 1,960 million in 2001. The 2002 total includes dividend income from subsidiaries of € 61 million versus € 89 million in 2001, and € 4,706 million in write-downs of investments in subsidiaries and affiliates, which has no impact on the consolidated financial statements. In order to reflect changes in valuations within the Company's sector as well as in market conditions, Cap Gemini S.A. carried out a review of the book value of all of its investments in subsidiaries and affiliates, determining an estimated value based on market value and fair value to the Group (value in use), calculated in the same way as in the consolidated accounts. Based on this review, the book value of these investments was reduced from € 11.2 billion to € 6.5 billion at December 31, 2002.

In 2002 the Company had **net other income** of € 258 million versus net other expense of € 16 million in 2001. The 2002 figure includes a € 223 million gain on an inter-company sale of shares in our Canadian subsidiary as part of the reorganization of our North American businesses, as well as revenue of € 19 million related to Cap Gemini S.A. shares returned by former Ernst & Young partners who became employees of the Group following the acquisition of Ernst & Young's Consulting businesses in 2000 and who left the Group during 2002. These amounts were partially offset by a € 10 million write-down of the Béhoust site, which was used as the premises for the Group's University until the end of 2002.

As the French tax group made a loss in 2002, the Company recognized a tax benefit of € 90 million, primarily representing the carry-back of 2002 losses against 2001 undistributed income of the tax group. The Company ended the year with a net loss of € 4,135 million.

3.2 Balance sheet

The Company's **shareholders' equity** decreased to € 7,222 million, from € 11,415 million a year earlier, including the impact of the above-mentioned write-down of the value of investments, net loss for the year and the payment of the 2001 dividend.

Debt totaled € 14 million versus € 6 million at December 31, 2001. Net cash and cash equivalents were on a par with December 31, 2001 at € 379 million.

Total assets came to € 7,354 million at December 31, 2002 compared with € 11,638 million at the previous year-end.

3.3 Appropriation of net loss

The Board of Directors recommends that the net loss for the year of € 4,135,354,729.35 along with the full amount of losses brought forward from the prior year - totaling € 1,671,424,787.73 - should be charged against additional paid-in capital, thus reducing additional paid-in capital from € 9,010,168,981.60 to € 3,203,389,464.52.

As the Company reported a net loss in 2002, the Board recommends that no dividend should be paid for the year. Pursuant to Article 243 bis of the French General Tax Code, shareholders are informed that 2001 dividends totaled € 50,097,702.40, representing a dividend per share of € 0.40 paid on 125,244,256 shares, that 2000 dividends totaled € 149,166,652.80, representing a dividend per share of € 1.20 paid on 124,305,544 shares, and that 1999 dividends totaled € 77,945,108, representing a dividend per share of € 1 paid on 77,945,108 shares.

3.4 Share capital and ownership structure

In 2002, the share capital was increased from € 1,001,954,048 to € 1,003,832,840 as a result of the following:

- issuance of 472,201 shares on exercise of stock options by Group employees,
- cancellation of 237,352 shares returned to the Company by individuals who became employees of the Cap Gemini Ernst & Young Group at the time of the May 23, 2000 acquisition of the Ernst & Young consulting business and subsequently left the Group.

Pursuant to Article L.233-13 of the Commercial Code, shareholders are informed that:

- as of December 31, 2002, Wendel Investissement (formerly called CGIP - Compagnie Générale d'Industrie et de Participations) held over 5% of the Company's capital and voting rights, directly or indirectly. As the Cap Gemini S.A. shares sold by Wendel Investissement to BNP Paribas Arbitrage during the year may be bought back at the sole discretion of Wendel Investissement, in accordance with disclosure threshold legislation (article L.233-9 para. 4 of the Commercial Code), Wendel Investissement must account for the shares as if it still owned them. Therefore, in accordance with the said legislation, the Wendel Investissement Group holds over 10% of Cap Gemini's share capital;
- as of December 31, 2002, Serge Kampf held over 5% of the Company's capital and voting rights;
- as of December 31, 2002 JP Morgan Chase Investor Services and State Street Bank and Trust Company both held over 5% of the Company's capital and voting rights on behalf of their clients, in their capacity as registered intermediaries as defined in the last paragraph of article L. 233-7 of the Commercial Code;
- during the year, JP Morgan Chase Investor Services crossed the 5% disclosure threshold three times by decreasing its interest in the Company's capital and voting rights and three times by increasing its interest. State Street Bank and Trust Company crossed this threshold twice by increasing and once by decreasing its interest.

3.5 Stock options

The Extraordinary Shareholders' Meeting of May 23, 2000 authorized the Board of Directors to grant stock options to certain employees of the Company and its French and foreign subsidiaries. The authorization was given for a period of five years commencing May 23, 2000 and the number of shares to be subscribed on exercise of the options was limited to 12 million. The Board of Directors used this authorization to set up the Fifth Stock Option Plan.

During 2002, the Board of Directors used this authorization to grant options on 2,451,000 shares to 604 employees. The option exercise price was set at € 24, representing the average of the prices quoted for the Company's shares over the 20 trading days preceding the date of grant.

In the event of an authorized tender offer to acquire the Company's shares published by Euronext, option holders would be entitled to exercise all their options immediately – or all of their remaining unexercised options – without waiting for the ending date of the vesting period specified at the time of grant.

During 2002, 218,095 shares were subscribed on exercise of options granted under the Third Plan and 254,106 under the Fourth Plan, bringing the total for the year to 472,201 shares, corresponding to the equivalent of 0.4% of the Company's capital at December 31, 2002. No further shares could be subscribed under the First and Second Plans, for which the exercise periods expired on November 1, 1995 and April 1, 1999 respectively.

3.6 Authorization to buy back the Company's shares (*)

The Ordinary Shareholders' Meeting of April 25, 2002 authorized the Company to buy back its shares on the open market. This authorization was not used in 2002.

At the 2003 Ordinary Shareholders' Meeting, the Board of Directors will ask shareholders to replace this authorization, which was given for a period of 18 months, with a new authorization allowing the Company to:

- conduct further external growth transactions, which may be remunerated by Cap Gemini S.A. shares,
- cancel the shares bought back,
- optimize the management of the Company's financial position and assets and liabilities,
- buy and sell shares on the open market to take advantage of market situations;
- award shares to Group employees on the terms and by the methods provided for by law, including in connection with company savings plans or stock option plans,
- stabilize the share price by trading against market trends.

To this end, the Board of Directors is seeking an 18-month authorization to buy back (or sell) shares representing up to 10% of the Company's capital. Under the terms of the authorization, the maximum price at which the shares could be acquired will be set at € 100 per share and the minimum price at which they could be sold will be set at € 20 per share.
These transactions will be governed by articles 225-206 et seq. of the Commercial Code which stipulates that the Board of Directors may be authorized to cancel all or some of the shares acquired for the above-mentioned purposes, up to a maximum of 10% of the share capital within any 24-month period. This authorization is the subject of the twelfth resolution to be submitted for approval at the Extraordinary Shareholders' Meeting.

(*) An information memorandum which includes an explanation of the objectives of this share buyback program was approved by the *Commission des Opérations de Bourse* on April 10, 2003 under number 03-252.

3.7 Returned shares

In accordance with the agreements entered into between Cap Gemini and Ernst & Young in connection with the acquisition of the Ernst & Young consulting businesses which was completed on May 23, 2000, 43,187 Cap Gemini shares were returned to the Company between March 15, 2002 and February 26, 2003 by people who became employees of the Cap Gemini Ernst & Young Group and subsequently left the Group.

Former partners of Ernst & Young who worked in the consulting business became employees of the Cap Gemini Ernst & Young Group and as such were given employment contracts. Any of these employees of the Cap Gemini Ernst & Young Group who decide to leave the Group within a specified period are required to return all or some of the shares received at the time of sale of the Ernst & Young consulting businesses to Cap Gemini. The number of shares to be returned depends on the reason for and timing of the individual's departure.

3.8 Directors and compensation

At its meeting held on July 24, 2002, the Board of Directors approved the recommendation of Serge Kampf and decided to separate the functions of Chairman of the Board and Chief Executive Officer, reappointing Serge Kampf as Chairman of the Board and appointing Paul Hermelin as Chief Executive Officer.

During the same meeting, the Board of Directors:

- noted that Pierre Hessler, Geoff Unwin and Guy de Wouters had stood down from their positions as directors and appointed three new directors to replace them: Jean-René Fourtou, Jean-Bernard Lafonta and Philip Laskawy (formerly a non-voting director). Shareholders are invited to ratify these appointments.
- noted that Chris van Breugel (appointed as Chairman of the Sogeti Group) had stood down from his position as a non-voting director and appointed two new non-voting directors: Pierre Hessler and Geoff Unwin. Shareholders are invited to ratify these appointments.

The total compensation and benefits paid by the Company and its subsidiaries to directors of the Company during 2002 is presented on page 92 of the *"document de référence"*.

The list of directorships and other functions held by directors in other companies during 2002 is presented in pages 86 to 91 of the *"document de référence"*.

3.9 Statutory Auditors

The Company's Statutory Auditors, Coopers & Lybrand Audit, intend to legally merge with PricewaterhouseCoopers Audit S.A. in 2003. In order to avoid any interruptions in the audit of the Company, the Board of Directors invites shareholders:

- to appoint PricewaterhouseCoopers Audit S.A. as Substitute Auditors, to replace Yves Nicolas who has resigned from his position;
- to note the planned merger between Coopers & Lybrand Audit - the Statutory Auditors - and PricewaterhouseCoopers Audit S.A., due to take place by July 31, 2003;
- to appoint Philippe Geuguen as Substitute Auditor for PricewaterhouseCoopers Audit S.A. for the term of office of the Statutory Auditors, provided PricewaterhouseCoopers Audit S.A. take over as Statutory Auditors due to the completion of the above-mentioned merger;
- to grant the broadest powers to the Chairman of the Board of Directors to note the completion of the above-mentioned merger and to carry out all related formalities.

4 - ENVIRONMENTAL AND SOCIAL IMPACT OF THE CAP GEMINI ERNST & YOUNG GROUP'S OPERATIONS

Specialized in IT services and management consulting, the Cap Gemini Ernst & Young Group's core business consists in providing intellectual services which, by their nature, have either no or only a very limited environmental impact. The Group does, however, make a major contribution to improving the environmental consequences of their customers' businesses, notably by improving production cycle management and distribution networks thus optimizing resources through the use of constantly updated technological processes. The Group has developed a specific sustainable development offering whereby assistance is provided to clients in determining and implementing a policy tailored to their requirements. It has also provided solutions to local authorities keen to facilitate on-line services via "e-government" projects in several countries.

Client proximity has always been key to the Group's sales and marketing strategy. Its direct presence in over 30 countries enables it to assist clients locally, especially those with international expansion plans.

Technological innovation, and the Internet in particular, have made remote production a reality, providing increased flexibility in the choice of geographical locations. This can be seen in the Group's strong presence in the French provinces, a trend which is set to increase over the coming years, particularly due to the efforts implemented to industrialized our service production. This approach - which results into the opening of application development and outsourcing centers in cities such as Toulouse, Clermont Ferrand, Nantes and Lille - will give a significant boost to employment in the provinces.

As an intellectual service provider, the Group's main production resource is its highly-qualified people. Employee motivation and intellectual resource management are thus key to the Group's success. Labor-management relations and human resources policy are therefore core issues in the Group's sustainable development strategy. To achieve a winning mix, employee skills need to match both the most innovative technology and customer requirements. New recruits, for their part, join the Group keen to put their knowledge into practice and to gain rewarding professional experience. Therefore there is meeting of interests between them and the Group.

The Group has always considered ongoing training for its employees as being very important. As a result, the Group has always been able to attract young, talented graduates who are looking for a professional experience that continuing training makes even more valuable. All operating companies within the Group provide training, including through "e-learning" and the Group University, the driving force behind the training programs. In addition to contributing to the technical quality of the Group's services, the University also plays a key role in training Group managers and executives, applying shared values, thereby laying the cornerstone of Group culture. The investment in a new training center at Gouvieux, near Paris, which opened on January 1, 2003, with a capacity to match the Group's increased size following the purchase of Ernst & Young's consulting business in 2000, underlines the importance accorded by Group management to employee training.

The Group complies with local labor legislation in all countries in which it operates and, by extension, with international labor regulation.

The International Works' Council completed its first full year of operation in 2002. Set up in June 2001, it is composed of members from 15 countries (France, Belgium, the Netherlands, Luxembourg, the United Kingdom, Ireland, Italy, Portugal, Spain, Austria, Germany, Denmark, Norway, Sweden and Finland) and acts as the Group's international human resources and labor relations forum.

The cutbacks in the workforce initiated in the second half of 2001 continued in an attempt to realign the Group's production capacity with market conditions which have particularly deteriorated in our sector over the last two years. Against this backdrop, attrition rate, which is a key indicator in our industry, predictably fell over the last 24 months to an average of 12% in 2002, compared with 15% to 20% over the previous decade.

The Group has made saving jobs a priority wherever possible, offering modified working hours or paid sabbaticals in certain cases, with lay-offs focused on those countries and businesses where the recession has hit hardest, i.e. North America, the United Kingdom, the financial services and telecommunications sectors. These workforce reductions were carried out in compliance with the legislation in force in the countries involved and were accompanied by assistance measures for the workers concerned. In certain cases, notably in the UK, voluntary redundancy programs were launched.

The Group's compensation policy has always been deliberately decentralized, to remain more closely in touch with local realities and regulations. The policy proved its worth in 2002, enabling the Group to tightly control compensation in phase with the difficult market conditions.

Ever since it was founded, the Group's executive compensation policy has always included a variable part, which is based on both the performance of the business unit the person belongs to and the performance of the business unit immediately above.

5 - OUTLOOK

Entering 2003, the Group is in a more competitive position, being sized to face a slight contraction in revenues in the first half compared with the second half of 2002 and expecting second half revenues to stabilize over the first half.

With the aim of improving the Group's market positioning and profitability in 2003, management has set itself the following priorities for the year ahead: to pursue efforts in order to refocus the business mix, improve front-end efficiency, increase productivity through a more systematic and better coordinated use of the Group's network of development centers across the world and, lastly, to continue streamlining the cost structure.

In this context, taking into account the improvement in operating margin during the second half of 2002 and the pace of the implementation of restructuring measures, the Group is maintaining its ambition expressed last June to increase operating margin to around 5% in 2003.

6 - COMMENT ON MATTERS TO BE DISCUSSED AT THE EXTRAORDINARY SHAREHOLDERS' MEETING

6.1 Authorization to cancel shares acquired under the buyback program

As mentioned above, the Board of Directors is seeking an authorization to cancel all or some of the shares bought back pursuant to the provisions of articles L.225-206 *et seq.* of the Commercial Code, as discussed in the sixth paragraph of Section 3 of this report, up to a maximum of 10% of the capital per 24-month period.

6.2 Capital reduction to cancel returned shares

As mentioned above, between March 15, 2002 and February 26, 2003, 43,187 Cap Gemini shares were returned to the Company by former partners of the Ernst & Young consulting businesses who became employees of the Cap Gemini Ernst & Young Group and subsequently left the Group. 1,827 of these 43,187 shares were allocated on the acquisition of the remaining capital of Cap Gemini Ernst & Young Consulting India Pvt Ltd. The 41,360 remaining shares are governed by article L.225-204 of the Commercial Code.

Shareholders will be asked to cancel these shares and to reduce the Company's capital by a total of € 330,880.

6.3 Financial authorizations

The authorizations given to the Board of Directors by the Extraordinary Shareholders' Meeting of May 16, 2001 (including those which expired in 2002 and have been renewed) to issue shares and share equivalents, with or without pre-emptive subscription rights, and to raise funds on the financial markets by issuing share equivalents with or without pre-emptive subscription rights, including convertible debentures, debentures with equity warrants, stand-alone warrants and hybrid securities, have not been used. These authorizations are therefore still valid but their period of validity differs according to the type of transaction selected.
In order to allow the Board of Directors to launch the issues that are considered best suited to the Company's needs at the best possible time, depending on market conditions, shareholders will be asked to replace the authorizations which are due to expire this year, by new authorizations for the same amounts but with new expiry dates.

Under the terms of the new resolutions, the Board of Directors would be authorized to issue convertible debentures, debentures with equity warrants, stand-alone equity warrants and other securities convertible, exchangeable, redeemable or otherwise exercisable for shares within the limit of € 3 billion per issue (or € 400 million for equity warrants and shares with equity warrants). The amount by which the capital may be increased as a result of these issues would be limited to € 400 million, to be included in the € 1.5 billion ceiling set by the Extraordinary Shareholders' Meeting of May 16, 2001. The Statutory Auditors will issue a special report on any restricted share issues and any issues of securities convertible, exchangeable, redeemable or otherwise exercisable for shares to which shareholders do not have pre-emptive subscription rights. The securities would be issued at market price and, if the issues are placed on the French market, shareholders will be offered a non-transferable priority right to subscribe for the securities.

CAP GEMINI ERNST & YOUNG GROUP CONSOLIDATED FINANCIAL STATEMENTS

STATUTORY AUDITORS' GENERAL REPORT
ON THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002

Translated from the original French language report

To the shareholders of Cap Gemini SA,

In compliance with the assignment entrusted to us by your Annual Shareholders' Meeting, we have audited the accompanying consolidated financial statements of Cap Gemini SA and subsidiaries, expressed in euros for the year ended December 31, 2002.

These consolidated financial statements have been approved by the Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the professional standards applied in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of Cap Gemini SA and its subsidiaries' financial position and their assets and liabilities as of December 31, 2002, and of the results of their operations for the year then ended in accordance with French accounting principles and regulations.

Note 4 to the consolidated financial statements provides details of a change of accounting method arising from the adoption of standard CRC 2000-06 of December 7, 2000 concerning liabilities. This emphasis of matter does not affect the conclusions expressed above.

We have also reviewed the information given in the Management Report of the Board of Directors. We have no comments as to its fair presentation and its conformity with the consolidated financial statements.

Paris, February 27, 2003

The Statutory Auditors
Members of the Regional Company of Paris

COOPERS & LYBRAND AUDIT
Member of PricewaterhouseCoopers
Bernard Rascle

KPMG Audit
Department of KPMG S.A.
Jean-Luc Decornoy - Frédéric Quélin
Partner Partner

CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2000, 2001 AND 2002

(in millions of euros)	Notes	2000		2001		2002	
		Amount	%	Amount	%	Amount	%
Operating Revenue	*5*	***6,931***	***100,0***	***8,416***	***100,0***	***7,047***	***100,0***
Cost of services rendered	*6*	4,871	70,3	5,664	67,3	4,742	67,3
General, administrative and selling expenses (1)	*6*	1,357	19,6	2,329	27,7	2,191	31,1
Operating Income		***703***	***10,1***	***423***	***5,0***	***114***	***1,6***
Interest income/(expense), net	*7*	(7)	(0,1)	6	0,1	(1)	(0,0)
Other revenue and expenses, net	*8*	9	0,2	(139)	(1,7)	(401)	(5,7)
Income/(loss) of fully consolidated companies before tax		***705***	***10,2***	***290***	***3,4***	***(288)***	***(4,1)***
Income tax	*9*	(238)	(3,4)	(104)	(1,2)	(108)	(1,5)
Net income/(loss) of fully consolidated companies before amortization of goodwill and write-down of market shares		***467***	***6,7***	***186***	***2,2***	***(396)***	***(5,6)***
Equity in net results of affiliates		(7)	(0,1)	(3)	(0,0)	(2)	(0,0)
Minority interests		(7)	(0,1)	-	-	7	0,1
Net income/(loss) before amortization of goodwill and write-down of market shares		***453***	***6,5***	***183***	***2,2***	***(391)***	***(5,5)***
Amortization of goodwill and write-down of market shares	*10*	(22)	(0,3)	(31)	(0,4)	(123)	(1,8)
Net income/(loss)		***431***	***6,2***	***152***	***1,8***	***(514)***	***(7,3)***

(1) The 2000 breakdown between cost of services rendered and general, administrative and selling expenses is not exactly comparable to breakdowns for other years due to the consolidation of the Ernst & Young consulting businesses.

	Notes	2000	2001	2002
Average number of shares		***103,875,903***	***124,799,003***	***125,420,369***
Weighted average number of potential dilutive shares (options)		4,044,875	2,715,671	1,307,299
Adjusted average number of shares		***107,920,778***	***127,514,674***	***126,727,668***
Number of shares as of December 31		***124,305,544***	***125,244,256***	***125,479,105***
Net income/(loss)	*1.p*	431	152	(514)
Primary earnings/(loss) per share (in €) (1)	*1.p*	4.15	1.22	(4.10)
Diluted earnings/(loss) per share (in €) (2)	*1.p*	3.99	1.20	(4.10)
Primary earnings/(loss) per share (in €) (3)	*1.p*	3.47	1.22	(4.10)

(1) Earnings/(loss) per share based on average number of shares
(2) Earnings/(loss) per share based on adjusted average number of shares (except for 2002 when the Group incurred a loss and diluted loss per share is therefore considered the same as the primary loss per share)
(3) Earnings/(loss) per share based on number of shares as of December 31

In 2002, the Group had a consolidated net loss of € 521 million before minority interests but after amortization of goodwill, representing a negative margin of 7.4% on operating revenue. Net income before minority interests but after amortization of goodwill came to € 152 million in 2001 and to € 438 million in 2000, representing 1.8% and 6.3% of operating revenue respectively.

CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2000, 2001 AND 2002

(in millions of euros)	Notes	2000	2001	2002
ASSETS				
Intangible assets	*11*	1,646	1,830	1,628
Property, plant and equipment	*12*	475	490	512
Investments	*13*	70	89	85
Total fixed assets		***2,191***	***2,409***	***2,225***
Long-term deferred tax assets	*21*	786	863	687
Total non-current assets		***2,977***	***3,272***	***2,912***
Accounts and notes receivable, net	*14*	2,312	2,176	1,664
Other receivables	*15*	327	322	424
Financial receivables and short-term investments	*17*	666	503	490
Cash	*17*	463	484	372
Total current assets		***3,768***	***3,485***	***2,950***
Total assets		6,745	6,757	5,862
Commitments received from third parties	*22*	3	4	5
LIABILITIES AND SHAREHOLDERS' EQUITY				
Share capital		995	1,002	1,004
Additional paid-in capital		2,073	2,112	2,063
Retained earnings		1,080	1,189	438
Total shareholders' equity	*16*	***4,148***	***4,303***	***3,505***
Minority interests	*16*	75	39	29
Shareholders' equity, including minority interests	*16*	***4,223***	***4,342***	***3,534***
Long-term debt	*17*	91	120	155
Provisions and other long-term liabilities	*18*	211	237	252
Total long-term liabilities		***302***	***357***	***407***
Short-term debt and bank overdrafts	*17*	189	169	242
Accounts and notes payable	*19*	1,831	1,708	1,619
Other payables		200	181	60
Total current liabilities		***2,220***	***2,058***	***1,921***
Total liabilities and shareholders' equity		***6,745***	***6,757***	***5,862***
Commitments given to third parties	*22*	1,294	1,365	1,298
Net cash and cash equivalents	*17*	***849***	***698***	***465***

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2000, 2001 AND 2002

(in millions of euros)	**2000**	**2001**	**2002**
OPERATING ACTIVITIES			
Net income/(loss)	431	152	(514)
Minority interests	7	-	(7)
NET INCOME/(LOSS) OF FULLY CONSOLIDATED COMPANIES	***438***	***152***	***(521)***
Adjustments to reconcile net income of fully consolidated companies to cash generated by operations:			
Depreciation, amortization and write-down of market shares	145	217	325
Provisions	12	44	30
Changes in deferred taxes	33	(62)	61
Cisco Systems dilution gain	(134)	-	-
(Gains)/losses on disposals of fixed assets	36	(57)	3
Other	-	4	(12)
CASH FLOW OF FULLY CONSOLIDATED COMPANIES (I)	***530***	***298***	***(114)***
DIVIDENDS RECEIVED FROM AFFILIATES (II)	***7***	***-***	***-***
Cash flows related to:			
- Accounts and notes receivable, net (A)	(1,169)	82	531
- Accounts and notes payable, net (B)	499	(196)	36
- Other receivables and payables, net (C)	313	165	(382)
NET MOVEMENT IN WORKING CAPITAL (III=A+B+C)	***(357)***	***51***	***185***
NET CASH PROVIDED BY OPERATIONS (IV=I+II+III)	***180***	***349***	***71***
INVESTING ACTIVITIES			
Acquisitions of property, plant and equipment and intangible fixed assets	(169)	(295)	(278)
Disposals of property, plant and equipment and intangible fixed assets	22	132	42
	(147)	(163)	(236)
Acquisitions of investments	(45)	(267)	(16)
Disposals of investments	25	14	1
Dividends received from non-consolidated companies	-	-	1
	(20)	(253)	(14)
Effect of changes in Group structure	(*) (482)	22	13
NET CASH USED BY INVESTING ACTIVITIES (V)	***(649)***	***(394)***	***(237)***
FINANCING ACTIVITIES			
Increase in share capital (including exercise of stock options)	(**) 730	30	12
Minority interests in increase in share capital of subsidiaries	(**) 170	-	-
Dividends paid to parent company shareholders	(78)	(149)	(50)
Dividends paid to minority shareholders of consolidated companies	(2)	(4)	(1)
Net change in borrowings	(92)	22	128
NET CASH PROVIDED/(USED) BY FINANCING ACTIVITIES (VI)	***728***	***(101)***	***89***
CHANGE IN CASH AND CASH EQUIVALENTS (IV+V+VI)	***259***	***(146)***	***(77)***
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	***749***	***1 003***	***875***
CASH AND CASH EQUIVALENTS AT YEAR-END	***1 003***	***875***	***762***
Effect of exchange rate movements on cash and cash equivalents	(5)	18	(36)
CHANGE IN CASH AND CASH EQUIVALENTS	***259***	***(146)***	***(77)***

(*) Mainly comprising the cash payment made in connection with the acquisition of the Ernst & Young consulting businesses plus related fees and expenses.

