

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.

The document you have downloaded, which refers to Cap Gemini Ernst & Young, was issued prior to our name change. It has not been modified to refer to Capgemini since it is part of our archives.





2003 Annual Results

Paul Hermelin, CEO

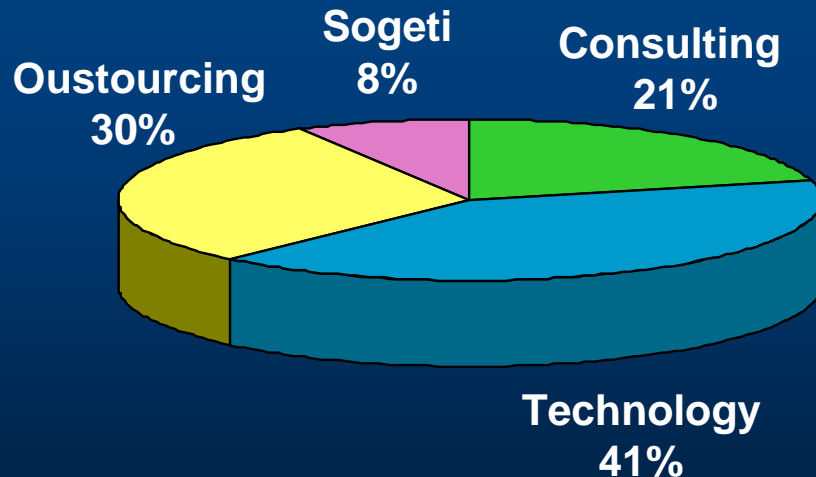


Paris, 26 February 2004

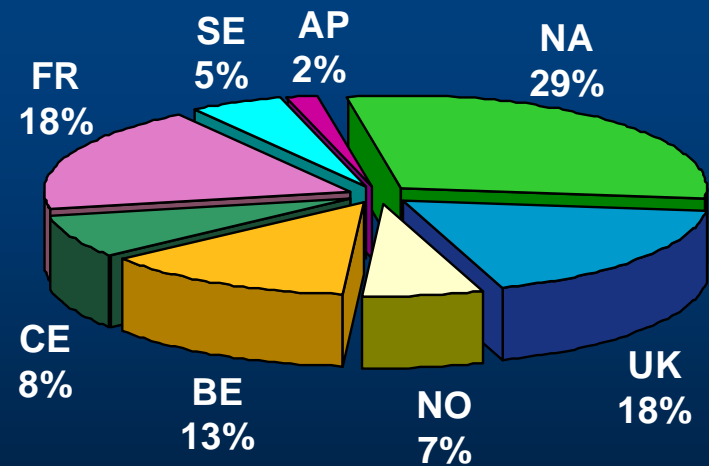
2003 Highlights

- Now a market-focused and cost efficient organization built around 4 distinct businesses
- Cost management continues to deliver
- Focus on top line illustrated by our recent Outsourcing wins