(**) During 2000, Cisco Systems invested € 698 million, net of expenses, in the capital of Cap Gemini S.A. and € 170 million, net of expenses, in the capital of Cap Gemini Telecom S.A. See note 2.a.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2000, 2001 AND 2002

(in millions of euros)	Number of shares	Share capital	Additional paid-in capital	Treasury stock (1)	Retained earnings	Share-holders' equity
As of January 1, 2000	***77,945,108***	***624***	***1,226***	***-***	***761***	***2,611***
Increase in share capital upon exercise of options	1,025,565	8	24	-	-	32
Acquisition of the Ernst & Young consulting businesses - share issue	42,737,107	342	9,060	-	-	9,402
- costs directly relating to the acquisition, net of tax, written off against the premium on the shares	-	-	(148)	-	-	(148)
- deferred tax asset as a result of acquisition of Ernst & Young businesses (2)	-	-	698	-	-	698
- difference between acquisition cost and book value of contributed assets	-	-	(9,497)	-	-	(9,497)
Elimination of treasury stock (192,538 shares) held as of December 31, 2000	-	-	33	(33)	-	-
Issuance of shares to Cisco Systems, net of costs related directly to the transaction	2,597,764	21	677	-	-	698
Dividends paid	-	-	-	-	(78)	(78)
Translation adjustments	-	-	-	-	(1)	(1)
Net income for 2000	-	-	-	-	431	431
As of December 31, 2000	***124,305,544***	***995***	***2,073***	***(33)***	***1,113***	***4,148***
Increase in share capital upon exercise of options	1,147,082	9	21	-	-	30
Acquisition of the Ernst & Young consulting businesses (3)	-	-	49	-	-	49
Dividends paid	-	-	-	-	(149)	(149)
Elimination of treasury stock (39,486 shares) returned to the Company in 2001	-	-	3	(5)	-	(2)
Cancellation of 208,370 Cap Gemini S.A. shares (4)	(208,370)	(2)	(34)	36	-	-
Dividend equalization tax for 2000	-	-	-	-	(15)	(15)
Translation adjustments	-	-	-	-	90	90
Net income for 2001	-	-	-	-	152	152
As of December 31, 2001	***125,244,256***	***1,002***	***2,112***	***(2)***	***1,191***	***4,303***
Increase in share capital upon exercise of options	472,201	4	8	-	-	12
Elimination of treasury stock (256,885 shares) returned to the Company in 2002	-	-	12	(19)	-	(7)
Cancellation of 237,352 Cap Gemini S.A. shares (4)	(237,352)	(2)	(18)	20	-	-
Acquisition of the Ernst & Young consulting businesses	-	-	(1)	-	-	(1)
Dividends paid	-	-	(50)	-	-	(50)
Translation adjustments	-	-	-	-	(238)	(238)
Net loss for 2002	-	-	-	-	(514)	(514)
As of December 31, 2002	***125,479,105***	***1,004***	***2,063***	***(1)***	***439***	***3,505***

(1) See note 1.g.
(2) See note 21
(3) The € 49 million increase in additional paid-in capital reflects the reversal of excess provisions recorded in Ernst & Young's opening balance sheet at May 23, 2000 as well as an adjustment to Ernst & Young's opening shareholders' equity at that date.
(4) Representing 23,654 Cap Gemini S.A. shares returned to the Company as of December 31, 2001 by former Ernst & Young partners, plus 213,698 shares received in first half 2002.

Note 1 - Accounting policies

The consolidated financial statements have been prepared in accordance with French generally accepted accounting principles applicable as of December 31, 2002, including CRC standard 99-02 approved on June 22, 1999.
Note 4 below describes the adoption, effective from January 1, 2002, of CRC standard 2000-06 concerning liabilities, issued on December 7, 2000.

The main accounting policies applied by the Group are as follows:

a) Consolidation methods

- The accounts of Cap Gemini S.A. and its significant directly or indirectly fully-controlled subsidiaries are fully consolidated. Prior to consolidation, the financial statements of subsidiaries are restated to comply with Group accounting policies. Minority interests are shown separately and are analyzed in note 16.c. The acquisition of the Ernst & Young consulting businesses on May 23, 2000 has been accounted for in the consolidated financial statements by the alternative method *(méthode dérogatoire)* provided for in section 215 of CRC standard 99-02.
- Investments in companies which Cap Gemini S.A. directly or indirectly controls jointly with a limited number of other shareholders are accounted for by the method of proportional consolidation. This method consists of consolidating the income and expenses, assets and liabilities of jointly-controlled companies, line by line, based on the Group's percent interest in their capital. Information concerning jointly-controlled companies is provided in note 26.
- Investments in affiliated companies over whose management Cap Gemini S.A. exercises significant influence, without however exercising full or joint control, are accounted for by the equity method. This method consists of replacing the cost of the shares with an amount corresponding to the Group's equity in the underlying net assets and of recording in the income statement the Group's equity in net income.

Investments in dormant companies meeting the criteria mentioned above are not included in the consolidated financial statements because their consolidation would not have a material effect on the Group's consolidated assets and liabilities or the results of its operations.

Except for the captive insurance company which is consolidated (see note 2), the Group does not have any special purpose entities.

The scope of consolidation is given in note 28 (pages 53 to 55).

All other investments are stated at the lower of cost or fair value to the Group.

All consolidated companies had a December 31, 2002 year-end.

All intercompany transactions have been eliminated.

b) Use of estimates

The preparation of the financial statements involves the use of estimates and assumptions which may have an impact on the reported values of assets and liabilities at the year-end or of certain items of income and expense for the year. Estimates are based on economic data which are likely to vary over time and are subject to a degree of uncertainty.

c) Foreign currency translation

The 2000, 2001 and 2002 consolidated financial statements were prepared in euros.

The balance sheets of foreign subsidiaries are translated into euros at year-end rates of exchange with the exception of shareholders' equity accounts, which are kept at their historical values. Statements of income of foreign subsidiaries are translated into euros at the annual weighted average rates of exchange. Differences arising from the translation of net income at different rates are directly allocated to retained earnings and have no impact on the statement of income.

Exchange differences arising on monetary items which form an integral part of the net investment in foreign subsidiaries are allocated to cumulative translation adjustment, in an amount net of tax.

The principle exchange rates used to convert foreign currency amounts into euros are as follows:

	Average rates for the year			Rates as of December 31		
	2000	2001	2002	2000	2001	2002
US dollar	1.08518	1.11735	1.06163	1.07469	1.13469	0.95356
Canadian dollar	0.73030	0.72180	0.67607	0.71610	0.71040	0.60423
Pound sterling	1.64133	1.60836	1.59093	1.60231	1.64339	1.53728
Swedish krona	0.11843	0.10812	0.10919	0.11323	0.10751	0.10926
Australian dollar	0.62940	0.57783	0.57652	0.59630	0.57870	0.53891
Singapore dollar	0.62900	0.62351	0.59250	0.62010	0.61327	0.54948

d) Intangible assets

Market share

When the acquisition of companies allows the Group to obtain a significant share of a specific market, identifiable market share is recorded as an intangible asset in the consolidated balance sheet at fair value.

Such market share is valued as of the date of acquisition in relation to economic data with reference to activity and profitability indicators.

In view of its nature, acquired market share is not amortized.

Goodwill

Goodwill consists of the excess of the cost of shares in companies consolidated or accounted for by the equity method over the Group's equity in the fair value of the identifiable assets and liabilities acquired - including market share - as of the date of the acquisition. Goodwill is amortized over a maximum of 40 years.

As allowed under French accounting standards applicable as of the transaction date (Article 248-3 of the Decree of February 17, 1986) and as specified by the Commission des Opérations de Bourse (French Stock Exchange Commission), the goodwill created upon the acquisition of 37.5% of Cap Gemini NV share capital by exchange of shares in July and August 1999 was not amortized and was written off against the premium on the shares issued in exchange for the Cap Gemini NV shares.

The acquisition of the Ernst & Young consulting businesses on May 23, 2000 has been accounted for in the consolidated financial statements by the alternative method *(méthode dérogatoire)* provided for in section 215 of CRC standard 99-02. Consequently no goodwill is recorded under assets in respect of this acquisition.

Valuation of market shares and goodwill

At each fiscal year end, market shares are reviewed in accordance with the criteria used as of the date of acquisition and a provision is set up if there is any impairment in value.

Wherever there is an indication that goodwill or market shares may be impaired, the recoverable amount of the asset is estimated by comparing the net book value with its market value or fair value to the Group (value in use). Market value is calculated using revenue multiples. Fair value to the Group (value in use) is calculated using the discounted cash flows method. An impairment loss is recognized when the estimated recoverable amount is deemed to be significantly lower than the net book value.

Computer software

Computer software and user rights acquired on an unrestricted ownership basis, as well as software developed for in-house purposes, which have a positive, lasting and quantifiable effect on future results, are capitalized and amortized over three to five years. They are stated at the lower of cost or fair value to the Group.

e) Property, plant and equipment

Property, plant and equipment are carried in the balance sheet at cost. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets concerned.

The most commonly adopted useful lives are the following:

Buildings	20 to 40 years
Fixtures and fittings	10 years
Computer equipment	3 to 5 years
Office furniture and equipment	5 to 10 years
Vehicles	5 years
Other equipment	5 years

f) Shares in non-consolidated companies

The Group holds shares in certain companies over whose management it does not exercise significant influence or control. These shares mainly comprise long-term investments in the form of strategic alliances with the companies concerned. These shares are carried in the balance sheet at the lower of cost and fair value to the Group.

g) Treasury stock

Cap Gemini S.A. shares held by the Company are shown as a deduction from consolidated shareholders' equity.

h) Deferred taxation

Deferred taxes are recorded in the statement of income and balance sheet to take into account temporary differences between the book values of certain assets and liabilities and their tax basis. The accounting treatment of deferred taxes arising in connection with the acquisition of the Ernst & Young consulting businesses is explained in note 21.

In accordance with the liability method, deferred taxes are computed at the latest known tax rate as of the year-end. The impact of possible changes in tax rates on deferred taxes accounted for previously is included in the statement of income for the year in which these rate changes become effective.

A deferred tax asset is recognized in respect of tax losses. Deferred tax assets recognized in prior years, less any deferred tax liabilities, are written down when the related tax loss carry-forwards are not expected to be utilized. Deferred assets and liabilities are discounted where the impact of discounting is material and where the timing of recoveries can be reliably determined.

i) Capital leases

A capital lease is a lease that transfers substantially all the risks and rewards incident to ownership of an asset to the lessee. When a fixed asset is held under a capital lease, its value is restated as an asset and the present value, at the beginning of the lease term, of future minimum lease payments during the lease term is recorded as an obligation. The asset is depreciated over its useful life in accordance with Group policy and the obligation is amortized over the lease term.

j) Revenue recognition on long-term contracts

- Revenues from long-term fixed price contracts, including systems development and integration contracts, are recognized under the percentage-of-completion method. Under this method, revenue is recognized as work on the contract progresses. Revenues from these contracts are included in trade accounts receivable in the balance sheet when invoiced to customers, and in accrued income when they are not yet invoiced. If necessary, a provision is made for forecast losses on completion.

- Revenues from time and materials contracts are recognized as services are rendered.

- "Accounts and notes receivable, net" corresponds primarily to trade accounts receivable less advances received from customers.

k) Marketable securities

Marketable securities are stated at the lower of their aggregate cost or market value. In the case of quoted securities, the market value corresponds to the quoted market price as of the balance sheet date.

l) Retirement benefits

Group employees are covered by defined contribution or defined benefit plans set up in accordance with the regulations and practices in force in the countries in which the Group operates.

Defined contribution plans are funded by contributions paid by employees and Group companies to the organizations responsible for managing the plans.

Defined benefit plans :

- unfunded plans are plans where benefits are paid directly by the Group. The related obligation is covered by a provision corresponding to the discounted present value of future benefit payments. Estimates are based on regularly reviewed internal and external parameters;
- funded plans are plans where the benefit obligation is covered by external funds. Group contributions to these external funds are made in accordance with the specific regulations in force in each country.

m) Credit risks

Short and medium-term assets theoretically giving rise to a potential concentration of credit risks consist of short-term investments and accounts and notes receivable. Short-term investments mainly comprise marketable securities. They are made with recognized financial institutions and the Group therefore considers that the related credit risk is not material. Concerning accounts and notes receivable, Group clients are not concentrated within any single geographic area or business sector.

The businesses of Group clients may be affected by changes in the economic environment, with a resulting impact on the amounts receivable from these companies. The Group considers that no single client, business segment or geographic area represents a material credit risk.

n) Financial instruments

Financial instruments are used to hedge certain risks arising in the normal course of business. All hedging positions relate to existing assets or liabilities and/or business or financial transactions.

Hedging contracts are set up with leading financial institutions and the Group therefore considers that the related counterparty risk is not material. All currency and interest rate positions are taken using instruments quoted on organized markets or over-the-counter, for which the related counterparty risks are minimal. Gains and losses on hedging instruments are recognized on a symmetrical basis with the loss or gain on the hedged items.

The fair value of financial instruments is estimated based on market prices or data supplied by the banks.

o) Statement of income

Income and expenses are analyzed in the consolidated statement of income based on cost accounting principles which reflect the specific nature of the Group's business, as follows:

Operating expenses are broken down between cost of services rendered and general, administrative and selling expenses. Note 6 to the consolidated financial statements provides details of the two main items of operating expenses, which are payroll costs and travel expenses.

Below operating income and expense, the consolidated statement of income presents:

- Net interest income/(expense) which corresponds to interest income from short-term investments less interest on long-and short-term debt.
- Other revenues and expenses, which include primarily:
  - exchange differences,
  - gains and losses on asset disposals,
  - provisions for impairment in value and dividends received from non-consolidated companies,
  - the impact of discounting long-term deferred tax assets,
  - non-recurring charges (restructuring costs, office closures, new business integration costs etc.).

"Amortization of goodwill and write-down of market shares" is presented just before net income. Market shares have been grouped together with goodwill because of their similar characteristics.

Net income/(loss) before minority interests but after amortization of goodwill is provided in a note after the statement of income.

p) Earnings per share

Net earnings per common share are calculated as follows:

- primary earnings per share: on the basis of the average number of shares outstanding during the year, after deduction of treasury stock held as of December 31, 2002;
- diluted earnings per share: on the basis of the weighted average number of shares outstanding during the year after deduction of treasury stock, plus the number of potential dilutive shares related to options granted to employees of the Group (note 16.b) calculated based on the average share price for the year. The average number of shares is weighted based on the date of issue of shares during the year. The number of potential dilutive shares does not include those related to out-of-the money options. If the Group makes a loss, diluted loss per share is considered to be the same as the primary loss per share.
- earnings per share based on the number of shares as of December 31: on the basis of the number of shares outstanding as of December 31, 2002 (including treasury stock at that date).

q) Net cash and cash equivalents

Net cash and cash equivalents correspond to cash and cash equivalents less short and long-term debt.
Cash and cash equivalents correspond to financial receivables, short-term investments and cash less bank overdrafts.

r) Consolidated statement of cash flows

The consolidated statement of cash flows details cash provided and used by operating, investing and financing activities.

s) Segment information

The Group operates primarily in Europe, North America and the Asia-Pacific region. The Group's business consists of providing management consulting and IT services, covering the areas of system design, integration and management (outsourcing).

The Group manages its operations based on geographic areas, business segments and disciplines. Only the geographic entities constitute profit centers for which detailed performance measurements exist. A segment analysis of 2002 operating revenue, operating income, fixed assets and accounts and notes receivable is provided in note 25.

Note 2 - Changes in Group structure in 2000, 2001 and 2002

a) 2000

The main changes in the scope of consolidation in 2000 were as follows:

- Cap Gemini Group acquired the Ernst & Young consulting businesses on May 23, 2000 following approval by the Extraordinary Meeting of Cap Gemini shareholders held the same day. Cap Gemini issued 42,737,107 common shares as consideration for this contribution and made a € 375 million cash payment. In July and August 2000, the Group acquired the Ernst & Young consulting businesses in Malaysia and Korea for a total of € 8 million, partly paid in Cap Gemini shares and partly in cash (€ 3 million).
- On October 31, 2000, Cisco Systems, world leader in Internet "plumbing", took a 4.9% stake in the capital of Cap Gemini Telecom S.A., the holding company for the Cap Gemini and Gemini Consulting telecommunications, media and networks businesses.
- On March 30, 2000 Cap Gemini acquired the remaining 49.4% of the capital of Cap Gemini Portugal not already held by the Group.
- In connection with the strategic reorganization of the Group's German operations launched in 1999, certain software package development and maintenance businesses were sold in February and December 2000.

b) 2001

The main changes in the scope of consolidation in 2001 were as follows:

- In Benelux, on April 28, 2001 Cap Gemini S.A. acquired a further 5.6% stake in its subsidiary Cap Gemini NV for an amount of € 164 million, increasing its total interest in the company to 99.8%.
- In Germany, on July 1, 2001, Synergis – a 51%-owned fully consolidated subsidiary – was merged with Gedos, a non-Group company. The Group has a 25% interest in the new entity IS Energie, which has been proportionally consolidated as from the second half of 2001.

c) 2002

The main changes in the scope of consolidation in 2002 were as follows:

- North American operations are now organized around Cap Gemini North America Inc., a newly-formed US company which holds all of the Group's subsidiaries in this region. Changes in Group structure in North America were as follows: in September 2002, the Group set up a new entity called Cap Gemini Technologies LLC which is wholly-owned and fully consolidated. In Canada, New Horizons System Solutions LLP and New Horizons System Solutions Inc. – which were both 49%-owned and proportionally consolidated as of December 31, 2001 – are now wholly-owned and fully consolidated in the financial statements as of December 31, 2002.
- In Germany, the Group's entire interest in Media & Research GmbH – a company which was wholly-owned and fully consolidated as of December 31, 2001 – was sold on July 31, 2002.

- In France, the Group acquired interests in Agrostar on January 1, 2002 and Pierre Fabre Informatique S.A. on September 1, 2002. Agrostar, 19%-owned, is accounted for by the equity method. Pierre Fabre Informatique, 51%-owned, is fully consolidated.
- As part of an internal restructuring program, on January 1, 2002, the Group created a new wholly-owned entity, Sogeti, specialized in local IT engineering services. Sogeti has operations in Europe (France, Switzerland, Germany, Belgium, Sweden, the Netherlands and Spain) and North America.
- The Group's captive insurance company set up in 2001 was fully consolidated in the financial statements for the year ended December 31, 2002.
- In December 2002, the Group sold its New-Zealand based subsidiary – which had 2002 revenues of € 11 million – to local management. They then set up an independent company with which the Group has signed a partnership agreement as well as a one-year license agreement, renewable for subsequent one-year periods, granting the new company the right to use certain Group logos and services.

Note 3 - Accounting treatment of the acquisition of the Ernst & Young consulting businesses and pro forma accounts

3.1 Accounting treatment of the acquisition of the Ernst & Young consulting businesses

The acquisition of the Ernst & Young consulting businesses was accounted for in the consolidated financial statements by the alternative method *("méthode dérogatoire")* provided for in section 215 of CRC standard 99-02.

According to the agreements signed between the parties, in the event of the departure of any former partners of the Ernst & Young consulting businesses, all or some of the Cap Gemini S.A. shares allocated to them in connection with the May 23, 2000 acquisition that have not been sold must be returned to Cap Gemini S.A.. The number of shares to be returned depends on the reason for and timing of the departure. The Group has decided to cancel any shares thus returned. Treasury stock which has not yet been cancelled as of December 31, 2002 is therefore eliminated from consolidated shareholders' equity.

3.2 Pro forma accounts

A pro forma statement of income of the Cap Gemini Ernst & Young Group for 2000 has been prepared to show the revenues and earnings of the new Group based on Group structure as of December 31, 2000. The impact of the acquisition of the Ernst & Young consulting businesses on the various consolidated balance sheet and cash flow statement items is disclosed in the notes wherever material.

The Ernst & Young consulting businesses acquired by Cap Gemini were previously conducted either by partnerships which included other businesses such as audit and tax and legal services, or by specific consulting entities. The entities concerned did not all have the same year-end. The financial statements of the Ernst & Young consulting businesses have therefore been consolidated, adjusted for the effects of the transaction and restated in accordance with Cap Gemini accounting policies.

The pro forma income statement has been adjusted to take into account the reduction in interest income resulting from the € 375 million cash payment and the transaction costs by accounting for these cash outflows as if they had occurred on January 1, 2000. The amount of this adjustment is € 7 million for the period from January 1 to May 23, 2000.

The other adjustments made are explained below:

- adjustments necessary to present partners' compensation as if the agreements signed between them and Cap Gemini had been effective from January 1, 2000. This adjustment is required because in the case of entities organized as legal partnerships, partners' compensation was not recorded in the financial statements. The amounts provided for under the agreements have therefore been recognized in the pro forma accounts. Where the business was operated in a different form, the adjustment corresponds to the impact of the agreements on partners' compensation,

- adjustments to take into account the revenue and expenses of the Ernst & Young consulting businesses as if they had formed part of the Cap Gemini Group from January 1, 2000. The main adjustments primarily consist of replacing the expenses allocated to the consulting businesses by Ernst & Young according to a standard formula, by the expenses attributable to the businesses according to the shared services agreements entered into between Cap Gemini and Ernst & Young for 2000,

- adjustments to the provision for income taxes to recognize a theoretical provision calculated in accordance with the specific rate applicable in each country.

(in millions of euros)	2000 pro forma statement of income		2001 published statement of income		2002 published statement of income	
	Amount	%	Amount	%	Amount	%
Operating Revenue	***8,471***	***100.0***	***8,416***	***100.0***	***7,047***	***100.0***
Operating expenses	(7,578)	(89.5)	(7,993)	(95)	(6,933)	(98.4)
Operating Income	***893***	***10.5***	***423***	***5.0***	***114***	***1.6***
Interest income/(expense), net	(17)	(0.2)	6	0.1	(1)	(0.0)
Other revenue and expenses, net	8	0.1	(139)	(1.7)	(401)	(5.7)
Income/(loss) of fully consolidated companies before tax	***884***	***10.4***	***290***	***3.4***	***(288)***	***(4.1)***
Income tax	(296)	(3.5)	(104)	(1.2)	(108)	(1.5)
Net income/(loss) of fully consolidated companies before amortization of goodwill and write-down of market shares	***588***	***6.9***	***186***	***2.2***	***(396)***	***(5.6)***
Equity in net results of affiliates	(9)	(0.1)	(3)	(0.0)	(2)	(0.0)
Minority interests	(9)	(0.1)	-	-	7	0.1
Net income/(loss) before amortization of goodwill and write-down of market shares	***570***	***6.7***	***183***	***2.2***	***(391)***	***(5.5)***
Amortization of goodwill and write-down of market shares	(23)	(0.2)	(31)	(0.4)	(123)	(1.8)
Net income/(loss)	***547***	***6.5***	***152***	***1.8***	***(514)***	***(7.3)***

	2000 pro forma statement of income	2001 published statement of income	2002 published statement of income
Average number of shares	**121,683,031 (1)**	**124,799,003**	**125,420,369**
Weighted average number of potential dilutive shares (options)	4,044,875	2,715,671	1,307,299
Adjusted average number of shares	**125,727,906**	**127,514,674**	**126,727,668**
Net income/(loss)	547	152	(514)
Primary earnings/(loss) per share (in €) (2)	***4.5***	***1.22***	***(4.10)***
Diluted earnings per share/(loss) (in €) (3)	***4.35***	***1.20***	***(4.10)***

(1) Corresponding to the average number of shares that would have been outstanding if the shares issued in payment for the Ernst & Young consulting businesses had been issued on January 1, 2000.
(2) On the basis of average number of shares.
(3) On the basis of adjusted average number of shares, except for 2002 when the Group incurred a loss and diluted loss per share is therefore considered the same as the primary loss per share.

3.3 Balance sheet of the Ernst & Young consulting business as of May 23, 2000

The balance sheet of the Ernst & Young consulting business as of May 23, 2000 was adjusted to comply with Cap Gemini Group accounting policies after taking into account provisions for costs associated with the separation of Ernst & Young's consulting businesses from its audit, tax and legal businesses and setting up the new Group. These provisions, which are included in accounts and notes payable, covered the costs of reorganizing premises, restructuring certain information systems and businesses, the name change, termination of shared services agreements with other Ernst & Young businesses (audit, tax and legal) and staff retention measures, less the share of these costs borne by Ernst & Young LLP. As of May 23, 2000, these provisions totaled € 192 million, net of tax.

As of December 31, 2001 almost all of these provisions had been utilized. In addition € 21 million in excess provisions booked at May 23, 2000 were reversed and credited to shareholders' equity. As of December 31, 2001, the remaining provisions stood at € 22 million, net of tax. They were utilized in 2002.

Note 4 - Pro forma accounts concerning the adoption of CRC standard 2000-06

The adoption, effective from January 1, 2002, of CRC standard 2000-06 on liabilities issued on December 7, 2000, had no impact on opening shareholders' equity. The only impact of the retroactive application of this standard in 2001 was to defer recognition of restructuring costs and provisions from 2000 to 2001, resulting in the following adjustments to the income statement for the year ended December 31, 2001: "Other revenue and expenses, net" increased from € (139) million to € (290) million, "income taxes" decreased from € (104) million to € (60) million and net income decreased from € 152 million to € 45 million.

Pro forma statement of income for the year ended December 31, 2001 and published statement of income for the year ended December 31, 2002:

(in millions of euros)	2001 pro forma statement of income Amount	%	2002 published statement of income Amount	%
Operating Revenue	***8,416***	***100.00***	***7,047***	***100.00***
Operating expenses	(7,993)	(95)	(6,933)	(98,4)
Operating Income	***423***	***5.0***	***114***	***1.6***
Interest income/(expense), net	6	0.1	(1)	(0.0)
Other revenue and expenses, net	(290)	(3.5)	(401)	(5.7)
Income /(loss) of fully-consolidated companies before tax	***139***	***1.6***	***(288)***	***(4.1)***
Income tax	(60)	(0.7)	(108)	(1.5)
Net income/(loss) of fully consolidated companies before amortization of goodwill and write-down of market shares	***79***	***0.9***	***(396)***	***(5.6)***
Equity in net results of affiliates	(3)	(0.0)	(2)	(0.0)
Minority interests	-	-	7	0.1
Net income/(loss) before amortization of goodwill and write-down of market shares	***76***	***0.9***	***(391)***	***(5.5)***
Amortization of goodwill and write-down of market shares	(31)	(0.4)	(123)	(1.8)
Net income/(loss)	***45***	***0.5***	***(514)***	***(7.3)***

Note 5 - Operating revenue

Operating revenue by geographic area can be analyzed as follows:

(in millions of euros)	2000 (*)		2001		2002	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**
North America	1,966	28	2,848	34	2,258	32
United Kingdom and Ireland	1,237	18	1,414	17	1,223	17
Nordic countries	553	8	577	7	469	7
Benelux	952	14	1,036	12	925	13
Germany and Central Europe	425	6	519	6	458	6
France	1,264	18	1,367	16	1,247	18
Southern Europe	358	5	439	5	327	5
Asia-Pacific	176	3	216	3	140	2
Total	***6,931***	***100***	***8,416***	***100***	***7,047***	***100***

(*) published data

Note 6 - Operating expenses

Operating expenses consist primarily of payroll costs and travel expenses, as follows:

(in millions of euros)	2000	2001	2002
Payroll costs	4,001	4,941	4,249
Travel expenses	369	596	505
Total	***4,370***	***5,537***	***4,754***
As a % of total operating expenses	70%	69%	69%
As a % of total operating revenue	63%	66%	67%
Average number of employees	50,249	59,906	54,882

Note 7 - Interest income/(expense), net

Interest income/(expense), net can be analyzed as follows:

(in millions of euros)	2000	2001	2002
Interest income from short-term investments	19	31	24
Interest on debt	(28)	(26)	(29)
Other	2	1	4
TOTAL	***(7)***	***6***	***(1)***

Note 8 - Other revenues and expenses, net

Other revenues and expenses can be analyzed as follows:

(in millions of euros)	2000	2001	2002
Restructuring costs	(48)	(181)	(463)
Integration costs	(55)	-	-
Cisco Systems dilution gain	134	-	-
Gains/(losses) on disposals of shares and businesses	(10)	37	7
Gains/(losses) on disposals of property, plant and equipment	(1)	20	(3)
Impact of discounting long-term deferred tax assets	-	20	102
Write-downs of shares in non-consolidated companies	-	(18)	-
Write-downs of property, plant and equipment	-	-	(10)
Losses on financial receivables	-	-	(11)
Foreign exchange gains/(losses), net	(5)	(2)	(3)
Other, net	(6)	(15)	(20)
TOTAL	***9***	***(139)***	***(401)***

Restructuring costs principally correspond to:

- 2000: the reorganization of the German software publishing and maintenance business launched in 1999 which accounted for € 32 million in restructuring costs, plus an additional € 16 million spent on general restructuring costs.
- 2001: the cutback in the workforce of approximately 5,400 employees, mainly in the United States, the United Kingdom, Nordic countries and across all of the Group's telecoms businesses.
- 2002: new restructuring measures representing costs of € 463 million, corresponding to:
  - € 359 million in costs relating to workforce reduction measures involving 5,855 employees, mainly in North America (€ 80 million), the United Kingdom (€ 60 million), Nordic countries (€ 32 million), the Benelux countries (€ 47 million) and Southern Europe (€ 52 million),
  - € 104 million in other costs mainly relating to measures taken to streamline the Group's real estate assets, launched at the end of the first-half 2002 further to the workforce reductions. These costs mainly concern the United Kingdom (€ 51 million including € 48 million related to office closures), the Benelux countries (€ 7 million), Germany and Central Europe (€ 10 million), the Asia-Pacific region (€ 8 million) and the Nordic countries (€ 7 million).

Integration costs represent:

- 2000: Integration costs reflected the costs of integrating the Ernst & Young consulting businesses which were not provided for in the balance sheet of the Ernst & Young consulting businesses as of May 23, 2000, as well as costs associated with setting up the new Group.

Gains on disposals of shares and businesses mainly relate to:

- 2000: the € 13 million loss on the disposal of Hagler Bailly shares,
- 2001: the € 32 million gain on the disposal of the Group's business process outsourcing activities in the United Kingdom,
- 2002: the € 8 million gain on the disposal of new business process outsourcing contracts in the United Kingdom.

Gains on disposals of property, plant and equipment mainly correspond to:

- 2001: the € 21 million gain on the sale of the capital lease held by Cap Gemini Ernst & Young France on its Issy-les-Moulineaux property.

The impact of discounting long-term deferred tax assets corresponds to:

- 2002: the adjustment of the American deferred tax asset recognized at the time of acquisition of the Ernst & Young consulting businesses in North America and the French tax consequences of the reorganization of the North American business (see note 21).

Write-downs of property, plant and equipment represent:

- 2002: an exceptional write-down of the value of a property in Behoust previously used as the premises of the Group university. Other uses for the property are being considered following the 2003 opening of the new university at the Fontaines site in Gouvieux, north of Paris.

Note 9 - Income taxes

Income taxes can be analyzed as follows:

(in millions of euros)	2000	2001	2002
Current income tax expense	(205)	(166)	55
Deferred taxes	(33)	62	(163)
Total	***(238)***	***(104)***	***(108)***

Effective rate of income tax

In 2002, the average effective tax rate was 37.5% (benefit) versus 35.9% in 2001 (charge) and 33.8% in 2000 (charge).

Cap Gemini Ernst & Young operates in countries with different tax regimes and the effective rate of income tax therefore varies from one year to another, based on changes in each country's contribution to consolidated earnings. The difference between the French standard rate of income tax and the effective tax rate of the Group can be analyzed as follows:

(in %)	2000	2001	2002
Standard tax rate in France	***37.8***	***36.4***	***35.4***
Impact (%) of:			
Utilization of tax loss carry-forwards	(0.4)	-	-
Net deferred tax assets corresponding to tax loss carry-forwards	(0.2)	-	(39.9)
Impact of adjustment to North American deferred tax asset	-	(4.1)	(151.4)
Tax impact in France of the reorganization of North American operations	-	-	131.6
Difference in tax rates between countries	0.7	2.8	(6.9)
Non-taxable dilution gain on the sale of Cap Gemini Telecom S.A shares to Cisco systems	(7.2)	-	-
Permanent differences and other items	3.1	0.8	(6.3)
Effective rate of income tax	***33.8***	***35.9***	***(37.5)***

In 2002, the Group's effective tax rate was 37.5% (benefit). The variance is principally due to the combined effect of:

- an increase of € 377 million in the provision recorded in relation to the long-term deferred tax asset recognized at the time of the acquisition of Ernst & Young's North American consulting businesses, as well as an additional provision of € 50 million recorded against to the deferred tax assets recognized in relation to tax loss carry-forwards dating from before to the Ernst and Young transaction.
- the recognition of a deferred tax asset in relation to French tax losses, primarily due to a net short-term capital loss of € 2 billion generated in 2002 on the reorganization of the Group's North American operations. Part of the loss was set off against the 2002 taxable income of the French tax group, cancelling out € 61 million in taxes, and part of the balance was carried back against prior years' taxable income. The carryback credit amounts to € 96 million. The deferred tax asset recognized on the remaining balance, which is available to be carried forward, has been limited to € 229 million;
- the write-down of deferred tax assets, primarily in Central and Southern Europe and the Asia-Pacific regions;
- permanent differences and other items arising in 2002, including:
  - taxes not based on taxable income in North America (local taxes) and Italy,
  - the non-taxable discounting adjustment to the deferred tax asset recognized on the acquisition of Ernst & Young's North American consulting businesses,
  - permanent differences, mainly concerning North America, Germany and the United Kingdom.
- During 2000, 2001 and 2002, several subsidiaries were subject to tax audits. The subsidiaries conserved have challenged a number of the proposed reassessments.

Note 10 - Amortization of goodwill and write-down of market shares

(in millions of euros)	2000	2001	2002
Amortization of goodwill	(22)	(31)	(39)
Write-down of market shares	-	-	(84)
Total	***(22)***	***(31)***	***(123)***

The consolidated net loss for the year is stated after an exceptional € 81 million write-down of the value of market shares carried in the balance sheet in relation to the Group's Telecoms operations in North America and a € 3 million write-down of the value of Programator's market share in Sweden.

Note 11 - Intangible assets

Changes in intangible assets can be analyzed as follows:

(in millions of euros)	Market share	Goodwill	Other intangible assets	TOTAL
Gross Value				
As of January 1, 2000	***836***	***944***	***117***	***1,897***
Translation adjustments	11	21	0	32
Acquisitions	0	10	35	45
Disposals	0	(39)	(16)	(55)
Changes in Group structure	(7)	49	39	81
As of December 31, 2000	***840***	***985***	***175***	***2,000***
Translation adjustments	18	18	2	38
Acquisitions	0	153	43	196
Disposals	0	0	(4)	(4)
Changes in Group structure	0	35	11	46
As of December 31, 2001	***858***	***1,191***	***227***	***2,276***
Translation adjustments	(58)	(58)	(12)	(128)
Acquisitions	0	22	35	57
Disposals	0	(1)	(12)	(13)
Changes in Group structure	0	4	(10)	(6)
As of December 31, 2002	***800***	***1,158***	***228***	***2,186***
Accumulated Amortization				
As of January 1, 2000	***-***	***(250)***	***(58)***	***(308)***
Translation adjustments	-	(7)	-	(7)
Additions	-	(22)	(20)	(42)
Reversals	-	9	11	20
Changes in Group structure	-	(6)	(11)	(17)
As of December 31, 2000	***-***	***(276)***	***(78)***	***(354)***
Translation adjustments	-	(6)	(1)	(7)
Additions	-	(31)	(40)	(71)
Reversals	-	-	4	4
Changes in Group structure	-	-	(18)	(18)
As of December 31, 2001	***-***	***(313)***	***(133)***	***(446)***
Translation adjustments	8	22	8	38
Additions	(84)	(39)	(48)	(171)
Reversals	0	0	11	11
Changes in Group structure	0	1	9	10
As of December 31, 2002	***(76)***	***(329)***	***(153)***	***(558)***
Net Book Value				
As of January 1, 2000	836	694	59	1,589
As of December 31, 2000	840	709	97	1,646
As of December 31, 2001	858	878	94	1,830
As of December 31, 2002	***724***	***829***	***75***	***1,628***

a) Market share

Market share represents part of the excess of purchase cost over the fair value of the net assets of Hoskyns in the United Kingdom (€ 392 million), Volmac in the Netherlands (€ 176 million), Programator in Sweden (€ 60 million) and Beechwood in the United States (€ 96 million) as of the date of acquisition.

The change in market share in 2002 can be analyzed as follows:
- an exceptional € 81 million write down of Beechwood's market share,
- a € 3 million adjustment to the value of Programator's market share,
- € 58 million in translation adjustments.

b) Goodwill

Goodwill as of December 31, 2002, primarily relates to the following geographic areas: North America (€ 144 million), the United Kingdom (€ 111 million), Benelux (€ 243 million), Germany and Central Europe (€ 107 million) and France (€ 103 million).

Changes in the net value of goodwill primarily reflect the following:

- 2000:
  - goodwill recorded by Ernst & Young consulting entities on acquisition of certain of their subsidiaries (€ 45 million increase),
  - the divestiture of certain software development and maintenance businesses in Germany (€ 28 million reduction),
  - goodwill recognized on the acquisition of subsidiaries during the year (€ 10 million increase),
  - amortization for the year (€ 22 million),
  - translation differences arising on goodwill denominated in foreign currencies (€ 14 million increase).

- 2001:
  - goodwill recorded on the acquisition of the 5.6% minority interests in Cap Gemini NV (€ 139 million increase),
  - goodwill generated on the acquisition of Hoechtief Software in Germany (€ 19 million increase), Cap Gemini Ernst & Young Travel & Logistics in Sweden (€ 13 million increase) and the 50% of OneSystem Group in the United States not already held by the Group (€ 10 million increase),
  - amortization for the year (€ 31 million),
  - translation differences arising on goodwill denominated in foreign currencies (€ 12 million increase).

- 2002:
  - goodwill recorded on the acquisition of businesses of the IT subsidiary of Werklinq in the Netherlands (€ 20 million increase).
  - amortization for the year (€ 39 million),
  - translation differences arising on goodwill denominated in foreign currencies (€ 36 million reduction).

Impairment tests were performed on goodwill carried in the consolidated balance sheet as of December 31, 2002 based on revenue multiples and discounted future cash flows. Revenue multiples were based on segmental multiples. The discounted cash flows method was applied on the basis of conservative revenue and earnings growth assumptions, using calculation parameters consistent with those applied for similar analyses. These tests did not reveal any impairment of goodwill.

The goodwill created by the public tender offer in July and August 1999 for the 37.5% interest in Cap Gemini NV amounted to € 855 million and was written off against share premium. If the goodwill had been recorded as an asset and amortized over 40 years, the amortization charge for 2002 would have been € 21 million and the net value as of December 31, 2002 would have been € 781 million.

c) Other intangible assets

Other intangible assets are mainly purchased software and other licenses.

Note 12 - Property, plant and equipment

Changes in property, plant and equipment in 2000, 2001 and 2002 can be analyzed as follows:

(in millions of euros)	Land, buildings, fixtures and fittings	Computer equipment	Other	TOTAL
GROSS VALUE				
As of January 1, 2000	***328***	***209***	***102***	***639***
Translation adjustments	(1)	-	-	(1)
Acquisitions	36	55	40	131
Disposals	(10)	(30)	(16)	(56)
Changes in Group structure	120	95	21	236
As of December 31, 2000	***473***	***329***	***147***	***949***
Translation adjustments	9	4	1	14
Acquisitions	45	107	86	238
Disposals	(96)	(44)	(19)	(159)
Changes in Group structure	(1)	-	(10)	(11)
As of December 31, 2001	***430***	***396***	***205***	***1,031***
Translation adjustments	(25)	(22)	(6)	(53)
Acquisitions	140	136	31	307
Disposals	(54)	(44)	(74)	(172)
Changes in Group structure	(13)	4	-	(9)
As of December 31, 2002	***478***	***470***	***156***	***1,104***
ACCUMULATED DEPRECIATION				
As of January 1, 2000	***(112)***	***(153)***	***(55)***	***(320)***
Translation adjustments	1	-	-	1
Additions	(36)	(51)	(16)	(103)
Reversals	4	24	6	34
Changes in Group structure	(45)	(32)	(9)	(86)
As of December 31, 2000	***(188)***	***(212)***	***(74)***	***(474)***
Translation adjustments	(5)	(2)	-	(7)
Additions	(46)	(84)	(16)	(146)
Reversals	37	36	14	87
Changes in Group structure	4	(7)	2	(1)
As of December 31, 2001	***(198)***	***(269)***	***(74)***	***(541)***
Translation adjustments	14	12	2	28
Additions	(29)	(83)	(41)	(153)
Reversals	13	42	9	64
Changes in Group structure	7	(4)	7	10
As of December 31, 2002	***(193)***	***(302)***	***(97)***	***(592)***
NET BOOK VALUE				
As of January 1, 2000	216	56	47	319
As of December 31, 2000	285	117	73	475
As of December 31, 2001	232	127	131	490
As of December 31, 2002	***285***	***168***	***59***	***512***

The gross value of leased assets represented € 220 million in 2002 (2001: € 142 million; 2000: € 131 million) and mainly relates to IT equipment in the UK (€ 53 million) and Benelux (€ 21 million), as well as to the former and new university buildings in Behoust and Les Fontaines for € 39 million and € 95 million respectively. The related accumulated depreciation was € 48 million in 2002 (2001: € 26 million; 2000: € 49 million).

Note 13 - Investments

Investments can be analyzed as follows:

As of December 31 *(in millions of euros)*	2000	2001	2002
Investments accounted for by the equity method	2	2	1
Shares in non-consolidated companies	44	65	60
Deposits and other long-term investments	24	22	24
Total	***70***	***89***	***85***

a) Shares in non consolidated companies

Changes in shares in non-consolidated companies can be analyzed as follows:

(in millions of euros)	2000	2001	2002
As of January 1	***30***	***44***	***65***
Translation adjustments	1	2	(5)
Acquisitions	27	67	9
Disposals	(30)	(3)	-
Write-downs	-	(39)	-
Other mouvements	-	-	(9)
Changes in Group structure	16	(6)	-
As of December 31	***44***	***65***	***60***

The main changes in shares in non-consolidated companies break down as follows:

- 2000: the Group acquired shares in non-consolidated companies for a total of € 27 million, as follows:
  - Cap Gemini Ernst & Young US acquired a stake in Corio, an Application Services Provider, for € 9 million,
  - Cap Gemini UK and Vodafone-Mannesman created a joint subsidiary, which was consolidated from January 1, 2001 and sold to Vodafone-Mannesmann on November 30, 2001,
  - acquisitions in the United States, Central Europe and Italy (€ 13 million).

In 2000 the Group also sold its stake in Hagler-Bailly to the PA Consulting Group for €16 million. In addition, as part of the acquisition of Ernst & Young's consulting businesses in the United States, the Group included in its balance sheet certain minority stakes in companies such as Vialink (€ 10 million) and Mainspring (€ 3 million). The interest in Mainspring was sold in 2001.

- 2001:
  - The Group sold business process outsourcing activities in the United Kingdom to Vertex, using the proceeds of the sale to simultaneously acquire shares representing 12.2% of Vertex's capital, for € 65 million. As the Group has been guaranteed a minimum sale price for these shares, their net value in the consolidated balance sheet has been written down to € 47 million to reflect the guaranteed amount.
  - Trading in Vialink shares on the Nasdaq was suspended in November 2001 due to a significant fall in the price. These shares, which were carried in the balance sheet at € 10 million were therefore written down in full.
  - The Group also has several minor interests in Internet companies in the United States whose value was seriously impaired during 2001. Those shares were therefore written down to fair value to the Group which was € 5 million as of December 31, 2001.

- 2002:
  - The Group transferred the Hydro One contract to Vertex in exchange for shares, increasing its stake in Vertex to 14.4%. The shares had a carrying value of € 53 million as of December 31, 2002. The shares acquired in 2002 are subject to the same minimum sale price guarantee as those acquired in 2001 and are valued in the same way.
  - Other movements in this item correspond to a revaluation of the CORIO shares acquired in 2000 and received as remuneration for services invoiced, for which no income was recognized in the statement of income for reasons of prudence.

b) Deposits and other long-term investments

The fair value of deposits and other long-term investments is not materially different from their net book value.

c) Related party transactions

Transactions carried out with Vertex during 2002 primarily include:

- € 132 million in services invoiced by the Group to Vertex,
- various services invoiced by Vertex to the Group in an amount of € 68 million.

Services invoiced by the Group to APIS (a company consolidated by the equity method) under its outsourcing agreement amounted to € 28 million in 2002.

Transactions carried out with other related companies were not material.

Note 14 - Accounts and notes receivable, net

As of December 31 *(in millions of euros)*	**2000**	**2001**	**2002**
Trade accounts and notes receivable, net	2,164	2,068	1,550
Other accounts and notes receivable	148	108	114
Total	***2,312***	***2,176***	***1,664***

All accounts and notes receivable are due within one year.

a) Trade accounts and notes receivable, net

As of December 31 *(in millions of euros)*	**2000**	**2001**	**2002**
Trade accounts receivable	2,026	1,871	1,482
Work-in-progress	637	958	901
Provisions for doubtful accounts	(59)	(33)	(82)
Advances received from customers	(440)	(728)	(751)
Total	***2,164***	***2,068***	***1,550***
In number of days of total operating revenue	**93**	**90**	**80**

The 25% decrease in this item reflects the combined impact of the increasing shift towards outsourcing and a tightly controlled recovery policy for trade accounts and notes receivable implemented over the last few months of 2002.

b) Other accounts and notes receivable

As of December 31 *(in millions of euros)*	**2000**	**2001**	**2002**
Employees and social security	29	13	1
Prepaid and recoverable taxes	45	38	23
Other	74	57	90
Total	***148***	***108***	***114***

Note 15 - Other receivables

As of December 31 *(in millions of euros)*	**2000**	**2001**	**2002**
Income tax prepayments	110	52	134
Deferred tax assets	137	177	162
Other	80	93	128
Total	***327***	***322***	***424***

The increase in "Income tax prepayments" relates mainly to the recognition of a € 96 million carryback credit in France, which may be used over a maximum period of five years. No provisions for impairment in value are recorded for "Income tax prepayments" or "Other", which are both due within one year. Deferred tax assets and liabilities are analyzed in note 21.

Note 16 - Shareholders' equity

a) Share capital, additional paid-in capital, retained earnings

These items, together with the related number of shares outstanding, are dealt with in the consolidated statement of changes in shareholders' equity.

Consolidated retained earnings represent the sum of Cap Gemini S.A.'s retained earnings, the Group's equity in the post-acquisition retained earnings of subsidiaries, together with cumulative translation adjustments, and can be analyzed as follows:

As of December 31 *(in millions of euros)*	**2000**	**2001**	**2002**
Retained earnings of Cap Gemini S.A.	514	593	780
Retained earnings of subsidiaries (*)	499	439	(261)
Cumulative translation adjustments	67	157	(81)
Total	***1,080***	***1,189***	***438***

(*) Net of dividends paid to Cap Gemini S.A.

b) Stock option plans

The Board of Directors was authorized by the May 23, 2000 Annual Shareholders' Meeting, and the Directoire by the Annual Shareholders' Meeting of May 24, 1996 to set up one or several employee stock option plans over a five-year period.

Details of the two stock option plans in force as of December 31, 2002 are summarized in the table below:

	1996 Plan	**2000 Plan**	
Date of Shareholders' Meeting	May 24, 1996	May 23, 2000	
Total number of options available for grant	6,000,000	12,000,000	
Beginning of exercise period	July 1, 1996	September 1, 2000	October 1, 2001
Exercise period	6 years	6 years	5 years
Exercise price as a % of average quoted market price for the 20 trading days preceding the date of grant	80%	80%	100%
Exercise price per share in €			
. Low	39.52	139.00	24.00
. High	178.00	161.00	60.00
Number of shares subscribed as of December 31, 2002	1,423,465	-	-
Potential number of shares to be created on exercise of options outstanding as of December 31, 2002	(1) 3,149,390	(2) 2,286,950	(3) 5,515,000
Of which options held by two of the eleven members of the Board of Directors	70,000	-	95,000

(1) i.e. 358,411 shares at a price of € 39.52; 450,239 shares at a price of € 56.98; 473,415 shares at a price of € 87.96; 197,200 shares at a price of € 114; 473,325 shares at a price of € 118; 364,000 shares at a price of € 161; 485,800 shares at a price of € 178 and 347,000 shares at a price of € 144.
(2) i.e. 1,210,950 shares at a price of € 161 and 1,076,000 shares at a price of € 139.
(3) i.e. 3,064,000 shares at a price of € 60 and 2,451,000 shares at a price of € 24.

In the event of an authorized tender offer to acquire the Company's shares and other securities giving access to the Company's capital or voting rights, all outstanding stock options would become immediately exercisable.

c) Minority interests

Minority interests correspond to third parties' equity in the net assets of Cap Gemini Ernst & Young subsidiaries. Movements in minority interests were minimal in 2002 and can be analyzed as follows:

(in millions of euros)	2000	2001	2002
As of January 1	***27***	***75***	***39***
Minority interests in increase in share capital of subsidiaries (1)	38	-	-
Minority interests in net income/(loss) of subsidiaries	7	-	(7)
Purchase of Cap Gemini NV minority interests	-	(29)	(1)
Minority interests in cumulative translation adjustment and other	5	(3)	(2)
Dividends paid by subsidiaries to minority shareholders	(2)	(4)	-
As of December 31	***75***	***39***	***29***

On October 31, 2000 Cisco acquired a 4.9% stake in Cap Gemini Telecom S.A., the holding company for the Cap Gemini and Gemini Consulting telecommunications, media and networks businesses. Cisco's minority interest in the shareholders' equity of Cap Gemini Telecom S.A. as of December 31, 2000 amounted to € 40 million.

On April 28, 2001 Cap Gemini S.A. purchased a further 5.6% stake in Cap Gemini NV bringing its total interest in the company to 99.8%. Minority interests as of December 31, 2001 totaled € 39 million, principally reflecting Cisco Systems' minority interest in Cap Gemini Telecom S.A.

In 2002, movements in minority interests mainly reflect the results of the Group's telecoms businesses.

Note 17 - Net cash and cash equivalents

Net cash and cash equivalents comprise cash and cash equivalents less short-term and long-term debt.

As of December 31 *(in millions of euros)*	2000	2001	2002
Cash and cash equivalents	1,003	875	762
Debt	(154)	(177)	(297)
Net cash and cash equivalents	***849***	***698***	***465***

a) Cash and cash equivalents

Cash and cash equivalents, corresponding to financial receivables, short-term investments and cash, less bank overdrafts, break down as follows:

As of December 31 *(in millions of euros)*	2000	2001	2002
Financial receivables and short-term investments	666	503	490
Cash	463	484	372
Bank overdrafts	(126)	(112)	(100)
Cash and cash equivalents	***1,003***	***875***	***762***

Financial receivables and short-term investments break down as follows:

As of December 31 *(in millions of euros)*	2000	2001	2002
Financial receivables	11	10	4
Short-term deposits and marketable securities	655	493	486
Total	***666***	***503***	***490***

The fair value of financial receivables and short-term investments is not materially different from their book value.

b) Long and short-term debt

Debt is broken down into long and short-term debt, with short-term debt referring both to the current portion of long-term debt and amounts originally due within one year. It can be analyzed as follows.

As of December 31 *(in millions of euros)*	2000	2001	2002
Long-term debt	91	120	155
Short-term debt	63	57	142
Total	***154***	***177***	***297***

- **Analysis by type of debt**

As of December 31 *(in millions of euros)*	**2000**	**2001**	**2002**
Drawdowns against lines of credit and other borrowings covered by lines of credit	26	39	114
Obligations under capital leases	72	116	175
Other borrowings	56	22	8
Total	***154***	***177***	***297***

- Drawdowns against lines of credit and other borrowings covered by lines of credit

The € 114 million can be mainly analyzed as follows:

- in North America, € 79 million (denominated in US dollar) of drawdowns against bank lines of credit at an average rate of 1.9%, guaranteed by Cap Gemini S.A.;
- in the Asia Pacific region, € 30 million (primarily denominated in australian dollar) of drawdowns against bank lines of credit at 4.1% interest rate and partially guaranteed by Cap Gemini S.A..

On July 31, 2001, the Company obtained a € 600 million multi-currency line of credit from a banking syndicate expiring on July 31, 2006. No drawdowns were outstanding under this line as of December 31, 2002.

The main characteristics of the facility are as follows:

- Term: 5 years,
- Interest: Euribor and Libor (1-3-6-12 month),
- Fee on undrawn amount: 0.125%
- Fee on drawdowns: 0.275% to 0.325% depending on the amounts utilized.

The loan agreement includes certain covenants related to consolidated debt-to-equity and interest cover ratios. As of December 31, 2002 the group complied with these ratios.

Any upgrade or downgrade in Cap Gemini S.A.'s credit rating would not affect the use of this line of credit or the interest rate.

During 2002, this facility was used mainly to back up commercial paper issued for periods of 1 to 3 months, essentially for occasional financing requirements.

- Obligations under capital leases

As of December 31, 2002, obligations under capital leases relate primarily to the financing of leasehold improvements to the Cap Gemini university buildings at Behoust and Les Fontaines, and of IT equipment acquired by Cap Gemini Ernst & Young UK and Cap Gemini Ernst & Young ISM BV (Benelux) for their outsourcing business. The capital lease on the Issy les Moulineaux property was sold on December 31, 2001, generating a € 21 million gain.

(in millions of euros)	**Inception date**	**Maturity**	**Rate**	**Obligation as of Dec. 31, 2000**	**Obligation as of Dec. 31, 2001**	**Obligation as of Dec. 31, 2002**
Issy-les-Moulineaux (France)	Nov. 1989	Sold in Dec. 2001	3-month Euribor + 0.6%	22	-	-
Cap Gemini University (Behoust)	April 1992	March 2012	3-month Euribor +0.7%	34	32	31
Cap Gemini University (Les Fontaines)	Dec. 2001	June 2014	3-month Euribor +0.75%	-	44	93
Cap Gemini Ernst & Young UK	Dec. 2001	July 2010	Fixed rates (3.6% to 9.7%)	16	40	30
Cap Gemini Ernst & Young ISM BV	Dec. 2002	Dec. 2005	Fixed rates (4.03% to 4.25%)	-	-	21
Total				***72***	***116***	***175***

- **Characteristics of long and short-term debt:**

- Interest rates

The average interest rate paid on Group debt stood at 5.4% in 2002 (2001: 4.8% and 2000: 4.9%). Excluding management costs and interest expense related to French employees incentive plans, the average interest rate was 4.30%.

As of December 31, 2002 62% of Group debt was at variable rates and 38% at fixed rates.

- Maturities of debt

Maturities of debt are as follows:

As of December 31 *(in millions of euros)*	**2000**		**2001**		**2002**	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**
y+1	63	41	57	32	142	48
y+2	17	11	19	11	25	8
y+3	16	10	18	10	23	8
y+4	15	10	13	7	14	5
y+5	12	8	10	6	13	4
y + 6 and subsequent years	31	20	60	34	80	27
Total	***154***	***100***	***177***	***100***	***297***	***100***

- Breakdown by currency

The breakdown of debt by currency is as follows:

As of December 31 *(in millions of euros)*	**2000**		**2001**		**2002**	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**
French franc	56	36	-	-	-	-
Pound sterling	16	11	40	23	31	11
US dollar	11	7	19	11	84	28
Deutsch mark	32	21	5	3	-	-
Euro	25	16	82	46	149	50
Other currencies	14	9	31	17	33	11
Total	***154***	***100***	***177***	***100***	***297***	***100***

50 % of total debt is denominated in euros .

- Collateral

As of December 31, 2002, borrowings were secured by collateral totaling € 175 million (2001: € 116 million; 2000: € 72 million).

- Fair value of borrowings

The fair value of short-term debt and obligations under capital leases is close to their book value as they are at market rates of interest.

- **Movements in long and short-term debt**

Movements in long and short-term debt can be analyzed as follows:

(in millions of euros)	**2000**	**2001**	**2002**
As of January 1	**241**	**154**	**177**
Translation adjustments	5	1	(16)
Repayments	(112)	(76)	(38)
New borrowings	20	98	174
As of December 31	***154***	***177***	***297***

c) Short-term debt and bank overdrafts

Short-term debt and bank overdrafts are as follows:

As of December 31 *(in millions of euros)*	**2000**	**2001**	**2002**
Short-term debt	63	57	142
Bank overdrafts	126	112	100
Short-term debt and bank overdrafts	***189***	***169***	***242***

Note 18 - Provisions and other long-term liabilities

As of December 31 *(in millions of euros)*	**2000**	**2001**	**2002**
Provisions for retirement benefit obligations	67	73	96
Provisions for contingencies and charges	18	22	26
Employee profit-sharing reserve	44	69	69
Long-term deferred tax liabilities	82	73	61
Total	***211***	***237***	***252***

• Retirement benefits

As explained in note 1.I, Group employee retirement plans are set up in accordance with the regulations and practices in force in the countries where the Group operates.
There are two categories of retirement plans:

• **Defined contribution** plans:
These exist in most European countries (France, Benelux, Central Europe, Nordic countries, and South Europe), in the United States and in the Asia-Pacific region.
These plans are funded by contributions paid to authorized agencies, which are booked as an expense.

• **Defined benefit** plans
These can be either:

- Unfunded defined benefit plans:
  Obligations under unfunded retirement and other post-retirement benefit plans are covered by provisions recorded in the balance sheet under "Provisions for retirement benefit obligations". The main countries concerned are France, Central Europe, the Nordic countries, North America and Italy.
- Funded defined benefit plans:
  These plans exist in Canada, the United Kingdom, and Germany.
  As of December 31, 2002 obligations under these plans were covered by external funds or provisions.
  - In Canada, funded defined benefit plan obligations concern New Horizons and Inergi, two companies set up in connection with outsourcing contracts;
  - In the United Kingdom, the plan covers approximately 5,400 employees. Benefit obligations are determined by the statutory method, which consists of determining the present value of the obligation by applying a discount rate corresponding to the expected long-term rate of return on plan assets, calculated by asset category. Based on bond yields, the plan would be underfunded by € 288 million as of December 31, 2002 (versus € 120 million as of December 31, 2001) due to the current unfavorable market conditions.
  - In Germany, around 300 employees participate in an optional plan covered by an insurance policy taken out by the company.

• Movements in provisions for retirement benefit obligations and provisions for contingencies and charges were as follows:

(in millions of euros)	**Dec. 31, 2001**	**Additions**	**Reversals (utilization)**	**Reversals (none utilization)**	**Translation adjustments**	**Changes in Group structure**	**Dec. 31, 2002**
Provisions for retirement benefits and for contingencies and charges	95	40	(16)	(4)	(3)	10	122
Total	***95***	***40***	***(16)***	***(4)***	***(3)***	***10***	***122***

• Long-term deferred tax liabilities are analyzed in note 21.

Note 19 - Accounts and notes payable

As of December 31 *(in millions of euros)*	**2000**	**2001**	**2002**
Trade accounts payable, net	698	478	518
Accrued personnel costs	743	800	778
Accrued taxes	270	243	212
Other	120	187	111
Total	***1,831***	***1,708***	***1,619***

Note 20 - Financial instruments

• Interest rate hedges

As of December 31, 2000, the only hedging contract in progress was an interest rate swap on an amount of € 15 million for a period of one month, related to commercial paper issues, whereby a fixed rate (4.98% paid by Cap Gemini S.A.) had been swapped for a variable rate (capitalized Eonia).

No interest rate hedges were outstanding as of December 31, 2001.

As of December 31, 2002, three interest rate swaps were outstanding on a total amount of € 24.8 million, covering periods ranging from 9 to 48 days:

- the first two swaps were taken out as hedges of interest rate risks on convertible bonds maturing within 48 days of the year-end. Under the terms of the contracts, Cap Gemini S.A. paid a fixed rate of 2.50% and received the 3-month Euribor + 3.00% and the 3-month Euribor + 4.50% respectively.
- the third swap was set up to hedge interest rate risks on investments in euro commercial paper. Under the terms of the contract, Cap Gemini S.A. paid a fixed rate of 3.21% and received the capitalized Eonia.

The market value of these hedging instruments as of December 31, 2002 exceeded their book value. The unrealized gain was not material.

• Currency hedges

As of December 31, 2000, currency hedges totaled € 213 million, as follows:

- hedges of commercial transactions expiring in 2001, including forward sales of USD 19 million (€ 21 million),
- currency swaps expiring in 2001, acquired as hedges of intercompany financing transactions, including:
  - USD 123 million (€ 144 million),
  - GBP 19 million (€ 30 million),
  - SGD 28 million (€ 18 million).

As of December 31, 2001, currency hedges totaled € 53 million made up of currency swaps expiring in 2002, acquired as hedges of intercompany financing transactions, including:

- GBP 32 million (€ 52 million),
- AUD 2 million (€ 1 million),
- MXN 1 million (€ 0.1 million).

As of December 31, 2002, currency hedges totaled € 126.1 million as follows:

- hedges of intercompany commercial transactions expiring in 2003: forward sale of CAD 1.8 million (€ 1.1 million);
- currency swaps expiring in 2003, acquired as hedges of intercompany financing transactions, including:
  - GBP 75 million (€ 115,3 million),
  - AUD 13 million (€ 7 million),
  - SGD 5 million (€ 2.7 million).

The market value of these hedging instruments as of December 31, 2002 exceeded their book value by around € 0.6 million.

Note 21 - Deferred taxes

a) Changes in deferred taxes

Deferred tax assets and liabilities can be analyzed as follows:

As of December 31 *(in millions of euros)*	**2000**	**2001**	**2002**
Tax loss carry-forwards	214	421	820
Temporary differences arising from the acquisition of the Ernst & Young consulting businesses	1,377	1,204	1,047
Other	37	46	11
Provisions against deferred tax assets	(842)	(808)	(1,191)
Total deferred tax assets (long-term)	**786**	**863**	**687**
Tax loss carry-forwards	1	15	76
Temporary differences arising from the acquisition of the Ernst & Young consulting businesses	33	101	42
Provisions for vacation pay	14	14	13
Restructuring provisions	62	2	-
Other	27	46	36
Provisions against deferred tax assets	-	(1)	(5)
Total deferred tax assets (short-term)	**137**	**177**	**162**
Total deferred tax assets	***923***	***1 040***	***849***
Restated amortization of goodwill	(57)	(66)	(57)
Capitalization and amortization	(9)	(3)	-
Provisions	(6)	(4)	(3)
Other	(10)	-	(1)
Total deferred tax liabilities (long-term)	**(82)**	**(73)**	**(61)**
Revaluation of work-in-progress	(10)	(7)	(5)
Restructuring provisions	(30)	(18)	(19)
Other	(4)	(5)	(1)
Total deferred tax liabilities (short-term)	**(44)**	**(30)**	**(25)**
Total deferred tax liabilities	***(126)***	***(103)***	***(86)***

As of December 31, 2002, the majority of deferred tax assets can be analyzed as follows:

1. deferred tax assets relating to the contribution of the Ernst & Young consulting businesses in North America:

- The € 4,776 million difference between the acquisition price of the Ernst & Young consulting businesses in North America and the historical cost of the assets and liabilities acquired is being amortized over 15 years for tax purposes. Based on an analysis of the recoverability of the tax benefit corresponding to the tax-deductible amortization, the Group recognized a deferred tax asset of € 762 million as of December 31, 2001 and € 698 million as of December 31, 2000.
- As of December 31, 2002 this North American deferred tax asset has been adjusted to reflect changes in earnings assumptions for the Group's North American operations for the next fifteen years, based on growth and profitability assumptions considered as reasonable, using the following visibility and discounting parameters:
  - 100% utilization in the next five years. As from the sixth year, probable recoveries are covered by provisions calculated at a standard rate of 35%, which is increased by five points per year up to 70% as of the fifteenth year, and increased to 100% in the sixteenth year.
  - discounting rate of 5.1% (rate of 30-year US treasury bonds).
- As a result of this adjustment an additional amount of € 377 million was set aside in the provision originally set up, adjusted for the € 118 million impact of discounting and € 50 million recorded against deferred tax assets recognized in relation to tax loss carryforwards dating from before the Ernst & Young transaction.
- After the above items and translation adjustments, the balance of the provision as of December 31, 2002 was € 398 million, including a long-term portion of € 356 million and a short-term portion of € 42 million.

2. a new deferred tax asset recognized in France further to the reorganization of the Group's North American businesses:

- Cap Gemini SA recognized a net short-term capital loss of € 2 billion in 2002 on the reorganization of the Group's North American operations. The accounting treatment of this loss was as follows:
  - Part of the loss was carried back against prior years' taxable income, giving rise to a carryback credit of € 96 million (see note 14 "Other receivables"),
  - Part of the loss was set off against the 2002 taxable income of the companies in the tax group, canceling out € 61 million in taxes,
  - The deferred tax asset recognized on the remaining balance, which is available to be carried forward, was limited to € 229 million or € 213 million after discounting at a rate of 3.5%. This amount includes a long-term portion of € 147 million and a short-term portion of € 66 million.

b) Tax losses

(in millions of euros)	2000	2001	2002
Tax loss carry-forwards temporarily available	446	999	1,922
Tax loss carry-forwards available without time limit	150	197	582
Total tax loss carry-forwards	***596***	***1,196***	***2,504***
Related potential tax saving	215	436	896
of which recognized deferred tax asset	177	407	705

The increase in tax loss carry-forwards reflects:

- € 647 million relating to the recognition of a net short-term capital loss generated in 2002 on the reorganization of the Group's North American operations, after deducting the amount set off against taxable income of the year,
- the amortization which the Group is able to apply for tax purposes as a result of the acquisition of the Ernst & Young's consulting businesses in North America (€ 285 million),
- net losses generated in 2002, mainly in the United Kingdom (€ 162 million), North America (€ 95 million), Southern Europe (€ 75 million) and Central Europe (€ 55 million),
- a € 167 million negative translation adjustment on North American tax loss carry-forwards.

The expiration dates of available tax loss carry-forwards as of December 31, 2000, 2001 and 2002 were as follows:

	2000		2001		2002	
As of December 31 *(in millions of euros)*	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
y+1	6	1	54	5	220	9
y+2	5	1	6	1	248	10
y+3	8	1	46	4	236	10
y+4	48	8	15	1	32	1
y+5 and subsequent years	379	64	878	73	1,186	47
without time limit	150	25	197	16	582	23
Total	***596***	***100***	***1,196***	***100***	***2,504***	***100***

Note 22 - Commitments received from and given to third parties

a) Commitments received

As of December 31 *(in millions of euros)*	2000	2001	2002
Commitments received from third parties:			
- on contracts	1	2	1
- other	2	2	4
Total	***3***	***4***	***5***

b) Commitments given

As of December 31 *(in millions of euros)*	2000	2001	2002
Commitments given to third parties:			
- on contracts	39	35	36
- on non-cancelable leases	1,008	1,259	1,229
- on borrowings	224	27	8
- other	23	44	25
Total	***1,294***	***1,365***	***1,298***

Commitments given on contracts represent purchase orders to be issued under global purchase contracts.
Other commitments correspond to tax bonds.

As of December 31, 2002, the Group's commitments under non-cancelable leases were as follows:

(in millions of euros)	**Computer equipment**	**Offices**	**Vehicles**	**Other**	**Total**
y+1	48	166	60	13	287
y+2	25	150	43	4	222
y+3	19	130	19	3	171
y+4	10	114	4	1	129
y+5	2	92	1	1	96
y+6 and subsequent years	4	317	-	3	324
Total	***108***	***969***	***127***	***25***	***1,229***

Office lease terms depend on the country concerned and vary between 5 and 25 years. Vehicle leases are 3-year short-term contracts.

Commitments relating to non-cancelable leases are mainly given in North America (€ 200 million), the United Kingdom (€ 346 million), the Benelux countries (€ 207 million), Germany and Central Europe (€ 118 million), and France (€ 157 million).

c) Other commitments

Under the terms of the agreements signed in connection with the acquisition of the Ernst & Young consulting businesses, former partners of Ernst & Young who worked in the consulting businesses became employees of the Cap Gemini Ernst & Young Group and as such have employment contracts. If any of these employees of the Cap Gemini Ernst & Young Group decides to leave the Group within a specific period, they are required to return all or some of the shares received at the time of sale of the Ernst & Young consulting businesses to Cap Gemini. The number of shares to be returned depends on the reason for and timing of the new employee's departure.

Under the terms of the agreement with Cisco Systems, if any of Cisco Systems' main competitors were to launch a takeover bid for Cap Gemini S.A., Cisco Systems would have the right to acquire all the shares of the joint subsidiary Cap Gemini Telecom S.A.

Cap Gemini S.A. as well as all subsidiaries and any companies at least 50%-owned, either directly or indirectly, are insured for possible financial losses resulting from general or professional liability claims arising in the course of their business. The cover has been taken out with several different insurance companies as part of a worldwide insurance program. The program is reviewed and adjusted periodically to take into account any changes in the Group's revenues, businesses and risks.

As of December 31, 2002 the Group had not given or received any complex commitments as defined in the recommendation of the *Commission des Opérations de Bourse* for the preparation of 2002 *"documents de référence"*.

The commitments described above represent material commitments as of December 31, 2002.

Note 23 - Exceptional events and litigation

The Group is not aware of any exceptional events or other claims that are likely to have or may have had, in the recent past, a material impact on its business, financial position, results of operations, assets or outlook, which are not reflected in the accounts or discussed in the notes to the consolidated financial statements.

Note 24 - Number of employees

The average number of employees by the eight geographic areas can be analyzed as follows:

Average number of employees	2000		2001		2002	
	Employees	%	Employees	%	Employees	%
North America	8,217	16	11,040	18	9,893	18
United Kingdom and Ireland	8,781	18	9,014	16	7,412	14
Nordic countries	4,613	9	5,140	9	4,589	8
Benelux	8,674	17	9,835	16	9,333	17
Germany and Central Europe	2,333	5	3,435	6	3,191	6
France	12,098	24	13,794	23	13,637	25
Southern Europe	4,193	8	5,641	9	4,998	9
Asia-Pacific	1,340	3	2,007	3	1,829	3
Total	***50,249***	***100***	***59,906***	***100***	***54,882***	***100***

The number of employees by the eight geographic areas as of December 31, is as follows:

Number of employees as of December 31	2000		2001		2002	
	Employees	%	Employees	%	Employees	%
North America	11,428	19	9,810	17	9,674	18
United Kingdom and Ireland	9,779	17	7,906	14	7,268	14
Nordic countries	4,877	8	5,149	9	4,250	8
Benelux	9,549	16	9,862	17	8,860	17
Germany and Central Europe	3,279	6	3,555	6	3,124	6
France	13,334	22	14,045	24	13,378	25
Southern Europe	5,291	9	5,546	10	4,636	9
Asia-Pacific	2,012	3	1,887	3	1,493	3
Total	***59,549***	***100***	***57,760***	***100***	***52,683***	***100***

Note 25 - Geographic segment information

Operating revenue and operating income, fixed assets and trade accounts and notes receivable by geographic area are as follows:

Operating Revenue *(in millions of euros)*	2000 (Pro forma)		2001		2002	
	Amount	%	Amount	%	Amount	%
North America	2,951	35	2,848	34	2,258	32
United Kingdom and Ireland	1,351	16	1,414	17	1,223	17
Nordic countries	586	7	577	7	469	7
Benelux	1,025	12	1,036	12	925	13
Germany and Central Europe	565	7	519	6	466	7
France	1,308	15	1,367	16	1,239	17
Southern Europe	436	5	439	5	327	5
Asia-Pacific	249	3	216	3	140	2
Total	***8,471***	***100***	***8,416***	***100***	***7,047***	***100***

Operating Income *(in millions of euros)*	2000 (Pro forma)		2001		2002	
	Amount	%	Amount	%	Amount	%
North America	252	28	178	42	42	37
United Kingdom and Ireland	151	17	(3)	(1)	(24)	(21)
Nordic countries	55	6	10	2	(6)	(5)
Benelux	164	19	128	30	47	41
Germany and Central Europe	74	8	25	6	(3)	(3)
France	162	18	83	20	85	75
Southern Europe	35	4	12	3	(15)	(13)
Asia-Pacific	-	-	(10)	(2)	(12)	(11)
Total	***893***	***100***	***423***	***100***	***114***	***100***

Fixed assets *(in millions of euros)*	2000 (Pro forma)		2001		2002	
	Amount	%	Amount	%	Amount	%
North America	515	23	500	21	356	16
United Kingdom and Ireland	633	29	684	28	628	28
Nordic countries	132	6	126	5	114	5
Benelux	316	14	437	18	458	21
Germany and Central Europe	167	8	186	8	175	8
France	370	17	401	17	423	19
Southern Europe	46	2	59	2	59	3
Asia-Pacific	12	1	16	1	12	-
Total	***2,191***	***100***	***2,409***	***100***	***2,225***	***100***

Trade accounts and notes receivable, net *(in millions of euros)*	2000 (Pro forma)		2001		2002	
	Amount	%	Amount	%	Amount	%
North America	405	19	420	20	298	19
United Kingdom and Ireland	337	15	325	16	253	16
Nordic countries	149	7	117	7	79	5
Benelux	323	15	277	13	226	15
Germany and Central Europe	215	10	174	8	131	9
France	458	21	460	22	377	24
Southern Europe	207	10	225	11	152	10
Asia-Pacific	70	3	70	3	34	2
Total	***2,164***	***100***	***2,068***	***100***	***1,550***	***100***

Note 26 - Joint-ventures

The Group has several joint ventures, particularly in Canada, Germany and the United Kingdom. These joint-ventures contribute 1.41% of consolidated operating revenue.

Note 27 - Subsequent events

A contract has been signed with IBM to provide applications management services to the automotive supplier Visteon Corporation as part of that company's global alliance relationship with IBM. This 10-year contract is worth some € 500 million and includes IT support services across mainframe and client-server application platforms.

Note 28 - List of consolidated companies by country (134)

Country	Consolidated companies	% interest	Consolidation method
Germany	Cap Gemini Ernst & Young Deutschland GmbH	100%	FC
	Cap Gemini Ernst & Young Deutschland Holding GmbH	100%	FC
	Cap Gemini Ernst & Young Systems GmbH	100%	FC
	Gemini Consulting GmbH&Co KG	100%	FC
	Gemini Consulting Verwaltungs GmbH	100%	FC
	Is Energy Information Services für die Energiewirtschaft GmbH	25.2%	PROP
	SD&M Software Design and Management AG	100%	FC
	Sogeti Deutschland GmbH	100%	FC
	Cap Gemini Telecom Media & Networks Deutschland GmbH	95%	FC
Australia	Cap Gemini Ernst & Young Australia Pty Ltd	100%	FC
	Cap Gemini Ernst & Young Business Services Australia Pty Ltd	100%	FC
Austria	Cap Gemini Ernst & Young Österreich AG	100%	FC
Belgium	Cap Gemini Ernst & Young Belgium NV/S.A.	100%	FC
	Cap Gemini Ernst & Young People Systems Infrastructure NV/S.A.	100%	FC
	Gitek Software NV	100%	FC
	Twinsoft NV S.A.	100%	FC
	Sogeti S.A.	100%	FC
	Cap Gemini Telecom Media & Networks Belgium NV	95%	FC
Canada	Cap Gemini Ernst & Young New Brunswick Inc.	100%	FC
	Business Transformation Services Inc.	100%	FC
	Cap Gemini Ernst & Young Canada Inc.	100%	FC
	Inergi Inc.	100%	FC
	Inergi LP	100%	FC
	New Horizons System Solutions LLP	100%	FC
	New Horizons Systems Solutions Inc.	100%	FC
China	Cap Gemini Ernst & Young (Shanghai) Co. Ltd	100%	FC
	Cap Gemini Ernst & Young Hong Kong Ltd	100%	FC
	Cap Hong Kong Ltd	100%	FC
	One Resource Ltd (Hong Kong)	50%	PROP
	One Resource Group Ltd (Hong Kong)	50%	PROP
Denmark	Cap Gemini Ernst & Young Danmark AS	100%	FC
	Cap Gemini Telecom Media & Networks Danmark AS	95%	FC
Spain	Cap Gemini Ernst & Young Espana, S.L.U.	100%	FC
	Software y Aplicaciones Empresariales, S.L.U.	100%	FC
	Sogeti Espana	100%	FC
	Cap Gemini Telecom Media & Networks Espana SL	95%	FC
United States	BiosGroup Inc.	41.4%	EQ
	Cap Gemini America Inc.	100%	FC
	Cap Gemini Ernst & Young Application Services LLC	100%	FC
	Cap Gemini Ernst & Young Kansas City Service Center LLC	100%	FC
	Cap Gemini Ernst & Young U.S. Consulting B.V.	100%	FC
	Cap Gemini Ernst & Young U.S. Holding Inc.	100%	FC
	Cap Gemini Ernst & Young U.S. Holdings LLC	100%	FC
	Cap Gemini Ernst & Young U.S. LLC	100%	FC
	Cap Gemini North America Inc.	100%	FC
	Cap Gemini Technologies LLC	100%	FC
	Sogeti USA LLC	100%	FC
	Cap Gemini Telecom Media & Networks US Inc	95%	FC
Finland	Cap Gemini Ernst & Young Finland Oy	100%	FC
	Capsam Consulting Oy	100%	FC
	Racap Solutions Oy	65%	FC
	Cap Gemini Telecom Media & Networks Finland Oy	95%	FC

FC = Fully Consolidated   EQ = Accounted for by the equity method   PROP = Proportional consolidation

Country	Consolidated companies	% interest	Consolidation method
France	Cap Gemini S.A.	Parent company	FC
	Agrostar	19%	EQ
	ANSWORK (formerly Gamifip)	14.8%	EQ
	APIS	34%	EQ
	Cap Gemini Ernst & Young France SAS	100%	FC
	Cap Gemini Gouvieux SAS	100%	FC
	Cap Gemini Service SAS	100%	FC
	Cap Gemini Université SAS	100%	FC
	Pierre Fabre Informatique S.A.	51%	FC
	SARL Immobilière Les Fontaines	100%	FC
	SCI du château de Béhoust	100%	FC
	SCI Paris Etoile	100%	FC
	Sogeti France SAS	99.1%	FC
	Cap Gemini Telecom Media & Networks France SAS	95%	FC
	Gemini Telecom Media & Networks France SAS	95%	FC
	Cap Gemini Telecom S.A.	95%	FC
United Kingdom	Cap Gemini Ernst & Young UK Plc	100%	FC
	CGS Holdings Ltd	100%	FC
	Ciberion Ltd	50%	PROP
	EY Working Links Ltd	100%	FC
	Gemini Consulting UK Holding Ltd	100%	FC
	Volmac UK Ltd	100%	FC
	Working Links (Employment) Ltd	33%	PROP
	Cap Gemini Telecom Media & Networks UK Ltd	95%	FC
Hungary	Cap Gemini Magyarorszag Kft	95%	FC
India	Cap Gemini Ernst & Young Consulting India Private Ltd	100%	FC
Indonesia	PT E&Y GCC Asia Pacific BV	100%	FC
Ireland	Cap Gemini Ernst & Young Ireland Ltd	100%	FC
	Cap Gemini Telecom Media & Networks Ireland Ltd	95%	FC
Italy	Cap Gemini Ernst & Young Italia S.p.A	100%	FC
	Sistemi e Telematica S.p.A	77.1%	FC
	Cap Gemini Telecom Media & Networks Italia S.p.A	95%	FC
Japan	Cap Gemini Ernst & Young Japan KK	100%	FC
Latvia	Gemini Consulting SIA	100%	FC
Luxembourg	Cap Gemini Ernst & Young Luxembourg S.A.	100%	FC
Malaysia	Cap Gemini Ernst & Young Consultants Sdn Bhd	100%	FC
	Cap Gemini Telecom Media & Networks Malaysia Sdn Bhd	95%	FC
Mexico	Cap Gemini Ernst & Young Mexico S.de R.L. de C.V.	100%	FC
New Zealand	Cap Gemini Ernst & Young New Zealand Ltd	100%	FC
Norway	Cap Gemini Ernst & Young Norge AS	100%	FC
	Cap Gemini Telecom Media & Networks Norge AS	95%	FC
Netherlands	Cap Gemini Benelux BV	100%	FC
	Cap Gemini Ernst & Young ISM BV	100%	FC
	Cap Gemini Ernst & Young Management Sourcing BV	100%	FC
	Cap Gemini Ernst & Young Nederland BV	100%	FC
	Cap Gemini Ernst & Young Sourcing BV	100%	FC
	Cap Gemini Europe BV	100%	FC
	Cap Gemini NV	100%	FC
	CGS/WSG Partnership CV	100%	FC
	EC Gate BV	30%	EQ
	Entity Holding BV	10%	EQ
	GBA Volmac BV	100%	FC
	Paul Postma Marketing Consultancy BV	100%	FC
	PRC E&Y BV	50%	PROP

FC = Fully Consolidated EQ = Accounted for by the equity method PROP = Proportional consolidation

Country	Consolidated companies	% interest	Consolidation method
	Sogeti Nederland BV	100%	FC
	Cap Gemini Ernst & Young International BV	100%	FC
	Cap Gemini Ernst & Young Global Client Consulting Asia Pacific BV	100%	FC
	Cap Gemini Ernst & Young Global Learning Solutions BV	100%	FC
	Cap Gemini Telecom Media & Networks Nederland BV	95%	FC
Poland	Cap Gemini Ernst & Young Polska Sp z.o.o	100%	FC
	GC Polska	100%	FC
	Cap Gemini Telecom Media & Networks Sp z.o.o	95%	FC
Portugal	Cap Gemini Ernst & Young Portugal S.A., Servicios de Consultoria e Informatica S.A.	100%	FC
Czech Republic	Cap Gemini Telecom Media & Networks S.r.o.	95%	FC
Romania	GC Romania s.r.l.	100%	FC
Singapore	Cap Gemini Ernst & Young Singapore Pte Ltd	100%	FC
	Cap Gemini Asia Pacific Pte Ltd	100%	FC
	Professional Outsourcing Pte Ltd	100%	FC
	Cap Gemini Telecom Media & Networks Singapore Pte Ltd	95%	FC
Slovakia	ET E&Y Consulting Slovakia S.r.o.	100%	FC
Sweden	Cap Gemini Ernst & Young AB	100%	FC
	Cap Gemini Ernst & Young Sverige AB	100%	FC
	Cap Gemini Ernst & Young Travel & Logistics Sweden AB	100%	FC
	Cap Volmac Sweden AB	100%	FC
	GC SV Goteborg	100%	FC
	GC SV Sverige	100%	FC
	Sogeti Sverige AB	100%	FC
	Cap Gemini Telecom Media & Networks Sweden AB	95%	FC
Switzerland	Cap Gemini Ernst & Young Suisse S.A.	100%	FC
	Gemini Consulting AG (Switzerland)	100%	FC
	SD&M Switzerland	100%	FC
	Sogeti Switzerland	100%	FC

FC = Fully Consolidated EQ = Accounted for by the equity method PROP = Proportional consolidation

CAP GEMINI S.A. SUMMARIZED FINANCIAL STATEMENTS

The full financial statements, including the notes, may be obtained from the Company on request.
The Statutory Auditors' reports below relate to full financial statements.

STATUTORY AUDITORS' REPORT
ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2002

Translated from the original French language report

To the shareholders of Cap Gemini S.A.,

In compliance with the assignment entrusted to us by your Annual Shareholders' Meeting, we hereby report to you, for the year ended December 31, 2002, on:

- the audit of the accompanying financial statements of Cap Gemini S.A.,
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

1. Opinion on the financial statements

We conducted our audit in accordance with the professional standards applied in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the Company's financial position and its assets and liabilities as of December 31, 2002, and of the results of its operations for the year then ended in accordance with French accounting principles and regulations.

2. Specific verifications and information

We have also performed the specific verifications required by law, in accordance with the professional standards applied in France.

We have no comments as to the fair presentation and the conformity with the financial statements of the information given in the Management Report of the Board of Directors and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

In accordance with the law, we have verified that the Management Report of the Board of Directors contains the appropriate disclosures as to the acquisition of shares and controlling interests, together with the identity of the principal shareholders.

Paris, February 27, 2003

The Statutory Auditors

COOPERS & LYBRAND AUDIT
Member of PricewaterhouseCoopers
Bernard Rascle

KPMG Audit
Department of KPMG S.A.
Jean-Luc Decornoy - Frédéric Quélin
Partner Partner

STATUTORY AUDITORS' SPECIAL REPORT
ON CERTAIN RELATED PARTY AGREEMENTS - YEAR ENDED DECEMBER 31, 2002

Translated from the original French language report

To the shareholders of Cap Gemini S.A.,

In our capacity as Statutory Auditors of Cap Gemini S.A., we are required to report on certain contractual agreements with certain related parties of which we have been advised. We are not required to ascertain whether such agreements exist.

We hereby inform you that we have not been advised of any agreements covered by article L.225-38 of the French Commercial Code.

Paris, February 27, 2003

The Statutory Auditors

COOPERS & LYBRAND AUDIT
Member of PricewaterhouseCoopers
Bernard Rascle

KPMG Audit
Department of KPMG S.A.
Jean-Luc Decornoy - Frédéric Quélin
Partner Partner

SUMMARIZED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2000, 2001 AND 2002

(in millions of euros)	2000	2001	2002
Operating revenue	196	184	162
Operating expenses	(122)	(18)	(18)
Operating income	***74***	***166***	***144***
Interest income/(expenses), net	88	(1,960)	(4,629)
Other income/(expenses), net	188	(16)	258
Income tax	(32)	(64)	92
Net income/(losses)	***318***	***(1,874)***	***(4,135)***

SUMMARIZED BALANCE SHEETS
AS OF DECEMBER 31, 2000, 2001 AND 2002

(in millions of euros)	2000	2001	2002
Assets			
Non-current assets	13,004	11,013	6,734
Current assets	660,	624	619
Other assets	1	1	1
Total assets	***13,665***	***11,638***	***7,354***
Liabilities and Shareholders' Equity			
Shareholders'equity	13,458	11,415	7,222
Provisions	14	14	25
Long and short-term debt	29	6	14
Other liabilities	164	203	93
Total liabilities and shareholders'equity	***13,665***	***11,638***	***7,354***

SUBSIDIARIES AND INVESTMENTS

(in millions of euros)	Capital	Other share-holders' equity (including net income for the year) (1)	% interest	Number of shares owned	Book value of shares		Loans & advances granted by the company	Guaran-tees given	2002 revenue	Dividends received
					Gross	Net				
SUBSIDIARIES										
Cap Gemini North America	1	2,012	100.00%	964,000	5,475	2,087	-	267	-	-
CGS Holdings Ltd (UK)	662	1	100.00%	453,513,903	571	571	116	15	-	-
Gemini Consulting Holding Ltd (UK)	-	11	100.00%	1,083	23	23	-	-	-	-
CGEY Oldco Ltd (UK)	16	33	100.00%	1,033,938,857	801	392	-	-	-	-
CGEY Old Ireland Ltd	-	-	100.00%	71,664	16	16	-	-	-	-
CGEY AB (Sweden)	2	177	100.00%	20,031	268	268	-	9	3	-
CGEY Norge AS (Norway)	6	7	21.00%	9,500	30	30	-	-	99	-
CGEY Finland Oy	1	9	14.00%	2,000	8	8	-	-	47	-
Cap Gemini Europe BV (Netherlands)	88	199	100.00%	194,100	253	253	-	-	-	-
Cap Gemini NV (Benelux)	5	496	99.85%	43,287,967	1,184	1,108	-	-	-	9
CGEY Deutschland Holding GmbH (Germany)	92	35	94.40%	1	571	440	16	50	-	-
CGEY Deutschland GmbH (Germany)	12	73	2.90%	1	10	10	11	-	189	-
CGEY Consultants Osterreich AG (Austria)	-	1	100.00%	36,791	39	27	-	-	25	-
CGEY Suisse (Switzerland)	4	1	100. 00%	5,434	36	29	-	-	39	-
CGEY Polska Sp Z.o.o (Poland)	1	(3)	100.00%	37,000	14	5	-	-	7	-
CGEY France SAS	40	77	100.00%	2,474,197	381	381	-	25	1 046	45
Cap Gemini Telecom SAS (France)	142	354	95.15%	8,426,908	807	611	-	-	-	8
CGEY Italia Spa (Italy)	5	(31)	100.00%	1,038,575	411	8	-	2	115	-
CGEY Espana SL (Spain)	13	20	100.00%	132,938	112	83	26	19	137	-
CGEY Portugal Serviços de Consultoria e Informatica S.A (Portugal)	9	(3)	100.00%	1,840,272	30	22	3	-	35	-
Cap Gemini Asia Pacific Pte (Singapore)	94	(3)	100.00%	171,108,000	102	54	3	32	4	-
CGEY Australia Pty Ltd (Australia)	72	(68)	100.00%	631,979	139	30	7	-	42	-
CGEY New Zealand Ltd (New Zealand)	3	(8)	100.00%	1,000,000	36	-	-	-	11	-
Sogeti France SAS	9	9	81.66%	7,311,031	34	34	-	-	148	-
Cap Gemini Service SAS (France)	1	(2)	100.00%	1,500,000	43	-	-	1	163	-
SCI Paris Etoile	-	2	100.00%	9,999	48	31	-	-	3	2
SCI du Château de Béhoust	-	-	99.00%	99	0	0	-	31	4	-
Immobilière les Fontaines S.A.R.L	8	-	100.00%	499,000	13	13	-	93	1	-
Other (France)	nm	nm	nm	nm	1	1	nm	nm	nm	nm
Other (outside France)	nm	nm	nm	nm	13	5	nm	nm	nm	nm

INVESTMENTS

As of December 31, 2002, investments held by Cap Gemini S.A. are not material

(1) Excluding share capital and before appropriation of income for the year.
nm : not meaningful

The net income of subsidiaries and investments is not provided because disclosure would be prejudicial to the Company's commercial and financial strategy.
Cap Gemini SA is at the head of the French tax group made up of 12 companies. The impact of tax consolidation in 2002 is a benefit of € 8 million.

CHANGES IN SHAREHOLDERS' EQUITY

(in millions of euros)	2001	Net income appropriation 2001	Other changes	2002
Share capital	1,002	-	2	1,004
Additional paid-in-capital	11,771	(50)	(10)	11,711
Legal reserve	100	-	-	100
Untaxed reserves	42	-	-	42
Other reserves	172	-	-	172
Retained earnings	202	(1,874)	-	(1,672)
Dividends paid	-	50	(50)	-
Net income/(loss)	(1,874)	1,874	(4,135)	(4,135)
Total	***11,415***	***-***	***(4,193)***	***7,222***

FIVE-YEAR FINANCIAL SUMMARY

(in millions of euros)	1998	1999	2000	2001	2002
I-Share capital at year-end					
Share capital	422	624	994	1,002	1,004
Number of common shares outstanding	69,130,658	77,945,108	124,305,544	125,244,256	125,479,105
Maximum number of future shares to be created: - through exercise of stock options	7,085,035	6,038,838	7,487,783	10,463,754	10,951,340
II-Operations and results of the current year					
Operating revenue	100	108	196	184	162
Operating revenue and financial revenue	230	258	329	301	248
Income before taxes, amortization and provisions	147	165	395	264	(1,523)
Income tax	25	34	32	64	(92)
Net income / (loss)	103	149	318	(1,874)	(4,135)
Distributed income	58	78	(a)164	50	(b) 0
III-Earnings per share (in euros)					
Earnings after taxes, but before amortization and provisions	1.77	1.68	2.92	1.60	(11.40)
Net earnings	1.49	1.91	2.56	(14.96)	(32.96)
Dividend per share, net	0.84	1.00	1.20	0.40	(b) 0
IV-Employee data					
Average number of employee during the year	-	-	-	-	-
Total payroll	-	-	-	-	-
Total benefits	-	-	-	-	-

(a) Representing a dividend of € 149 million and dividend equalization tax (précompte) of € 15 million.
(b) Subject to approval by the Ordinary Shareholder's Meeting of May 7, 2003.

REPORT OF THE STATUTORY AUDITORS
ON THE CANCELING OF SHARES BOUGHT BACK BY THE COMPANY

Translated from the original French language report

To the shareholders of Cap Gemini S.A.,

In our capacity as Statutory Auditors of Cap Gemini S.A. and pursuant to the provisions of Article L. 225-209, paragraph 4 of the Commercial Code relating to the canceling of shares bought back by the Company, we hereby present our report on the reasons and terms of the proposed capital reduction.

We conducted our review in accordance with the professional standards applicable in France. Those standards require that we review the proposed capital reduction in order to ensure whether the reasons and terms are fair.

The proposed capital reduction would take place further to the buyback of shares representing a maximum of 10% of the Company's share capital as of December 31, 2002, in accordance with article L. 225-209, paragraph 4 of the Commercial Code. The Board of Directors is seeking an eighteen-month authorization for this buyback program in the fifth resolution of the Ordinary Shareholders' Meeting.

Shareholders are also asked to grant the Board of Directors full powers to cancel the shares acquired, provided that the aggregate number of shares cancelled in any given period of 24 months does not exceed 10% of the Company's capital. These powers would be exercisable for a period of 5 years.

We have no comment to make on the reasons or terms of the proposed capital reduction, the implementation of which depends on the Ordinary Shareholders' Meeting approving the buy back of the Company's shares.

Paris, March 11, 2003

The Statutory Auditors

COOPERS & LYBRAND AUDIT
Member of PricewaterhouseCoopers
Bernard Rascle

KPMG Audit
Department of KPMG S.A.
Jean-Luc Decornoy - Frédéric Quélin
Partner Partner

REPORT OF THE STATUTORY AUDITORS
ON THE ISSUANCE OF SHARE EQUIVALENTS WITH DELEGATION OF POWERS

Translated from the original French language report

To the shareholders of Cap Gemini S.A.,

In our capacity as Statutory Auditors of Cap Gemini S.A. and pursuant to the provisions of Articles L.225-135, L.225-150, L.225-161, L.228-92 and L.228-95 of the Commercial Code, we hereby present our report on the planned public issues of securities convertible, redeemable, or otherwise exercisable for Cap Gemini S.A. shares, as submitted to shareholders for approval in resolutions fourteen to twenty-two of the General Shareholders' Meeting.

As described in its report, the Board of Directors is asking for authorization to establish the terms and conditions of these issues. Shareholders will also be asked to waive their pre-emptive rights to subscribe for securities issued under the terms of the fifteenth, seventeenth, nineteenth and twenty-first resolutions as well as for securities issued subsequently on the conversion of debentures or the exercise of equity warrants.

1. Issuance of convertible debentures

In the fourteenth and fifteenth resolutions, the Board of Directors is seeking authorization to issue convertible debentures, with pre-emptive subscription rights for existing shareholders under the fourteenth resolution, and without pre-emptive subscription rights under the fifteenth resolution.

The maximum nominal value of the debentures which may be issued under each of these resolutions is € 3 billion or the foreign currency equivalent.

Shareholders are also asked to expressly waive their pre-emptive rights, in favor of the debenture-holders, to subscribe for the shares to be issued on the conversion of the debentures.

2. Issuance of debentures with equity warrants

In the sixteenth and seventeenth resolutions the Board of Directors is seeking authorization to issue debentures with equity warrants, with pre-emptive subscription rights for existing shareholders under the sixteenth resolution, and without pre-emptive subscription rights under the seventeenth resolution.

Under each of these resolutions, the maximum nominal value of the debentures which may be issued is € 3 billion or the foreign currency equivalent and the total per value of shares issued on exercise of the warrants may not exceed € 400 million.

These authorizations entail the waiver by the shareholders, in favor of the warrant-holders, of their pre-emptive right to subscribe for the shares to be issued on exercise of the warrants.

3. Issuance of equity warrants

In the eighteenth and nineteenth resolutions the Board of Directors is seeking authorization to issue equity warrants, with pre-emptive subscription rights for existing shareholders under the eighteenth resolution, and without pre-emptive subscription rights under the nineteenth resolution.

Under each of these resolutions, the share capital may be increased by a maximum of € 400 million due to the exercise of equity warrants.

Shareholders are also asked to expressly waive their pre-emptive rights, in favor of the warrant-holders, to subscribe for the shares to be issued on the exercise of the warrants.

4. Issuance of hybrid securities

In the twentieth and twenty-first resolutions the Board of Directors is seeking authorization to issue hybrid securities convertible, redeemable, exchangeable or otherwise exercisable for shares of the Company, at any time or at fixed dates. These issues would be with pre-emptive subscription rights for existing shareholders under the twentieth resolution and without pre-emptive subscription rights under the twenty-first resolution. The securities that may be issued pursuant to these resolutions include:

a) securities representing a portion of the Company's share capital combined with warrants entitling the holder to subscribe for shares in the Company; in this case, the aggregate par value of the securities to which said warrants are attached may not exceed € 400 million;

b) securities other than convertible debentures, debentures with equity warrants or the securities referred to in a) above; in this case, the aggregate face value of the securities issued may not exceed € 3 billion.

In all cases, the aggregate par value of the shares issued on exercise of the warrants referred to in a) above, or on conversion, redemption or exchange of the securities referred to in b) above, or on presentation of a warrant attached to the securities or otherwise may not exceed € 400 million, not including any potential adjustments.

These authorizations entail the waiver by the shareholders, in favor of the holders of any of the above securities, of their pre-emptive right to subscribe for the shares to be issued on conversion, redemption or exchange of the securities, on exercise of a warrant or otherwise.

The total amount of capital increases that may be carried out pursuant to the authorizations given in the fourteenth to twenty-first resolutions as mentioned above will be covered by the blanket authorization given to the Board of Directors in the eighth resolution of the Extraordinary Shareholders' Meeting of May 16, 2001 to increase the capital to a maximum nominal amount of € 1.5 billion.

We reviewed these planned issues in accordance with the professional standards applicable in France. Those standards require that we carry out the necessary procedures to review the methods used for determining the issue price of debentures, the basis of conversion, the exercise price of subscription rights and the issue price for each issue.

As the issue price of debentures, the basis of conversion, the exercise price of subscription rights and the issue price for each issue are to be determined by the Board of Directors when the operations are carried out, we are not in a position to comment on the final terms and conditions under which these issues will be conducted, nor, in consequence, on the proposed waivers of shareholders' pre-emptive rights to subscribe for the issues concerned, the principle of which is in keeping with the nature of the proposed operations.

In accordance with Article 155-2 of the decree of March 23, 1967, we will issue a supplementary report at the time of each such issue conducted by the Board of Directors.

Paris, March 11, 2003

The Statutory Auditors

COOPERS & LYBRAND AUDIT
Member of PricewaterhouseCoopers
Bernard Rascle

KPMG Audit
Department of KPMG S.A.
Jean-Luc Decornoy - Frédéric Quélin
Partner Partner

REPORT OF THE STATUTORY AUDITORS
ON THE CANCELING OF RETURNED SHARES

Translated from the original French language report

To the shareholders of Cap Gemini S.A.,

In our capacity as Statutory Auditors of Cap Gemini S.A. and pursuant to the provisions of Article L.225-204 of the Commercial Code relating to capital reductions, we hereby present our report on the reasons and terms of the proposed capital reduction.
In accordance with the agreements entered into between Cap Gemini and Ernst & Young in connection with the acquisition of the Ernst & Young consulting businesses which was completed on May 23, 2000, 43,187 Cap Gemini shares were returned to the Company between March 15, 2002 and February 26, 2003 by people who became employees of the Cap Gemini Ernst & Young Group and subsequently left the Group. 1,827 of these 43,187 shares were allocated on the acquisition of the remaining capital of Cap Gemini Ernst & Young Consulting India Pvt Ltd. The Board of Directors recommends the cancellation of the 41,360 remaining shares which would have the effect of reducing the Company's capital.
We conducted our review in accordance with the professional standards applicable in France. Those standards require that we review the proposed capital reduction in order to ensure whether the reasons and terms are fair. We have verified that the canceling of the shares would not have the effect of either reducing the capital to less than the legally prescribed minimum amount or affecting the equal status of shareholders.

We have no comment to make on the reasons and terms of the proposed canceling of returned shares, which would have the effect of reducing the Company's capital from € 1,003,832,840 to € 1,003 501,960.

Paris, March 11, 2003

The Statutory Auditors

COOPERS & LYBRAND AUDIT
Member of PricewaterhouseCoopers
Bernard Rascle

KPMG Audit
Department of KPMG S.A.
Jean-Luc Decornoy - Frédéric Quélin
Partner Partner

TEXT OF THE DRAFT RESOLUTIONS PRESENTED BY THE BOARD OF DIRECTORS TO THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING

I - Resolutions presented at the Ordinary Shareholders' Meeting

First resolution

Approval of the 2002 financial statements

After hearing the following:

- the report of the Board of Directors on the business and position of the Company for the year ended December 31, 2002 and the financial statements for the year,
- and the general report of the Statutory Auditors on their audit of the financial statements,

the General Shareholders' Meeting hereby approves the financial statements for the year ended December 31, 2002, comprising the balance sheet, statement of income and notes, as presented, as well as the transactions reflected in the financial statements or summarized in those reports.

The General Shareholders' Meeting therefore gives discharge to the Board of Directors for its management during the year.

Second resolution

Presentation of the 2002 consolidated financial statements

After hearing the following:

- the report of the Board of Directors,
- and the report of the Statutory Auditors on the consolidated financial statements,

the General Shareholders' Meeting notes that the consolidated financial statements for the year ended December 31, 2002 have been submitted and explained to it.

Third resolution

Regulated agreements

After hearing the Statutory Auditors' special report, the General Shareholders' Meeting notes that no agreements governed by article L. 225-38 of the Commercial Code were entered into during 2002.

Fourth resolution

Results appropriation

The General Shareholders' Meeting approves the recommendations of the Board of Directors and resolves to charge the net loss for the year of € 4,135,354,729.35 along with the full amount of losses brought forward from the prior year – representing € 1,671,424,787.73 – against additional paid-in capital, thus reducing additional paid-in capital from € 9,010,168,981.60 to € 3,203,389,464.52.

The General Shareholders' Meeting approves the recommendation of the Board of Directors not to pay a dividend for 2002. Pursuant to Article 243 bis of the French General Tax Code, the General Shareholders' Meeting notes that 2001 dividends totaled € 50,097,702.40, representing a dividend per share of € 0.40 paid on 124,244,256 shares, that 2000 dividends totalled € 149,166,652.80, representing a dividend per share of € 1.20 paid on 124,305,544 shares, and that 1999 dividends totalled € 77,945,108, representing a dividend per share of € 1 paid on 77,945,108 shares.

Fifth resolution

Authorization to buy back shares

The General Shareholders' Meeting, after hearing the report of the Board of Directors and reviewing the information memorandum approved by the Commission des Opérations de Bourse, authorizes the Board of Directors to buy back the Company's shares on the open market. This authorization is given for a period of eighteen months. The related powers may be delegated by the Board of Directors in accordance with the provisions of Articles L.225-209 et seq. of the Commercial Code.

The purpose of this authorization is to allow the Company to:

- exchange, sell, transfer or remit shares in payment, in particular in connection with external growth transactions;
- cancel shares, subject to adoption of the twelfth resolution of the Extraordinary Shareholders' Meeting to be held immediately after this Ordinary Shareholders' Meeting;
- optimize the management of the Company's financial position and assets and liabilities;
- buy and sell shares on the open market to take advantage of market situations;
- award shares to employees on the terms and by the methods provided for by law, including in connection with company savings plans or stock option plans;
- to stabilize the share price by trading against market trends.

The transactions described above may be carried out by any method allowed under the applicable laws and regulations, including through the use of derivative instruments. The entire buyback program may be carried out by means of a block purchase or transfer of shares.

The share buybacks may be carried out at any time, except during the suspension periods specified in Commission des Opérations de Bourse regulation 90-04 (as amended).

The General Shareholders' Meeting resolves that the maximum number of shares that may be acquired under this resolution may not exceed 10% of the Company's issued capital as of December 31, 2002, corresponding to 12,547,910 shares, and that the total funds invested in the share buybacks may not exceed € 1,254,791,000.

The General Shareholders' Meeting sets the maximum purchase price of the shares at € 100 per share and the minimum sale price at € 20 per share. In the case of a bonus share issue paid up by capitalizing reserves, or a stock-split or reverse stock-split, the above prices per share will be adjusted based on the ratio between the number of shares issued and outstanding before and after the transaction.

Full powers are given to the Board of Directors, including the power of delegation, to use this authorization and to:

- place any and all buy and sell orders and enter into any and all agreements for the keeping of a register of share purchases and sales or for any other relevant purposes;
- carry out any and all filing and other formalities and generally do whatever is necessary.

The Board of Directors will be required to report to each General Shareholders' Meeting on the transactions carried out during the year under this authorization.

The authorizations given to the Board of Directors in this resolution replace those given in the fifth resolution of the Ordinary Shareholders' Meeting of April 25, 2002.

Sixth resolution

Ratification of the appointment of a Director
The General Shareholders' Meeting ratifies the appointment of Jean-René Fourtou as Director, which was made on a provisional basis by the Board of Directors at its meeting of July 24, 2002 and notes that his term of office will expire at the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2005.

Seventh resolution

Ratification of the appointment of a Director
The General Shareholders' Meeting ratifies the appointment of Jean-Bernard Lafonta as Director, which was made on a provisional basis by the Board of Directors at its meeting of July 24, 2002, and notes that his term of office will expire at the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2005.

Eighth resolution

Ratification of the appointment of a Director
The General Shareholders' Meeting ratifies the appointment of Philip Laskawy as Director, which was made on a provisional basis by the Board of Directors at its meeting of July 24, 2002, and notes that his term of office will expire at the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2005.

Ninth resolution

Ratification of the appointment of a Non-Voting Director
The General Shareholders' Meeting ratifies the appointment of Pierre Hessler as a Non-Voting Director, which was made on a provisional basis by the Board of Directors at its meeting of July 24, 2002, and notes that his term of office will expire at the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2005.

Tenth resolution

Ratification of the appointment of a Non-Voting Director
The General Shareholders' Meeting ratifies the appointment of Geoff Unwin as a Non-Voting Director, which was made on a provisional basis by the Board of Directors at its meeting of July 24, 2002, and notes that his term of office will expire at the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2005.

Eleventh resolution

Statutory Auditors

After hearing the report of the Board of Directors, the General Shareholders' Meeting:

1. notes that Yves Nicolas has resigned from his position as Substitute Auditor effective as from the date of this meeting;
2. appoints as his replacement: PricewaterhouseCoopers Audit S.A., a French *"société anonyme"* whose registered office is at 32, rue Guersant 75017 Paris, registered with the Paris Companies Registry under number 672 006 483, as Substitute Auditors for the remainder of Yves Nicolas' term of office, expiring at the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2007;
3. notes the planned merger between Coopers & Lybrand Audit SARL - the Statutory Auditors - and PricewaterhouseCoopers Audit S.A., due to take place by July 31, 2003;
4. provided PricewaterhouseCoopers Audit S.A. take over as Statutory Auditors - which the General Shareholders' Meeting approves - due to the completion of the above-mentioned merger, resolves to appoint Philippe Gueguen of 20, rue Garibaldi 69006 Lyon, as Substitute Auditor for PricewaterhouseCoopers Audit S.A. for the term of office of the Statutory Auditors.

The General Shareholders' Meeting grants the broadest powers to the Chairman of the Board of Directors to note the completion of the merger mentioned in para. 3 above and to carry out all related formalities.

II - Resolutions presented at the Extraordinary Shareholders' Meeting

Twelfth resolution

Authorization to cancel shares acquired under the buyback program

The General Shareholders' Meeting, after hearing the report of the Board of Directors and the Statutory Auditors' special report, authorizes the Board of Directors to:

- cancel – in accordance with Article L.225-209 of the Commercial Code – on one or several occasions at its sole discretion, all or some of the Cap Gemini shares held by the Company, provided that the aggregate number of shares cancelled in any given period of twenty-four months does not exceed 10% of the Company's capital, and to reduce the capital accordingly;
- charge the difference between the purchase price of the cancelled shares and their par value to additional paid-in capital or any distributable reserves.

This authority, which is given for a period of five years from the date of this Meeting, may be delegated by the Board of Directors.

The General Shareholders' Meeting gives full powers to the Board of Directors to use the authorization given in this resolution, to amend the bylaws to reflect the new capital and to carry out all necessary formalities. These powers may also be delegated.

The authorizations given to the Board of Directors in this resolution replace those given in the tenth resolution of the Extraordinary Shareholders' Meeting of April 25, 2002.

Thirteenth resolution

Capital reduction to cancel returned shares

The General Shareholders' Meeting, having heard the report of the Board of Directors and the Statutory Auditors' special report, notes that in accordance with the agreements entered into between Cap Gemini and Ernst & Young in connection with the acquisition of Ernst & Young's consulting businesses which was completed on May 23, 2000, 43,187 Cap Gemini shares were returned to the Company between March 15, 2002 and February 26, 2003 by people who became employees of the Cap Gemini Ernst & Young Group and then left the Group. 1,827 of these 43,187 shares were allocated on the acquisition of the remaining capital of Cap Gemini Ernst & Young Consulting India Pvt Ltd.

The General Shareholders' Meeting resolves to cancel the 41,360 remaining shares and to reduce the Company's capital by a total of € 330,880, representing the number of shares cancelled (41,360) multiplied by the par value of € 8 per share.
The difference between the cost of these shares reported in Cap Gemini's balance sheet (€ 1,524,087.14) and their par value (€ 330,880), i.e. € 1,193,207.14 will be charged to the premium recognized on the completion of the above mentioned acquisition of Ernst & Young's consulting businesses.

The General Shareholders Meeting grants the Board of Directors full powers to carry out all operations relating to the reduction of capital after the expiry of the period set out in article 180 of Decree 67-236 of March 23, 1967. These powers may be delegated.

Fourteenth resolution

Public issue of convertible debentures WITH pre-emptive subscription rights

After hearing the report of the Board of Directors, and the Statutory Auditors' special report, compiled in accordance with the law, the General Shareholders' Meeting authorizes the Board of Directors to issue, on one or several occasions, debentures with a maximum nominal value of € 3 billion convertible for Cap Gemini S.A. shares, at any time or at fixed dates. The debentures will be offered to existing shareholders on a pre-emptive basis, pro rata to their existing interest in the Company's capital, said pre-emptive right also applying to securities not taken up by other shareholders.

For each and every issue carried out pursuant to this authorization, the Board of Directors will be required to specify the method applied to set the price of the securities.

The General Shareholders' Meeting resolves to cancel shareholders' pre-emptive rights to subscribe for the shares to be issued on the conversion of the debentures.

The General Shareholders' Meeting grants the Board of Directors full powers to carry out the convertible debenture issue(s) authorized above and to fix the terms and conditions thereof, including:

- the amount and maturity of the debentures,
- the issue price of the debentures, the coupon rate - which may be fixed or variable-, the coupon date, the cum-rights date, the redemption price and the terms of redemption of the debentures, at nominal value or with a premium and the terms of early redemption depending on market conditions,
- the conversion date(s)
- the basis to be used to adjust the terms of conversion of the debentures if, while any debentures are still outstanding, the Company carries out any operations which, by law, can be effected only without prejudicing the rights of debenture-holders;
- to place on record the number and par value of the shares issued on conversion of the debentures, carry out the formalities related to the corresponding capital increases and amend the bylaws accordingly, pursuant to the law;
- to charge the capital increase costs against the related premiums; and
- generally, to enter into any and all agreements, take all appropriate steps and carry out all formalities necessary for the issue, service and conversion of the debentures.

This authorization is valid for two years.

Fifteenth resolution

Public issue of convertible debentures WITHOUT pre-emptive subscription rights

After hearing the report of the Board of Directors, and the Statutory Auditors' special report, compiled in accordance with the law, the General Shareholders' Meeting authorizes the Board of Directors to issue debentures convertible for Cap Gemini S.A. shares, at any time or at fixed dates. The debentures may be issued on one or several occasions, in France or abroad, and may be denominated in euros or foreign currency. The maximum nominal value of the debentures issued under this authorization shall be € 3 billion or the foreign currency equivalent thereof.

The General Shareholders' Meeting resolves that the issue price of the debentures and basis of conversion will be determined in such a way as to ensure that the amount received for each share issued on conversion of the debentures shall be at least equal to the average of the opening prices quoted for Cap Gemini S.A. shares on the Paris Stock Exchange for any period of ten consecutive trading days chosen from among the twenty trading days preceding the date of issue of the debentures.

For each and every issue carried out pursuant to this authorization, the Board of Directors will be required to specify the method applied to set the price of the securities.

The General Shareholders' Meeting resolves to cancel shareholders' pre-emptive rights to subscribe for:

- the convertible debentures to be issued pursuant to this resolution,
- the shares to be issued on conversion of the debentures.

If the issue or issues take place on the French market, the Board of Directors may grant existing shareholders a priority right to subscribe for the convertible debentures, during a period and on terms to be decided at the discretion of the Board of Directors. Said priority right shall be non-transferable. Any debentures not subscribed by shareholders exercising their priority right will be placed on the market.

The General Shareholders' Meeting grants the Board of Directors full powers to carry out the convertible debenture issue(s) authorized above and to fix the terms and conditions thereof, including:

- the amount, issue currency and maturity of the debentures,
- the issue price of the debentures, the coupon rate - which may be fixed or variable-, the coupon date, the cum-rights date, the redemption price and the terms of redemption of the debentures, at nominal value or with a premium and the terms of early redemption depending on market conditions,
- the conversion date(s)

- the basis to be used to adjust the terms of conversion of the debentures if, while any debentures are still outstanding, the Company carries out any operations which, by law, can be effected only without prejudicing the rights of debenture-holders;
- to place on record the number and par value of the shares issued on conversion of the debentures, carry out the formalities related to the corresponding capital increases and amend the bylaws accordingly, pursuant to the law;
- to charge the capital increase costs against the related premiums; and
- generally, to enter into any and all agreements, take all appropriate steps and carry out all formalities necessary for the issue, service and conversion of the debentures.

This authorization is valid for two years.

Sixteenth resolution

Public issue of debentures with equity warrants WITH pre-emptive subscription rights

After hearing the report of the Board of Directors, and the Statutory Auditors' special report, compiled in accordance with the law, the General Shareholders' Meeting authorizes the Board of Directors to issue, on one or several occasions, debentures with equity warrants with a maximum nominal value of € 3 billion. The debentures will be offered to existing shareholders on a pre-emptive basis, pro rata to their existing interest in the Company's capital, said pre-emptive right also applying to securities not taken up by other shareholders.

The total par value of shares issued on exercise of the warrants may not exceed € 400 million, not including any potential adjustments.

This authorization entails the waiver by the shareholders, in favor of the warrant-holders, of their pre-emptive right to subscribe for the shares to be issued on exercise of the warrants.

For each and every issue carried out pursuant to this authorization, the Board of Directors will be required to specify the method applied to set the price of the securities.

The General Shareholders' Meeting grants the Board of Directors full powers to carry out the issue(s) authorized above and to fix the terms and conditions thereof, including:

- the amount and maturity of the debentures,
- the issue price of the debentures, the coupon rate - which may be fixed or variable-, the coupon date, the cum-rights date, the redemption price and the terms of redemption of the debentures, at nominal value or with a premium and the terms of early redemption depending on market conditions,
- the number of equity warrants attached to each debenture,
- the terms and conditions applicable for the exercise of the rights attached to the warrants and, where applicable, the purchase of the warrants by the Company,
- the periods during which the rights attached to the warrants may be exercised;
- the issue price of the shares to be issued on exercise of the warrants and the dividend entitlement accrual date thereof;
- the basis to be used to adjust the terms of exercise of the equity warrants if, while any warrants are still outstanding, the Company carries out any operations which, by law, can be effected only without prejudicing the rights of warrant-holders;
- to place on record the number and par value of the shares issued on exercise of the warrants, carry out the formalities related to the corresponding capital increases and amend the bylaws accordingly, pursuant to the law;
- to charge the capital increase costs against the related premiums; and
- generally, to enter into any and all agreements, take all appropriate steps and carry out all formalities necessary for the issue, service and conversion of the debentures as well as the exercise of the warrants.

This authorization is valid for two years.

Seventeenth resolution

Public issue of debentures with equity warrants WITHOUT pre-emptive subscription rights

After hearing the report of the Board of Directors, and the Statutory Auditors' special report, compiled in accordance with the law, the General Shareholders' Meeting authorizes the Board of Directors to issue debentures with equity warrants convertible for Cap Gemini S.A. shares. The debentures may be issued on one or several occasions, in France or abroad, and may be denominated in euros or foreign currency. The maximum nominal value of the debentures with equity warrants issued under this authorization shall be € 3 billion or the foreign currency equivalent thereof.

The total par value of shares issued on exercise of the warrants may not exceed € 400 million, not including any potential adjustments.

This authorization entails the waiver by the shareholders, in favor of the warrant-holders, of their pre-emptive right to subscribe for the shares to be issued on exercise of the warrants.

The General Shareholders' Meeting resolves that the issue price of the shares to be subscribed on exercise of the warrants shall be at least equal to the average of the opening prices quoted for Cap Gemini S.A. shares on the Paris Stock Exchange for any period of ten consecutive trading days chosen from among the twenty trading days preceding the date of issue of the debentures with equity warrants.

For each and every issue carried out pursuant to this authorization, the Board of Directors will be required to specify the method applied to set the price of the securities.

The General Shareholders' Meeting resolves to cancel shareholders' pre-emptive rights to subscribe for the debentures with equity warrants to be issued pursuant to this resolution.

If the issue or issues take place on the French market, the Board of Directors may grant existing shareholders a priority right to subscribe for the debentures with equity warrants, during a period and on terms to be decided at the discretion of the Board of Directors. Said priority right shall be non-transferable. Any debentures not subscribed by shareholders exercising their priority right will be placed on the market.

The General Shareholders' Meeting grants the Board of Directors full powers to carry out the issue(s) authorized above and to fix the terms and conditions thereof, including:

- the amount, issue currency and maturity of the debentures,
- the issue price of the debentures, the coupon rate - which may be fixed or variable-, the coupon date, the cum-rights date, the redemption price and the terms of redemption of the debentures, at nominal value or with a premium, and the terms of early redemption depending on market conditions,
- the number of equity warrants attached to each debenture,
- the terms and conditions applicable for the exercise of the rights attached to equity warrants and, where applicable, the purchase of the warrants by the Company,
- the periods during which the rights attached to the warrants may be exercised;
- the issue price of the shares to be issued on exercise of the warrants and the dividend entitlement accrual date thereof;
- the basis to be used to adjust the terms of exercise of the equity warrants if, while any warrants are still outstanding, the Company carries out any operations which, by law, can be effected only without prejudicing the rights of warrant-holders;
- to place on record the number and par value of the shares issued on exercise of the warrants, carry out the formalities related to the corresponding capital increases and amend the bylaws accordingly, pursuant to the law;
- to charge the capital increase costs against the related premiums; and
- generally, to enter into any and all agreements, take all appropriate steps and carry out all formalities necessary for the issue, service and conversion of the debentures as well as the exercise of the warrants.

This authorization is valid for two years.

Eighteenth resolution

Public issue of equity warrants WITH pre-emptive subscription rights

After hearing the report of the Board of Directors, and the Statutory Auditors' special report, compiled in accordance with the law, the General Shareholders' Meeting authorizes the Board of Directors to issue, on one or several occasions, equity warrants exercisable for the Company's shares and to increase the share capital by a maximum amount of € 400 million, plus the par value of any shares to be issued in order to protect the rights of warrant-holders.

The equity warrants will be offered to existing shareholders on a pre-emptive basis, pro rata to their existing interest in the Company's capital, said pre-emptive right also applying to warrants not taken up by other shareholders.

For each and every issue carried out pursuant to this authorization, the Board of Directors will be required to specify the method applied to set the price of the securities.

The General Shareholders' Meeting resolves to cancel shareholders' pre-emptive rights to subscribe for the shares to be issued on exercise of the warrants.

The General Shareholders' Meeting grants the Board of Directors full powers to carry out the equity warrant issue or issues authorized above and to fix the terms and conditions of issue thereof, including:

- the date or dates and terms of issue of the equity warrants and the number of warrants to be included in each issue;
- the number of warrants required to subscribe for one share;
- the periods during which the rights attached to the warrants may be exercised;
- the conditions under which the Company may buy back the equity warrants, at any time or within specified periods;
- the issue price of the shares to be issued on exercise of the warrants and the dividend entitlement accrual date thereof;
- the basis to be used to adjust the terms of exercise of the equity warrants if, while any warrants are still outstanding, the Company carries out any operations which, by law, can be effected only without prejudicing the rights of warrant-holders;
- to place on record the number and par value of the shares issued on exercise of the warrants, carry out the formalities related to the corresponding capital increases and amend the bylaws accordingly, pursuant to the law;

- to charge the capital increase costs against the related premiums; and
- generally, to enter into any and all agreements, take all appropriate steps and carry out all formalities necessary for the issue and exercise of the warrants.

This authorization is valid for one year. The shares to be created on exercise of the warrants must be issued within five years of the date of issue of the warrants.

Nineteenth resolution

Public issue of equity warrants WITHOUT pre-emptive subscription rights

After hearing the report of the Board of Directors, and the Statutory Auditors' special report, compiled in accordance with the law, the General Shareholders' Meeting authorizes the Board of Directors to issue equity warrants exercisable for shares and to increase the share capital by a maximum amount of € 400 million, plus the par value of any shares to be issued in order to protect the rights of warrant-holders. The warrants may be issued on one or several occasions, in France or abroad, and may be denominated in euros or foreign currency.

The General Shareholders' Meeting resolves that the issue price of the shares to be subscribed on exercise of the warrants shall be at least equal to the average of the opening prices quoted for Cap Gemini shares on the Paris Stock Exchange for any period of ten consecutive trading days chosen from among the twenty trading days preceding the date of issue of the equity warrants.

For each and every issue carried out pursuant to this authorization, the Board of Directors will be required to specify the method applied to set the price of the securities.

The General Shareholders' Meeting resolves to cancel shareholders' pre-emptive rights to subscribe for:

- the equity warrants to be issued pursuant to this resolution; and
- the shares to be issued on exercise of the warrants.

If the issue or issues take place on the French market, the Board of Directors may grant existing shareholders a priority right to subscribe for the equity warrants, during a period and on terms to be decided at the discretion of the Board of Directors. Said priority right shall be non-transferable. Any warrants not subscribed by shareholders exercising their priority right will be placed on the market.

The General Shareholders' Meeting grants the Board of Directors full powers to carry out the equity warrant issue or issues authorized above and to fix the terms and conditions of issue thereof, including:

- the date or dates and terms of issue of the equity warrants and the number of warrants to be included in each issue;
- the number of warrants required to subscribe for one share;
- the periods during which the rights attached to the warrants may be exercised;
- the conditions under which the Company may buy back the equity warrants, at any time or within specified periods;
- the issue price of the shares to be issued on exercise of the warrants and the dividend entitlement accrual date thereof;
- the basis to be used to adjust the terms of exercise of the equity warrants if, while any warrants are still outstanding, the Company carries out any operations which, by law, can be effected only without prejudicing the rights of warrant-holders;
- to place on record the number and par value of the shares issued on exercise of the warrants, carry out the formalities related to the corresponding capital increases and amend the bylaws accordingly, pursuant to the law;
- to charge the capital increase costs against the related premiums; and
- generally, to enter into any and all agreements, take all appropriate steps and carry out all formalities necessary for the issue and exercise of the warrants.

This authorization is valid for one year. The shares to be created on exercise of the warrants must be issued within five years of the date of issue of the warrants.

Twentieth resolution

Public issue of hybrid securities WITH pre-emptive subscription rights

After hearing the report of the Board of Directors and the Statutory Auditors' special report, compiled in accordance with the law, the General Shareholders' Meeting authorizes the Board of Directors to issue securities convertible, redeemable, exchangeable or otherwise exercisable for new shares of the Company, at any time or at fixed dates. The securities may be issued on one or several occasions.

The securities will be offered to existing shareholders on a pre-emptive basis, pro rata to their existing interest in the Company's capital, said pre-emptive right also applying to securities not taken up by other shareholders.

The securities that may be issued pursuant to this resolution shall include:

(i) securities representing a portion of the Company's share capital combined with warrants entitling the holder to subscribe for shares in the Company; in this case, the aggregate par value of the securities to which said warrants are attached may not exceed € 400 million;

(ii) securities other than convertible debentures, debentures with equity warrants or the securities referred to in (i) above; in this case, the aggregate face value of the securities issued may not exceed € 3 billion.

In all cases, the aggregate par value of the shares issued on exercise of the warrants referred to in (i) above, or on conversion, redemption, exchange or exercise of the securities referred to in (ii) above, or on presentation of a warrant or otherwise shall not exceed € 400 million, not including any potential adjustments.

This authorization entails the waiver by the shareholders, in favor of the holders of any of the above securities, of their pre-emptive right to subscribe for the shares to be issued on conversion, redemption or exchange of the securities, on exercise of a warrant or otherwise.

For each and every issue carried out pursuant to this authorization, the Board of Directors will be required to specify the method applied to set the price of the securities.

The General Shareholders' Meeting grants the Board of Directors full powers to fix the dates and the amounts of the issues, determine the terms and conditions of issue and the form of the securities, to effect all necessary adjustments in accordance with the law and, generally, to take any and all appropriate measures and enter into any and all agreements to ensure the success of the proposed issues, all in accordance with the applicable regulations and laws.

In the case of an issue of securities entitling holders to a portion of share capital on exercise of a warrant, the Board of Directors will have full powers to set the procedures by which the Company will be able to buy back the warrants, at any time or within specified periods.

The General Shareholders' Meeting grants the Board of Directors full powers to make any amendments to the bylaws required by the use of the powers described above.

Issues covered by this authorization may be carried out by the Board of Directors within the maximum period allowed by law.

Twenty first resolution

Public issue of hybrid securities WITHOUT pre-emptive subscription rights

After hearing the report of the Board of Directors, and the Statutory Auditors' special report, compiled in accordance with the law, the General Shareholders' Meeting authorizes the Board of Directors to issue securities convertible, redeemable, exchangeable or otherwise exercisable for new shares of the Company, at any time or at fixed dates. The securities may be issued on one or several occasions, in France or abroad, and may be denominated in euros or foreign currency.

The securities that may be issued pursuant to this resolution shall include:

(i) securities representing a portion of the Company's share capital combined with warrants entitling the holder to subscribe for shares in the Company; in this case, the aggregate par value of the securities to which said warrants are attached may not exceed € 400 million;

(ii) securities other than convertible debentures, debentures with equity warrants or the securities referred to in (i) above; in this case, the aggregate face value of the securities issued may not exceed € 3 billion.

In all cases, the aggregate par value of the shares issued on exercise of the warrants referred to in (i) above, or on conversion, redemption, exchange or exercise of the securities referred to in (ii) above, or on presentation of a warrant or otherwise shall not exceed € 400 million, not including any potential adjustments.

This authorization entails the waiver by the shareholders, in favor of the holders of any of the above securities, of their pre-emptive right to subscribe for the shares to be issued on conversion, redemption or exchange of the securities, on exercise of a warrant or otherwise.

The amount received or likely to be received subsequently by the Company for each share issued or created by subscription, or on conversion, redemption or exchange of securities, exercise of a warrant or otherwise shall be at least equal to the average of the opening prices quoted for Cap Gemini shares on the Paris Stock Exchange for any period of ten consecutive trading days chosen from among the twenty trading days preceding the date of issue of the relevant securities.

For each and every issue carried out pursuant to this authorization, the Board of Directors will be required to specify the method applied to set the price of the securities.

The General Shareholders' Meeting resolves to cancel shareholders' pre-emptive rights to subscribe for the securities to be issued pursuant to this resolution.

If the issue or issues take place on the French market, the Board of Directors may grant existing shareholders a priority right to subscribe for securities, during a period and on terms to be decided at the discretion of Board of Directors. Said priority right shall be non-transferable. Any securities not subscribed by shareholders exercising their priority right will be placed on the market.

The General Shareholders' Meeting grants the Board of Directors full powers to fix the dates and the amounts of the issues, determine the terms and conditions of issue and the form of the securities, to effect all necessary adjustments in accordance with the law and, generally, to take any and all appropriate measures and enter into any and all agreements to ensure the success of the proposed issues, all in accordance with the applicable regulations and laws.

In the case of an issue of securities entitling holders to a portion of share capital on exercise of a warrant, the Board of Directors will have full powers to set the procedures by which the Company will be able to buy back the warrants, at any time or within specified periods.

The General Shareholders' Meeting grants the Board of Directors full powers to make any amendments to the bylaws required by the use of the powers described above.

Issues covered by this authorization may be carried out by the Board of Directors within the maximum period allowed by law.

Twenty second resolution

General ceiling on financial authorizations

The General Shareholders' Meeting resolves that the total amount of capital increases that may be carried out pursuant to the authorizations given in the fourteenth, fifteenth, sixteenth, seventeenth, eighteenth, nineteenth, twentieth and twenty-first resolutions above will be covered by the blanket authorization given to the Board of Directors in the eighth resolutions of the Extraordinary Shareholders' Meeting of May 16, 2001 to increase the capital to a maximum nominal amount of € 1.5 billion.

The authorizations given to the Board of Directors in the fourteenth, fifteenth, sixteenth, seventeenth, eighteenth, nineteenth, twentieth and twenty-first resolutions above replace those given in the tenth, eleventh, twelfth and thirteenth resolution of the Extraordinary Shareholders' Meeting of May 16, 2001 and in the fifteenth, sixteenth, seventeenth and eighteenth resolutions of the Extraordinary Shareholders' Meeting of April 25, 2002.

Twenty-third resolution

Powers to carry out formalities

The General Shareholders' Meeting authorizes the bearer of a copy or extract of the minutes of this meeting to execute all filing, publication and other formalities required under French law.

OTHER INFORMATION

Company name and head office

Name: Cap Gemini

Head office: 11, rue de Tilsitt, 75017 Paris

Legal form and governing law

"Société anonyme" governed by the French Companies Act of July 24, 1966 and Decree no. 67-236 of March 23, 1967.

Date of incorporation and term
The Company was incorporated on September 17, 1984. It was registered on October 4, 1984.

The Company was set up for a period of ninety nine years from the date of its registration. It may be wound up in advance or its term extended by decision of the Extraordinary Shareholders' Meeting.

Corporate purpose (article 3 of the bylaws)

The Company's purpose is to assist companies in France and abroad to manage and develop their businesses by providing them with the benefit of its knowledge of their industry, its know-how in the area of business process engineering and re-engineering, and its expertise in the area of information technologies.

To fulfil this purpose, the Company carries out on behalf of customers, either directly or through its subsidiaries or affiliates, one or more of the following activities, on an individual or integrated basis:

1. Management consulting

Working closely with customers, the Company assists in transforming companies by helping them to redefine or redirect their strategy, change their product and service lines, re-engineer their structures and business processes, restore staff motivation and achieve other changes. To this end, the Company uses all the possibilities offered by the latest information technologies wherever appropriate.

2. Information systems development

The Company designs and installs information systems. Its services include the development of customized software, the installation of market or internally-developed software applications, the integration of systems incorporating hardware, communication systems, customized software, software packages and other components. The Company also supports customers' IT projects by providing consulting, project management, training and assistance services.

3. Outsourcing

The Company manages all or part of its customers' IT resources on their behalf. Where requested by customers, the Company may perform all or part of this service using its own hardware, telecommunications systems and other equipment.

The Company may also manage the IT-based services offered to its customers' own clientele. In addition, it may work in partnership with customers within a structure conducting all or some of these activities.

In order to fulfil its corporate purpose, the Company may decide to:

- create specialist subsidiaries or acquire interests in the capital of other companies and manage their business in exchange for a fee. Management services include the provision of technical, marketing, legal and financial assistance, promotion of a common image, organization of financial structures, assistance in negotiations to help these companies to win new contracts, training, research and development support, etc.,
- invest and manage the Company's available funds, make cash advances, and give any and all guarantees or collateral on behalf of subsidiaries and affiliates,
- obtain or acquire and use any and all patents and manufacturing processes and sell, contribute or license any such patents and processes.

In broader terms, the Company's purpose is to carry out any and all commercial, industrial, securities, real estate or financial transactions related directly or indirectly to any of the above purposes or any similar or associated purpose or which are likely to facilitate the fulfilment or furtherance of said purposes.

Incorporation details

The Company is registered with the Paris Companies Registry under number 330 703 844.
APE business identifier code: 741 J.

Consultation of legal documents

Documents relating to the Company, including the bylaws, the financial statements, the reports of the Board of Directors (or the Directoire, from May 24, 1996 through May 23, 2000) to the General Shareholders' Meetings, and the Statutory Auditors' reports are available for consultation at the Company's head office at 11, rue de Tilsitt, -75017 Paris.

Fiscal year

The Company's fiscal year commences on January 1 and ends on December 31.

Appropriation and distribution of earnings

The General Shareholders' Meeting has sole discretionary powers to decide the appropriation of distributable income, as defined by French company law. Consequently, the General Shareholders' Meeting may decide to appropriate all or part of distributable earnings to revenue reserves, special reserves or retained earnings, or to distribute all or part of the amount to shareholders.

The General Shareholders' Meeting also decides the terms and conditions of payment of dividends. In particular, shareholders may be offered a stock dividend alternative, in which case the related dividends will be paid in the form of new shares credited as fully paid, issued in compliance with the provisions of the applicable laws and regulations. The above provisions also apply to the distribution of interim dividends, subject to compliance with French company law.

In addition, the General Shareholders' Meeting may decide to distribute a dividend out of distributable reserves, subject to compliance with French company law.

General Shareholders' Meetings

Shareholders may participate in general meetings in person, by proxy or by casting a postal vote, subject to submitting evidence of their identity and their title to the shares - which may be held in either registered or bearer form - to the address indicated in the notice of meeting. This formality must be completed at least five days prior to the date of the Meeting.

If shareholders attend general meetings in person, any proxies given by them to third parties or any votes cast by post will be cancelled.

To be taken into account, postal votes must be received by the Company at least three days prior to the date of the Meeting.

Where a shareholder has given proxy to a third party and has also sent in a postal voting form, if there is any difference in the two votes, the postal vote will be taken into account and the proxy ignored.

Disclosure thresholds (article 10 of the bylaws)

The Extraordinary Shareholders' Meeting of April 25, 2002 added specific disclosure obligations to the Company's bylaws. The bylaws now state that shareholders are required to notify the Company if their interest in the Company's capital or voting rights is increased to above (or reduced to below) 1% or any multiple thereof. In the case of failure to comply with these disclosure rules, at the request of one or several shareholders with combined holdings representing at least 1% of the Company's capital or voting rights, the undisclosed shares will be stripped of voting rights. Said sanction will apply for all General Shareholders' Meetings for a period of two years from the date on which the failure to disclose is rectified. Said request and the decision of the General Shareholders' Meeting must be recorded in the minutes of the Meeting.

Shareholder identification

The Company is authorized to obtain details of identifiable holders of bearer shares.

The Extraordinary Shareholders' Meeting of April 25, 2002 added a new article to the Company's bylaws according to which the Company may request from the share transaction clearing organization, the name, address, nationality and year of birth for an individual or the name, address and date of registration for a Company, of any holders of shares and securities convertible, exchangeable, redeemable or otherwise exercisable for shares carrying voting rights at General Shareholders' Meetings. The Company may also obtain details of how many shares are held by each shareholder and any applicable restrictions on said shares.

Voting rights (article 9 of the bylaws)

The voting right attached to shares is proportionate to the capital represented by the shares. All shares have the same par value and they therefore all carry one voting right.

No shares carry more than one voting right.

The Company's bylaws do not provide for any double voting rights, or any bonus shares. Registered and bearer shares carry one voting right each.

Changes in share capital and related rights

Changes in the capital or the rights attached to shares may be carried out subject to compliance with French company law and the specific provisions of the bylaws, summarized below.

Share capital

As of December 31, 2002, the Company's capital amounted to € 1,003,832,840, represented by 125,479,105 common shares with a par value of € 8, all fully paid-up.

The potential number of shares to be created on exercise of options outstanding as of December 31, 2002 amounted to 10,951,340:

- if all of these options were exercised at December 31, 2002 - irrespective of whether the exercise price is higher than the market price - the dilutive effect would be 8.7%;
- including only "in-the-money" options, i.e. those whose exercise price is less than or equal to the Cap Gemini share price at December 31, 2002 (€ 21.78), irrespective of the exercise date the dilutive effect would be zero.

Shares may be issued in either registered or bearer form, at shareholders' discretion.

Authorized, unissued capital

The Extraordinary Shareholders' Meetings of May 16, 2001 and April 25, 2002 authorized the Board of Directors to issue various types of shares and share equivalents (see table below):

Type of securities	Amount (in euros) (1)	Date of authorization	Expiry date of authorization
Common shares with PSR	1.5 billion (par value)	05/16/2001	05/16/2006
Common shares paid up by capitalizing retained earnings, income or additional paid in capital	1.5 billion (par value)	05/16/2001	05/16/2006
Common shares without PSR	1.5 billion (par value)	05/16/2001	05/16/2004
Debentures	1.5 billion	05/16/2001	04/16/2006
Convertible debentures without PSR	3 billion (debentures)	05/16/2001	05/16/2003
Convertible debentures with PSR	3 billion (debentures)	05/16/2001	05/16/2003
Debentures with equity warrants without PSR	3 billion (debentures) 400 million (par value of shares)	05/16/2001	05/16/2003
Debentures with equity warrants with PSR	3 billion (debentures) 400 million (par value of shares)	05/16/2001	05/16/2003
Equity warrants without PSR	400 million (par value of shares)	04/25/2002	04/25/2003
Equity warrants with PSR	400 million (par value of shares)	04/25/2002	04/25/2003
Hybrid securities without PSR	400 million (shares with warrants) 3 billion (securities other than convertible debentures and debentures with equity warrants) and 400 million (shares in secondary issue)	04/25/2002	period prescribed by law
Hybrid securities with PSR	400 million (shares with warrants) 3 billion (securities other than convertible debentures and debentures with equity warrants) and 400 million (shares in secondary issue).	04/25/2002	period prescribed by law

(1) securities issued pursuant to these authorizations may not have the effect of increasing the share capital to more than € 1.5 billion.
PSR: pre-emptive subscription rights

In the case of the issuance of securities without pre-emptive subscription rights, shareholders may be given a priority right to subscribe for the securities for a period and on terms to be determined by the Board of Directors.

If shareholders at the Extraordinary Shareholders' Meeting of May 7, 2003, approve the related resolutions, the Board of Directors will be authorized to issue various types of shares and share equivalents (see table below):

Type of securities	Amount (in euros) (1)	Date of authorization	Expiry date of authorization
Convertible debentures without PSR	3 billion (debentures)	05/07/2003	05/07/2005
Convertible debentures with PSR	3 billion (debentures)	05/07/2003	05/07/2005
Debentures with equity warrants without PSR	3 billion (debentures) 400 million (par value of shares)	05/07/2003	05/07/2005
Debentures with equity warrants with PSR	3 billion (debentures) 400 million (par value of shares)	05/07/2003	05/07/2005
Equity warrants without PSR	400 million (par value of shares)	05/07/2003	05/07/2004
Equity warrants with PSR	400 million (par value of shares)	05/07/2003	05/07/2004
Hybrid securities without PSR	400 million (shares with warrants) 3 billion (securities other than convertible debentures and debentures with equity warrants) and 400 million (shares in secondary issue)	04/25/2002	period prescribed by law
Hybrid securities with PSR	400 million (shares with warrants) 3 billion (securities other than convertible debentures and debentures with equity warrants) and 400 million (shares in secondary issue).	04/25/2002	period prescribed by law

(1) securities issued pursuant to these authorizations may not have the effect of increasing the share capital to more than € 1.5 billion.

PSR: pre-emptive subscription rights.

In the case of the issuance of securities without pre-emptive subscription rights, shareholders may be given a priority right to subscribe for the securities for a period and on terms to be determined by the Board of Directors.

Share equivalents

Stock options

The Board of Directors was authorized by the May 23, 2000 Annual Shareholders' Meeting, and the Directoire by the Annual Shareholders' Meeting of May 24, 1996 to set up one or several employee stock option plans over a five-year period.

Details of the two stock option plans in force at December 31, 2002 are summarized in the table below:

		1996 Plan	2000 Plan	
		(plan no. 4)	(plan no. 5)	
Date of Shareholders' Meeting		May 24, 1996	May 23, 2000	
Total number of options available for grant		6,000,000	12,000,000	
Beginning of exercise period		July 1, 1996	Sept. 1, 2000	October 1, 2001
Exercise period		6 years	6 years	5 years
Exercise price as a % of average quoted market price for the 20 trading days preceding the date of grant		80%	80%	100%
Exercise price per share in €	. Low	39.52	139.00	24.00
	. High	178.00	161.00	60.00
Number of shares subscribed as of December 31, 2002		1,423,465	-	-
Potential number of shares to be created on exercise of options outstanding as of December 31, 2002		(1) 3,149,390	(2) 2,286,950	(3) 5,515,000
Of which options held by two of the eleven members of the Board of Directors		70,000	-	95,000

(1) i.e. 358,411 shares at a price of € 39.52; 450,239 shares at a price of € 56.98; 473,415 shares at a price of € 87.96; 197,200 shares at a price of € 114 ; 473,325 shares at a price of € 118; 485,800 shares at a price of € 178; 364,000 shares at a price of € 161 and 347,000 shares at a price of € 144.
(2) i.e. 1,210,950 shares at a price of € 161 and 1,076,000 shares at a price of € 139.
(3) i.e. 3,064,000 shares at a price of € 60 and 2,451,000 shares at a price of € 24.

In the event of an authorized tender offer to acquire the Company's shares and other securities giving access to the Company's capital or voting rights, all outstanding stock options would become immediately exercisable.

Stock options granted to and exercised by Directors of Cap Gemini S.A. during the year were as follows:

	Number of options granted/shares subscribed	Exercise price (in euros)	Expiry of exercise period	Plan
Options granted to Directors during the year				
Paul Hermelin	80,000	24.00	Sept. 30, 2007	Plan 5
Options exercised by Directors during the year				
Michel Jalabert	3,090	20.57	-	Plan 3

Serge Kampf has never been granted any stock options.

Stock options granted by Cap Gemini S.A. and exercised by the top ten employee grantees (non-Directors) are:

	Number of options granted/shares subscribed	Weighted average exercise price (in euros)	Plan
Options granted to the top ten employee grantees during the year, by the Company and other Group companies entitled to grant options	225,000	24.00	Plan 5
Options exercised during the year by the top ten employee grantees of the Company and other Group companies entitled to grant options	110,930	21.81	Plans 3&4

No other securities are outstanding that are convertible, exercisable, redeemable or otherwise exchangeable for Company shares or any securities not carrying rights to equity.

Changes in capital

	Number of shares	Share capital (in euros)	Additional paid-in capital (in euros)
As of January 1, 1998	***61,198,877***	***373,188,347***	***704,443,224***
Gemini consulting holding SA merger	-	-	20,056
Issuance of shares for cash:			
- issuance of 6,823,741 shares at FRF 550 (€ 83.85)	6,823,741	41,610,904	530,539,031
Share issuance costs charged against the premium	-	-	(11,181,879)
- shares issued upon exercise of stock options	1,108,040	6,756,784	18,208,188
As of December 31, 1998	***69,130,658***	***421,556,035***	***1,242,028,620***
Issuance of shares:			
- by conversion of the share capital from French francs into euro and rounding up of the par value of the shares to € 8.0	-	131,489,229	(131,489,229)
- upon public tender offer for minority interests in Cap Gemini NV	7,304,001	58,432,008	944,261,249
Share issuance costs charged against the premium	-	-	(5,647,677)
Issuance of shares for cash:			
- shares issued upon exercise of stock options	1,510,449	12,083,592	26,225,526
As of December 31, 1999	***77,945,108***	***623,560,864***	***2,075,378,489***
Issuance of shares:			
- shares issued in payment for the contribution of Ernst & Young's consulting businesses	42,737,107	341,896,856	9,060,266,684
Share issuance costs charged against the premium	-	-	(53,147,828)
Issuance of shares for cash:			
- shares issued to Cisco	2,597,764	20,782,112	680,614,168
Share issuance costs charged against the premium	-	-	(2,254,552)
- shares issued upon exercise of stock options	1,025,565	8,204,520	23,340,953
As of December 31, 2000	***124,305,544***	***994,444,352***	***11,784,197,914***
Capital reduction:			
- by cancellation of shares returned by former Ernst & Young partners who have left the Group.	(208,370)	(1,666,960)	(34,278,002)
Issuance of shares for cash:			
- shares issued upon exercise of stock options	1,147,082	9,176,656	21,368,417
As of December 31, 2001	***125,244,256***	***1,001,954,048***	***11,771,288,329***
Dividend paid out of additional paid-in capital	-	-	(50,097,702)
Capital reduction:			
- by cancellation of shares returned by former Ernst & Young partners who have left the Group.	(237,352)	(1,898,816)	(18,106,308)
Issuance of shares for cash:			
- shares issued upon exercise of stock options	472,201	3,777,608	8,653,224
As of December 31, 2002	***125,479,105***	***1,003,832,840***	***11,711,737,543***

Current ownership structure

The current ownership structure is presented on page 16. All shares carry one voting right.
In accordance with the agreements entered into between Cap Gemini and Ernst & Young in connection with the acquisition of Ernst & Young's consulting businesses which was completed on May 23, 2000, 43,187 Cap Gemini shares were returned to the Company between March 15, 2002 and December 31, 2002 by people who became employees of the Cap Gemini Ernst & Young Group and then left the Group. In accordance with French company law, these shares are stripped of their rights.

As of December 31, 2002, there were 1,550 holders of registered shares (source : Euro Emetteurs Finance, the Company's registrar).

As of December 31, 2002, Wendel Investissement (formerly CGIP - Compagnie Générale d'Industrie et de Participations) held over 5% of the Company's capital and voting rights, directly or indirectly. As the Cap Gemini S.A. shares sold by Wendel Investissement to BNP Paribas Arbitrage during the year may be bought back at the sole discretion of Wendel Investissement, in accordance with disclosure threshold legislation (article L.233-9 para. 4 of the Commercial Code), Wendel Investissement must account for the shares as if it still owned them. Therefore, in accordance with the said legislation, the Wendel Investissement Group holds over 10% of Cap Gemini's capital stock.

As of December 31, 2002 Serge Kampf also held over 5% of the Company's capital and voting rights.

At the same date, JP Morgan Chase Investor Services and State Street Bank and Trust Company both held over 5% of the Company's capital and voting rights on behalf of their clients, in their capacity as registered intermediaries as defined in the last paragraph of article L. 233-7 of the Commercial Code.

As far as the Company is aware, no other shareholders hold 5% or more of the Company's capital and voting rights, directly or indirectly or in concert with other shareholders.

In accordance with article 10 of the bylaws, Caisse des Dépôts et Consignations informed the Company that it had raised its interest to over 3% and subsequently 4% of the Company's capital and voting rights, and Société Générale Asset Management declared that it had raised its interest to over 1% of the Company's capital and voting rights.

Shares held by members of the Board of Directors represent less than 10% of the Company's capital.

Changes in ownership structure over the last three years

On May 23, 2000, the Company issued 42,737,107 shares in payment of the contribution of Ernst & Young's consulting businesses.

In October 2000, the Company issued 2,597,764 shares to Cisco Systems Inc.

In 2001, the Company issued 1,147,082 new shares upon the exercise of stock options granted to Group employees in prior years.

In 2002, the Company issued 472,201 new shares upon the exercise of stock options granted to Group employees in prior years.

Ownership structure at December 31, 2000, 2001 and 2002

	As of December 31, 2000			As of December 31, 2001			As of December 31, 2002		
	Number of shares	% interest	% voting rights (2)	Number of shares	% interest	% voting rights	Number of shares	% interest	% voting rights
Wendel Investissement	15,747,883	12.7	12.8	14,589,452	11.6	11.6	13,889,452	*(3)*11.1	11.1
Serge Kampf	6,469,947	5.2	5.3	6,469,947	5.2	5.2	7,169,947	5.7	5.7
Paul Hermelin	137,000	0.1	0.1	149,648	0.1	0.1	140,048	0.1	0.1
Public (1) (registered and bearer shares)	101,758,176	81.9	81.8	104,011,555	83.1	83.1	104,236,471	83.1	83.1
Treasury stock	192,538	0.1	-	23,654	nm	-	43,187	nm	-
Own shares	-	-	-	-	-	-	-	-	-
Total	***124,305,544***	***100***	***100***	***125,244,256***	***100***	***100***	***125,479,105***	***100***	***100***

(1) Including capital held by managers, particularly those who have exercised stock options in the past and retained their shares, as well as shares received in May 2000 by former Ernst & Young Consulting partners who became Group employees after the acquisition of the Ernst & Young Consulting businesses.
(2) The percentage voting rights figures are slightly different from the percentage interest figures as of December 31, 2000 due to a late share ownership disclosure statement by Ernst & Young LLP, which stripped the shares concerned of their voting rights.
(3) Including the Cap Gemini SA shares sold to BNP Paribas Arbitrage (3.6% of the Company's capital) which may be bought back at the sole discretion of Wendel Investissement. In accordance with disclosure threshold legislation set out in para. 4 of article L233-9 of the Commercial Code, these shares must be accounted for as if Wendel Investissement still owned them.

As of December 31, 2002, the Company held 43,187 shares returned by the former partners of Ernst & Young who had left the Group.

Based on the response to a request for details filed on August 30, 2002 the Company has 281,805 identifiable holders of bearer shares.

No shares carry more than one voting right.

Shareholders' agreements

The shareholders' agreements entered into between Cap Gemini and the contributors of Ernst & Young's consulting businesses (both "consulting" and "non-consulting" partners and entities) were published by the French Conseil des Marchés Financiers (CMF) on May 3, 2000 under reference no. 200C0662. These agreements set out the conditions under which all or some of the 42,737,107 new Cap Gemini shares issued in payment for the contributions made by Ernst & Young would be sold in a gradual and controlled manner over a five-year period ending in mid-2005, in order to avoid any adverse effect on the market price of Cap Gemini shares.

The Conseil des Marchés Financiers considered that the agreements between Cap Gemini and a) the partners and entities of the Ernst & Young network and b) the former partners of Ernst & Young who had become employees of Cap Gemini Ernst & Young, did not constitute an action in concert by the signatories thereto.

The terms and conditions of disposal of Cap Gemini shares were made more flexible by an amendment to the agreements published by the CMF on April 10, 2001 under reference number 201 C 0384. This amendment modified both the volume and timetable of share disposals, but retained the original controlled sale procedure in order to minimize the effects on the share price. The amendment provided for the implementation of a procedure to regularly ask shareholders whether they intend to sell their Cap Gemini shares and created a shareholders' committee to decide when sales should be initiated, as well as the terms and conditions thereof. According to the amendment, Cap Gemini is responsible for coordinating the preparation and initiation of sales in relation to these Cap Gemini shares. These amendments do not have any effect on the provisions of the original agreements concerning the lifting of lock-up conditions.

There are no other shareholder agreements in force.

Corporate Governance

The Board of Directors

- The Ordinary Shareholders' Meeting of May 23, 2000 elected the following Directors for a period of six years:

Serge KAMPF, Chairman and Chief Executive Officer	Ruud van OMMEREN
Ernest-Antoine SELLIÈRE, Vice-Chairman	Terry OZAN
Christian BLANC	Bruno ROGER
Paul HERMELIN	Geoff UNWIN
Pierre HESSLER	Guy de WOUTERS
Michel JALABERT	

- In accordance with the provisions of the Act of May 15, 2001 dealing with new economic regulations ("N.R.E") and with the April 25, 2002 authorization granted by the General Shareholders' Meeting, on July 24, 2002, the Board of Directors:
  - approved the recommendation of Serge Kampf and decided to separate the functions of Chairman of the Board and Chief Executive Officer,
  - reappointed Serge Kampf as Chairman of the Board,
  - appointed Paul Hermelin as Chief Executive Officer for a period expiring at the end of his term of office as a Director,
  - noted that Pierre Hessler, Geoff Unwin and Guy de Wouters had stood down from their positions and appointed the following Directors as their successors:
    - Jean-René Fourtou, Chairman and Chief Executive Officer of Vivendi Universal,
    - Jean-Bernard Lafonta, Chief Executive Officer of Wendel Investissement (formerly C.G.I.P.),
    - Phil Laskawy, former Chairman of Ernst & Young.

Therefore, since July 24, 2002 the Board of Directors has been comprised as follows:

• Serge KAMPF, Chairman	• Jean-Bernard LAFONTA
• Ernest-Antoine SEILLIÈRE, Vice-Chairman	• Phil LASKAWY
• Christian BLANC	• Ruud VAN OMMEREN
• Jean-René FOURTOU	• Terry OZAN
• Paul HERMELIN, Chief Executive Officer	• Bruno ROGER
• Michel JALABERT	

Photo taken during a Board of Directors Meeting (clockwise from left) : Pierre HESSLER (Non-voting Director), Geoff UNWIN (Non-voting Director), Jean-Bernard LAFONTA, Christian BLANC, Bruno ROGER, Serge KAMPF, Ernest-Antoine SEILLIÈRE, Jean-René FOURTOU, Phil LASKAWY, Terry OZAN, Ruud VAN OMMEREN, Michel JALABERT, Paul HERMELIN, William BITAN (Chief Financial Officer).

On the same date, the Board of Directors also appointed the following Non-Voting Directors: Pierre Hessler to replace Phil Lasawy who has been appointed a Director, and Geoff Unwin to replace Chris van Breugel who has become the Chairman of the newly set-up Sogeti Group.

The Board's appointment of these three Directors and two Non-Voting Directors is subject to ratification by the Ordinary Shareholders' Meeting to be held on May 7, 2003.

Directors must hold at least 100 Cap Gemini shares in a personal capacity.

- In 2002, the Selection and Compensation Committee reviewed the situation of each of the current members of the Board of Directors based on the criteria and definition of independence provided in the Bouton report on "Promoting Better Corporate Governance in Listed Companies". The definition of independence is given as "a Director is independent when he or she has no relationship of any kind whatsoever with the corporation, its group or the management of either that is such as to color his or her judgement". The Committee concluded that five of the eleven members of the Board (45%) can be considered to be independent: Christian Blanc, Jean-René Fourtou, Michel Jalabert, Phil Laskawy and Ruud van Ommeren. The Committee also recommended that measures should be taken to ensure that at least half of the members of the Board of Directors are independent within a reasonable period of time.
  The Board of Directors reviewed these recommendations and approved them without reservation.

Internal rules of operation

At its July 24, 2002 meeting, the Board of Directors decided to implement internal rules of operation as provided for in article 16 of the Company's bylaws. These rules:
- set out the terms and conditions according to which the Board of Directors, the Chairman and the Chief Executive Officer perform their roles and responsibilities,
- fix the rules for the operation of the Committees created by the Board of Directors,
- explain how the different roles and responsibilities are allocated between all of these persons and bodies.

The Internal Rules of Operation set out a reminder of the legal provisions relating to insider trading for Board Members and recommend that Directors should only buy or sell Cap Gemini S.A. shares in the two month period following interim or full-year results announcements and that in no circumstances should they buy or sell shares in the month preceding said announcements.

Board Meetings

The Board met six times during 2002, with a meeting attendance rate of 91%.

In accordance with the recommendations of the Selection and Compensation Committee, the Board of Directors decided that attendance fees for 2002 should be allocated between Directors, Non-Voting Directors and members of the Board Committees as follows:
- each Director or Non-Voting Director will be granted:
  - an annual fixed fee of € 10,000 in their capacity as Director or Non-Voting Director,
  - an annual fixed fee of € 3,500 for membership of one of the three Board Committees,
  - € 2,500 for each attendance at a Board meeting,
  - € 1,500 for each attendance at a Board Committee meeting.
- additional compensation will be granted as follows:
  - to the Chairman and Vice-Chairman of the Board of Directors: a fixed sum equal to the amount received by a Director attending six Board meetings, representing a total of €10,000 + (6 x € 2,500) = € 25,000,
  - to the Chairman of each of the Board Committees: a fixed sum equal to the amount received by a member of a Committee attending four meetings, representing a total of € 3,500 + (4 x € 1,500) = € 9,500:

In order to take into account the July 24, 2002 changes in its composition, the Board of Directors decided that the payments should be made on a proportional basis: 7/12th for Directors or Non-Voting Directors in office until July 24, 2002 and 5/12th for those in office after that date.

The individual amounts paid to Directors during 2002 are provided on page 92 of this report.

Board Committees

In May 2000, the Board of Directors set up three specialized Committees, each of which has internal rules of operation defining their roles and responsibilities. The current composition of the Committees reflects the changes in the composition of the Board of Directors which took place on July 24, 2002.

Strategy and Investments Committee

Chairman: Ernest-Antoine Seillière

Members: Jean-René Fourtou, Paul Hermelin, Serge Kampf and Bruno Roger.

The Committee met twice during 2002, with a meeting attendance rate of 100%.

The Strategy and Investments Committee deals with questions relating to strategic technological partnerships, the scope and development of service offerings and the Group's geographical presence. It also reviewed several acquisition or investment opportunities during 2002.

Audit Committee

Chairman: Phil Laskawy

Members: Pierre Hessler, Michel Jalabert and Jean-Bernard Lafonta.

This Committee met six times in 2002 with a meeting attendance rate of 77%. The Chief Financial Officer, the Director of the Accounts Department and the Statutory Auditors also attended these meetings.

The Committee reviewed the accounting principles used for the financial statements for the year ended December 31, 2001 and the accounting treatment of significant events which took place during that year. It also reviewed the 2001 financial statements of the Company and the Group and the main changes in Group structure which took place during the year. Its review included the write-down of investments in subsidiaries and affiliates recorded due to the reorganization of the Group's North American businesses as well as plans to recapitalize certain subsidiaries.

As the terms of office of the Statutory Auditors - Coopers & Lybrand Audit and Constantin Associés - expired at the General Shareholders Meeting of April 25, 2002, the Committee assessed the audit work carried out by the Auditors under their engagements and invited Mazars, RSM Salustro Reydel, KPMG and Deloitte Touche Tomatsu, as well as PricewaterhouseCoopers and Constantin to submit proposals based on a detailed description of Cap Gemini Ernst & Young's service requirements. Representatives of these firms then met with the Chief Financial Officer and the Finance Directors of the three largest entities outside France (North America, United Kingdom and the Benelux countries). Lastly, the firms submitted their proposals to the Chief Financial Officer and the Audit Committee which presented its recommendations to the Board of Directors.

The Committee also reviewed the provisional and final half-yearly financial statements for the period ended June 30, 2002 as well as the draft interim report of the Board of Directors and the Group's financial resources. The Audit Committee performed a general review of the report on Corporate Governance in French listed companies issued on September 23, 2002 by the working group chaired by Daniel Bouton.

Selection and Compensation Committee

Chairman: Ruud van Ommeren

Members: Christian Blanc, Terry Ozan and Geoff Unwin.

The Committee met twice during 2002, with a meeting attendance rate of 88%.

The Selection and Compensation Committee dealt with issues relating to the appointment of managers of the Group's major operating units, the determination of the variable portion of compensation in 2001 and the formulae used to calculate variable compensation for the Group's top executives in 2002.

The Committee issued recommendations related to calculating the variable portion of compensation for the Chairman of the Board and the Chief Executive Officer for 2001 and defining the applicable rules for 2002. Half of the variable portion of their compensation is based on Group performance (revenues, operating income) and half on the attainment of seven personal objectives.

The Selection and Compensation Committee reviewed the Group's planned 2003 compensation policy and recommended rules for the allocation of attendance fees between Directors, Non-Voting Directors and members of the Board Committees for 2002.

As stated above, it also reviewed the situation of each of the current members of the Board based on the definition of independence provided in the Bouton report and submitted recommendations to the Board of Directors.

Lastly, it debated the possible impact of the recommendations in the Bouton report concerning stock option policies.

List of Directorships and other functions held by members of the Board of Directors during 2002 (the eleven current members of the Board plus Pierre Hessler, Geoff Unwin and Guy de Wouters who stood down on July 24, 2002):

Serge KAMPF

France

Chairman of the Board of Directors of:	CAP GEMINI S.A. (Chairman and Chief Executive Officer until July 24, 2002)
Chairman of:	CAP GEMINI SERVICE S.A.S. (Chairman and Chief Executive Officer until June 26, 2002)
Chairman and Chief Executive Officer of:	CAP SOGETI S.A.
Director of:	CAP GEMINI TELECOM S.A. CAP GEMINI GOUVIEUX S.A. CAP GEMINI ERNST & YOUNG EMPLOYEES WORLDWIDE S.A.
Permanent representative of CAP GEMINI S.A. on the Board of Directors of:	CAP GEMINI ERNST & YOUNG UNIVERSITE S.A.
Member of the Supervisory Board and Chairman of the Appointments and Compensation Committee of:	AVENTIS S.A.

Outside France

Chairman of:	CAP GEMINI ERNST & YOUNG SUISSE S.A.
Managing Director of:	CAP GEMINI EUROPE BV CAP GEMINI BENELUX BV
Director of:	CAP GEMINI NORTH AMERICA INC. (USA) CAP GEMINI AMERICA INC. (USA)

Ernest-Antoine SEILLIÈRE

France

Chairman and Chief Executive Officer of:	WENDEL Investissement
Vice-Chairman of the Board of Directors of:	CAP GEMINI S.A.
Director of:	SOCIETE LORRAINE DE PARTICIPATIONS SIDERURGIQUES SOFISAMC GRAS-SAVOYE
Member of the Supervisory Board of:	HERMES INTERNATIONAL (S.C.A.) PEUGEOT S.A.
Permanent representative of SOFISERVICE on the Supervisory Board of:	BUREAU VERITAS

Outside France

Chairman of the Supervisory Board of:	TRADER Classified Media ORANJE-NASSAU GROEP B.V.
Director of:	CAP GEMINI AMERICA, Inc. (USA)

Christian BLANC

France

Director of:	CAP GEMINI S.A. CARREFOUR COFACE J.C. DECAUX THOMSON

Jean-René FOURTOU

France

Chairman and Chief Executive Officer of:	VIVENDI UNIVERSAL
Vice-Chairman of the Board of Directors of:	AXA ASSURANCES IARD MUTUELLE AXA ASSURANCES VIE MUTUELLE AXA COURTAGE ASSURANCES MUTUELLE
Member of the Supervisory Board of:	AXA S.A.
Chairman of the Supervisory Board of:	CANAL+ GROUP VIVENDI ENVIRONNEMENT
Vice-Chairman of the Supervisory Board of:	AVENTIS
Director of:	CAP GEMINI S.A. (from July 24, 2002)
Member of the Management Committee of:	AXA MILLESIMES S.A.S

Outside France

Chief Executive Officer of:	USI ENTERTAINMENT INC.
Director of:	USA INTERACTIVE AXA FINANCIAL INC. THE EQUITABLE LIFE ASSURANCE EADS
Chairman of:	INTERNATIONAL CHAMBER OF COMMERCE

Paul HERMELIN

France

Director and Chief Executive Officer of:	CAP GEMINI S.A. (Delegated General Manager until July 24, 2002)
Chief Executive Officer of:	CAP GEMINI SERVICE S.A.S. (Director until June 26,2002)
Chairman of:	CAP GEMINI ERNST & YOUNG FRANCE S.A.S. (Chairman and Chief Executive Officer until June 25, 2002) CAP SOGETI FRANCE S.A.S. CAP SOGETI.COM S.A.S.

Director of:	CAP GEMINI TELECOM S.A. CAP GEMINI TELECOM MEDIA & NETWORKS FRANCE S.A. GEMINI TELECOM & MEDIA FRANCE S.A. CAP GEMINI ERNST & YOUNG UNIVERSITE S.A. CAP SOGETI S.A. CAP GEMINI GOUVIEUX S.A. CAP GEMINI ERNST & YOUNG EMPLOYEES WORLDWIDE S.A.

Outside France

Director of:	CAP GEMINI NORTH AMERICA INC. (USA) CAP GEMINI AMERICA, INC. (USA) CAP GEMINI ERNST & YOUNG HOLDING, INC. (USA) CAP GEMINI ERNST & YOUNG US LLC (USA) CAP GEMINI TELECOM MEDIA & NETWORKS US SOGETI USA CAP GEMINI ERNST & YOUNG NEW BRUNSWICK, INC. (CANADA) CAP GEMINI ERNST & YOUNG NOVA SCOTIA, INC. (CANADA) CAP GEMINI ERNST & YOUNG CANADA INC. (CANADA) CGS HOLDINGS LTD (UK) CAP GEMINI ERNST & YOUNG UK PLC CAP GEMINI ERNST & YOUNG IRELAND LTD SOGETI (BELGIUM) CAP GEMINI ERNST & YOUNG ITALIA CAP GEMINI ERNST & YOUNG ESPANA CAP GEMINI TELECOM MEDIA & NETWORKS ESPANA CAP GEMINI ERNST & YOUNG CONSULTORES (PORTUGAL) CAP GEMINI ASIA PACIFIC PTE LTD CAP GEMINI ERNST & YOUNG JAPAN KK CAP GEMINI ERNST & YOUNG CONSULTING INDIA Pvt Ltd CAP GEMINI ERNST & YOUNG AUSTRALIA Pty Ltd CAP GEMINI ERNST & YOUNG NEW ZEALAND Ltd
Member of the Supervisory Board of:	CAP GEMINI N.V.

Pierre HESSLER

France

Non-voting director of:	CAP GEMINI S.A. (Director and Delegated General Manager until July 24, 2002)
Director of:	CAP GEMINI SERVICE S.A. CAP GEMINI TELECOM S.A. CAP GEMINI TELECOM MEDIA & NETWORKS FRANCE S.A. GEMINI TELECOM & MEDIA FRANCE S.A. CAP SOGETI S.A. CAP GEMINI GOUVIEUX S.A.
Permanent representative of: on the Board of Directors of:	CAP GEMINI SERVICE S.A. CAP GEMINI ERNST & YOUNG UNIVERSITE S.A.
Chairman of the Supervisory Board of:	BUREAU VERITAS S.A.
Legal manager of:	ACTIDEAS S.A.RL

Outside France

Vice-Chairman of:	CAP GEMINI ERNST & YOUNG CONSULTING ÖSTERREICH
Director of:	GEMINI CONSULTING HOLDING LTD (UK) GEMINI CONSULTING LTD (UK) BRENDER MANAGEMENT SERVICES LTD (UK) CAP GEMINI ERNST & YOUNG AB (SWEDEN) GEMINI CONSULTING (JAPAN) INC.
Member of the Supervisory Board of:	SOFTWARE DESIGN & MANAGEMENT AG (GERMANY)

Michel JALABERT

France

Director of:	CAP GEMINI S.A.

Jean-Bernard LAFONTA

France

Chief Executive Officer of:	WENDEL Investissement
Member of the Supervisory Board of:	VALEO
Director of:	WENDEL Investissement CAP GEMINI S.A. (from July 24, 2002) LEGRAND S.A. FIMEP S.A.
Permanent representative of SOFU on the Supervisory Board of:	BUREAU VERITAS
Legal manager of:	GRANIT

Outside France

Member of the Supervisory Board of:	ORANJE NASSAU GROEP B.V.
Director of:	LUMINA PARENT (LUXEMBOURG)

Phil LASKAWY

France

Director of:	CAP GEMINI S.A. (Non-voting director until July 24, 2002)

Outside France

Director of:	THE GOODYEAR TIRE & RUBBER COMPANY GENERAL MOTORS CORPORATION HEIDRICK & STRUGGLES INTERNATIONAL, INC. HENRY SCHEIN, INC. THE PROGRESSIVE CORPORATION

Ruud VAN OMMEREN

France

Director of:	CAP GEMINI S.A.

Outside France

Chairman of the Supervisory Board of:	CAP GEMINI N.V. GAK ONROEREND GOED V.O.F. DELFTS INSTRUMENTS N.V.
Member of the Supervisory Board of:	ANWB WILLEM VAN RIJN B.V.

Terry OZAN

France

Director of:	CAP GEMINI S.A. (Delegated General Manager until July 24, 2002)

Outside France

Chairman of:	CAP GEMINI ERNST & YOUNG MEXICO, S. de R.L. de C.V.
Director of:	CAP GEMINI NORTH AMERICA INC. CAP GEMINI AMERICA INC. CGEY HOLDING INC. CAP GEMINI ERNST & YOUNG U.S. LLC CAP GEMINI ERNST & YOUNG US HOLDINGS LLC BIOS GP INC. SOGETI USA LLC CAP GEMINI TELECOM MEDIA & NETWORKS US, INC. CAP GEMINI ERNST & YOUNG U.S. CONSULTING B.V. CAP GEMINI ERNST & YOUNG CANADA INC. CAP GEMINI ERNST & YOUNG U.S.A. CONSULTING COMPANY (CANADA) CAP GEMINI ERNST & YOUNG NEW BRUNSWICK INC. (CANADA) CAP GEMINI ERNST & YOUNG NOVA SCOTIA, INC. (CANADA) CAP GEMINI TELECOM MEDIA & NETWORKS UK CAP GEMINI TELECOM MEDIA & NETWORKS NEDERLAND CAP GEMINI TELECOM MEDIA & NETWORKS SWEDEN KANISA CORPORATION

Bruno ROGER

France

Chairman of:	LAZARD PARIS
Chairman and CEO, and subsequently Chairman of the Supervisory Board of:	EURAZEO
Director of:	CAP GEMINI S.A. COMPAGNIE DE SAINT-GOBAIN THALES
Member of the Supervisory Board of:	AXA PINAULT PRINTEMPS REDOUTE

Outside France

Member of the Executive Committee of:	LAZARD
Director of:	SOFINA (BELGIUM)

Geoff UNWIN

France

Non-voting director of:	CAP GEMINI S.A. (Director and Delegated General Manager until July 24, 2002)
Director and Chief Executive Officer of:	CAP GEMINI SERVICE S.A (until April 30, 2002)
Director of:	CAP GEMINI TELECOM S.A. CAP SOGETI S.A.

Outside France

Chairman of:	CAP GEMINI ERNST & YOUNG HOLDING INC. (USA) CAP GEMINI ERNST & YOUNG US LLC (USA) CAP GEMINI AMERICA, INC. (USA) CAP GEMINI ERNST & YOUNG HOLDING, INC. CAP GEMINI ERNST & YOUNG MEXICO Sde RL de CV CGS HOLDINGS Ltd (UK) CAP GEMINI ERNST & YOUNG UK, PLC CAP GEMINI ERNST & YOUNG OLDCO, LTD (UK) CAP GEMINI ERNST & YOUNG IRELAND Ltd CAP GEMINI ERNST & YOUNG OLD IRELAND Ltd CAP GEMINI ERNST & YOUNG AB (SUEDE) CAP GEMINI ERNST & YOUNG SINGAPORE FSI Pte Ltd CAP GEMINI ERNST & YOUNG SINGAPORE CONSULTANTS Pte Ltd CAP HONG KONG Ltd
Director of:	CAP GEMINI TELECOM MEDIA & NETWORKS US, INC. CAP GEMINI ERNST & YOUNG USA CONSULTING CY (CANADA) CAP GEMINI ERNST & YOUNG NEW BRUNSWICK INC. (CANADA) CAP GEMINI ERNST & YOUNG NOVA SCOTIA Ltd (CANADA) CAP GEMINI TELECOM MEDIA & NETWORKS UK CAP GEMINI TELECOM MEDIA & NETWORKS IRELAND CAP GEMINI ERNST & YOUNG US CONSULTING BV CAP GEMINI ASIA PACIFIC Pte Ltd PROFESSIONAL OUTSOURCING PTE LTD CAP GEMINI TAIWAN CAP GEMINI ERNST & YOUNG KOREA CAP GEMINI ERNST & YOUNG JAPAN KK CAP GEMINI ERNST & YOUNG AUSTRALIA Ltd CAP GEMINI ERNST & YOUNG NEW ZEALAND Ltd CAP GEMINI TELECOM MEDIA & NETWORKS SINGAPORE CAP GEMINI TELECOM MEDIA & NETWORKS MALAYSIA Sdn Bhd
Chairman of:	UNITED BUSINESS MEDIA, PLC (UK) 3GLAB (UK) HALMA PLC (UK)
Director of:	GUNWIN LTD (UK)

Guy de WOUTERS

France

Chairman of the Board of Directors of:	COMPAGNIE FINANCIERE DE LA TRINITE
Director of:	CAP GEMINI S.A. (until July 24, 2002) EUROTUNNEL WENDEL INVESTISSEMENT

Directors' interests

Compensation of Directors

The total compensation paid by the Company and other Group companies to the five managing directors in 2002 is analyzed as follows:

(in euros)

	2002	2001
Serge KAMPF	633,800	683,426
Paul HERMELIN	896,950	875,511
Pierre HESSLER (director until July 24, 2002)	245,625	501,159
Terry OZAN	1,094,687	2,060,626
Geoff UNWIN (director until July 24, 2002)	497,514	1,222,324
TOTAL	***3,368,576***	***5,343,046***

2002: 1 euro = 1.049 US dollars
1 euro = 0.851 pounds sterling

2001: 1 euro = 0.8813 US dollars
1 euro = 0.6085 pounds sterling

Half of the variable portion of these managing directors' compensation is based on Group performance (revenues, operating income) and half on the attainment of personal objectives.

Total attendance fees paid by the Company and other Group companies to the members of the Board of Directors were as follows in 2002:

(in euros)

	2002	2001
Serge KAMPF	50,000	41,900
Ernest-Antoine SEILLIERE	65,000	61,900
Christian BLANC	25,000	21,900
Paul HERMELIN	30,000	21,900
Pierre HESSLER (director until July 24, 2002)	32,500	21,900
Michel JALABERT	35,000	16,900
Ruud van OMMEREN	(*) 119,970	48,188
Terry OZAN	18,750	12,675
Bruno ROGER	55,000	41,900
Geoff UNWIN (Director until July 24, 2002)	16,875	14,550
Guy de WOUTERS (Director until July 24, 2002)	26,250	16,425
TOTAL	***(*) 474,345***	***320,138***

(*) including € 99,345 paid for 2001 and 2002 by Cap Gemini NV in his capacity as Chairman of the Supervisory Board of that company.

The 17% increase in the total amount of attendance fees paid to directors to €375,000 from €320,138 reflects the fact that in 2001 (for which attendance fees were paid in 2002), the Board of Directors and the Board's Committees met 6 times each, making a total of 12 meetings, whereas in 2000 (for which attendance fees were paid in 2001) the Board of Directors - which was set up on May 23, 2000 when the Company converted from a corporate governance structure based on a Directoire and a Supervisory Board - met only 4 times, and the Board's Committees - which were set up in July 2000 - met only 3 times, making a total of 7 meetings for the year.

Stock options

Information concerning stock options granted to and exercised by directors of Cap Gemini S.A. during the year is provided on page 79.

Regulated agreements

As of December 31, 2002, no specific agreements had been entered into other than those mentioned in the Statutory Auditors' special report.

Loans or guarantees given to directors of the Company

None

Employee profit-sharing and incentive plans

Profit-sharing and incentive plan agreements

All the French companies in the Group have signed profit-sharing agreements in accordance with French law.

Stock options

Information concerning stock options granted by Cap Gemini S.A. to the ten non-director employees with the most stock options or options exercised by those employees is provided on page 79.

Management Committee

Paul Hermelin, the Chief Executive Officer, is assisted by a Management Committee currently comprised of the following members:

William Bitan	Chief Financial Officer
Paul Cole	LEAP Program
Jean-Pierre Durant des Aulnois	General Secretary
Hubert Giraud	Outsourcing
Alexandre Haeffner	Chief Operating Officer
Mark Hauser	CEO North America
Florence Mairal	Communications
John McCain	Deputy COO
Terry Ozan(*)	Consulting
Chell Smith	Technology
Clive Williams	Operations Controller

Except for Mark Hauser, none of the members of the Management Committee carries out the same function in the subsidiaries.

The Management Committee meets once a month and has two objectives: to take decisions concerning the Group's operational management and to oversee the implementation of the strategy defined by the Board of Directors.

Persons responsible for the audit of the accounts

Statutory Auditors

- COOPERS & LYBRAND AUDIT, member of PricewaterhouseCoopers
  32, rue Guersant, 75017 Paris,
  represented by B. Rascle
  First appointed at the Ordinary Shareholders' Meeting of May 24, 1996.
  Current term expiring at the close of the Ordinary Shareholders' Meeting to be called to approve the 2007 financial statements.

- KPMG S.A.
  Les Hauts de Villiers, 2 bis, rue de Villiers, 92309 Levallois-Perret Cedex
  represented by JL. Decornoy and F. Quelin
  First appointed at the Ordinary Shareholders' Meeting of April 25, 2002.
  Current term expiring at the close of the Ordinary Shareholders' Meeting to be called to approve the 2007 financial statements.

Substitute Auditors

- Yves NICOLAS
  32, rue Guersant, 75017 Paris,
  Substitute for COOPERS & LYBRAND AUDIT,
  appointed at the Ordinary Shareholders' Meeting of April 25, 2002.
  Term expiring at the close of the Ordinary Shareholders' Meeting to be called to approve the 2007 financial statements.

- Guillaume LIVET
  Les Hauts de Villiers, 2 bis, rue de Villiers, 92309 Levallois-Perret Cedex
  Substitute for KPMG S.A.,
  appointed at the Ordinary Shareholders' Meeting of April 25, 2002.
  Term expiring at the close of the Ordinary Shareholders' Meeting to be called to approve the 2007 financial statements.

(*) Board member

Fees paid by the Group to the Statutory Auditors and members of their networks

(in thousands of euros)	**KPMG** *(appointed in 2002)*		**PwC**			
	Amounts	**%**	**Amounts**		**%**	
	2002	**2002**	**2002**	**2001**	**2002**	**2001**
Audit						
Statutory audit and contractual audits	1,060	58%	3,416	4,037	70%	77%
Other engagements	4	0%	643	217	13%	4%
Sub-total	***1,064***	***58%***	***4,059***	***4,254***	***83%***	***81%***
Other services						
Legal and tax advisory services	766	41%	523	836	10%	16%
IT	0		61	0	1%	0%
Internal audit	0		78	45	2%	1%
Other	20	1%	187	110	4%	2%
Sub-total	***786***	***42%***	***849***	***991***	***17%***	***19%***
TOTAL	***1,850***	***100%***	***4,908***	***5,245***	***100%***	***100%***

The Extraordinary Shareholders' Meeting of May 7, 2003 will be asked:

- to appoint PricewaterhouseCoopers Audit S.A. as substitute auditors to replace Yves Nicolas who intends to resign from his position;
- to note the planned merger between Coopers & Lybrand Audit - the Statutory Auditors - and PricewaterhouseCoopers Audit S.A., due to take place by July 31, 2003;
- provided PricewaterhouseCoopers Audit S.A. take over as Statutory Auditors due to the completion of the above-mentioned merger, to appoint Philippe Gueguen as Substitute Auditor for PricewaterhouseCoopers Audit S.A.;
- to grant the broadest powers to the Chairman of the Board of Directors to note the completion of the above-mentioned merger and to carry out all related formalities.

Person responsible for information

William Bitan
Chief Financial Officer
11, rue de Tilsitt, 75017 Paris
Tel: +33 (0)1.47.54.50.00.

2003 provisional financial calendar

First quarter 2003 revenue announcement:	April 30, 2003
First half 2003 results announcement:	September 4, 2003
Third quarter 2003 revenue announcement:	November 14, 2003
Fourth quarter 2003 revenue announcement:	February 13, 2004

This provisional calendar is given for information purposes only and is subject to subsequent amendments.

Statement by the person responsible for the reference document

"To the best of my knowledge, the information contained in the "document de référence" is correct. It includes all the information required by investors to form an opinion concerning the assets and liabilities, business, financial position, results and outlook of the Company and no information has been omitted that would be likely to alter an investor's opinion"

Paul Hermelin
Chief Executive Officer

Statement by the auditors

In our capacity as Statutory Auditors of Cap Gemini S.A. and as required by *Commission des Opérations de Bourse* regulation COB 98-01, we have examined in accordance with French professional standards the information about the financial position and the historical accounts included in the report registered with the COB as a *"document de référence"*.

The *"document de référence"* is the responsibility of Paul Hermelin, Chief Executive Officer. Our responsibility is to express an opinion on the fairness of the information about the financial position and the accounts contained in the *"document de référence"*.

Our procedures, which were performed in accordance with French professional standards, consisted of assessing the fairness of the information about the financial position and the accounts and verifying that this information agrees with the audited financial statements, reading the other information contained in the *"document de référence"* in order to identify any material inconsistencies with the information about the financial position and the accounts, and reporting any manifestly incorrect information that came to our attention, based on our overall knowledge of the Company, as acquired during our audit. When reading the forward looking information determined according to a structured process, we took into account the assumptions used by management and the amounts obtained by applying these assumptions.

Constantin Associés and Coopers & Lybrand Audit audited the financial statements of the Company and the Group for the years ended December 31, 2000 and 2001, as approved by the Board of Directors, in accordance with French generally accepted auditing standards. The reports on these financial statements were free from qualifications or observations.

We audited the financial statements of the Company for the year ended December 31, 2002, as approved by the Board of Directors, in accordance with French generally accepted auditing standards. Our reports on these financial statements were free from qualifications or observations.

We also audited the consolidated financial statements for the year ended December 31, 2002, as approved by the Board of Directors, in accordance with French generally accepted auditing standards. Our reports on these financial statements were free from qualifications but contained an observation relating to the change of accounting method due to the adoption of CRC standard 2000-06 concerning liabilities, issued on December 7, 2000.

Based on the procedures described above, we have nothing to report concerning the fairness of the accounting and financial information included in the *"document de référence"*.

Paris, April 10, 2003

The Statutory Auditors

COOPERS & LYBRAND AUDIT
Member of PricewaterhouseCoopers
Bernard Rascle

KPMG Audit
Department of KPMG S.A.
Jean-Luc Decornoy - Frédéric Quélin
Partner Partner

COB

In application of regulation COB 98-01, the *Commission des Opérations de Bourse* registered the French version of this *"document de référence"* on April 11, 2003 under no. R03-047. The *"document de référence"* may not be used in connection with a financial transaction unless it is accompanied by an Information Memorandum approved by the *Commission des Opérations de Bourse*. The *"document de référence"* was prepared by the issuer and is the responsibility of the persons whose signatures appear therein. The *"document de référence"* has been registered following an examination of the relevance and consistency of the information provided on the Company's position, without any assurance being given as to the authenticity of the accounting and financial information.

CHECKLIST

The French version of this annual report has been registered as a *"Document de Référence"* with the *Commission des Opérations de Bourse.* The following checklist shows the main information required under the Commission's regulations and application instructions.

STATEMENTS BY THE PERSON RESPONSIBLE FOR THE *"DOCUMENT DE REFERENCE"* AND THE STATUTORY AUDITORS

GENERAL INFORMATION

CAPITAL

MARKET FOR THE COMPANY'S SHARES

CAPITAL AND VOTING RIGHTS

THE GROUP'S OPERATIONS

GROUP RISK ANALYSIS

ASSETS AND LIABILITIES, FINANCIAL POSITION AND RESULTS

BOARD AND MANAGING DIRECTORS

RECENT DEVELOPMENTS AND OUTLOOK

Cap Gemini Ernst & Young / Financial Department
Production: Gutenberg on line

CAP GEMINI
ERNST & YOUNG