**Businesses
FY 2003**



**Global Coverage
FY 2003**





2003 Financials

William Bitan, CFO



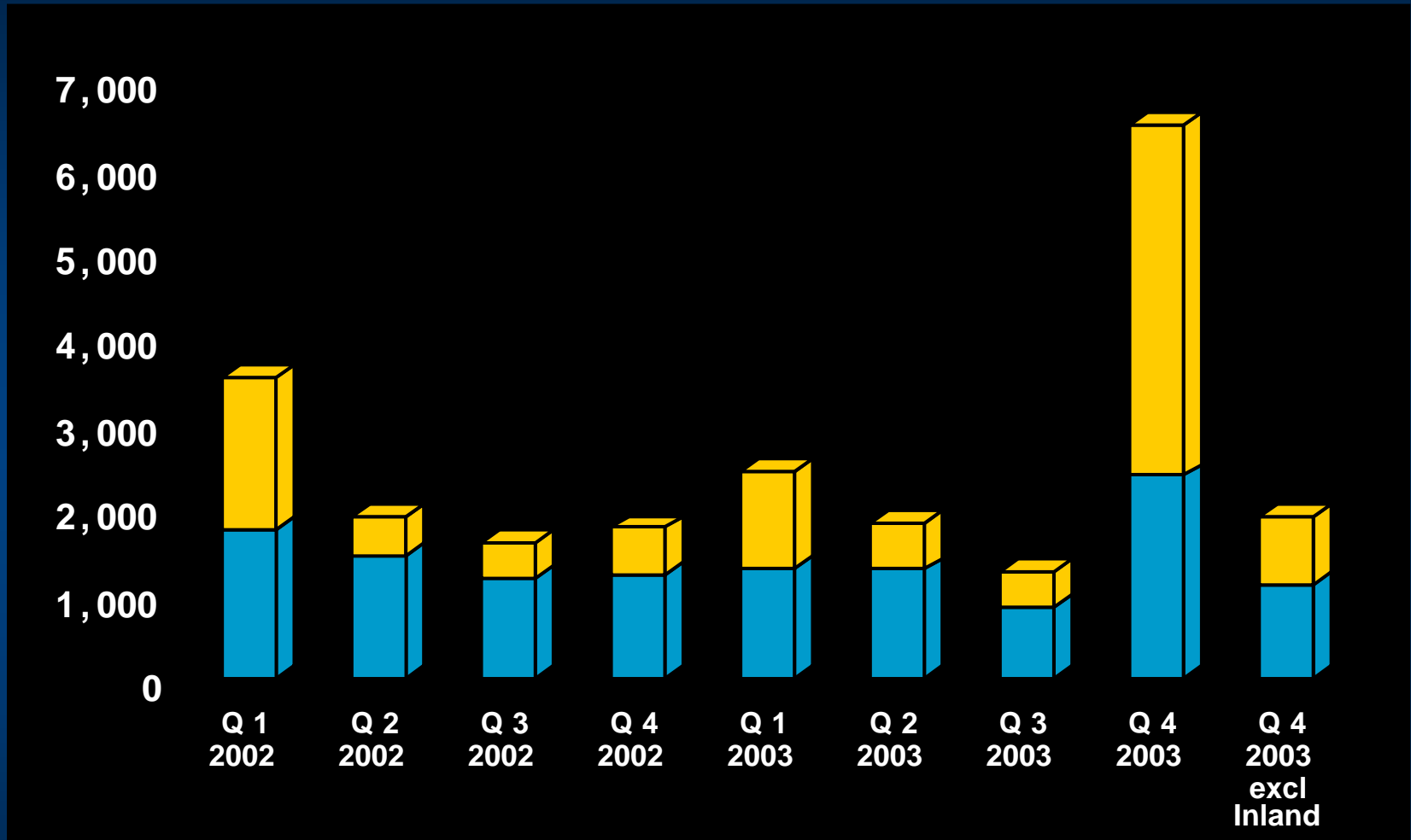
Key Figures

	2003	2002	2003/2002
Bookings	11,667	8,533	
Revenue	5,754	7,047	-12.5% ⁽¹⁾
Costs	-5,599	-6,933	-13.7% ⁽¹⁾
Operating Income	155	114	+36%
% Revenue	2.7%	1.6%	+1.1 pt
Net Cash	266 ⁽²⁾	465	

(1) at constant FX rate and perimeter

(2) 454 M€ excluding Transiciel

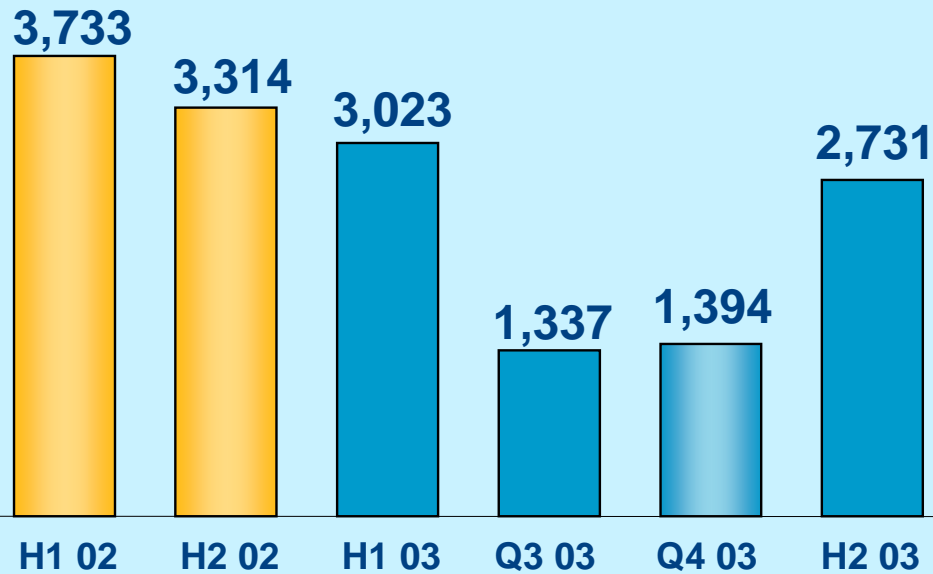
Bookings evolution



OS

P&C

Revenue analysis



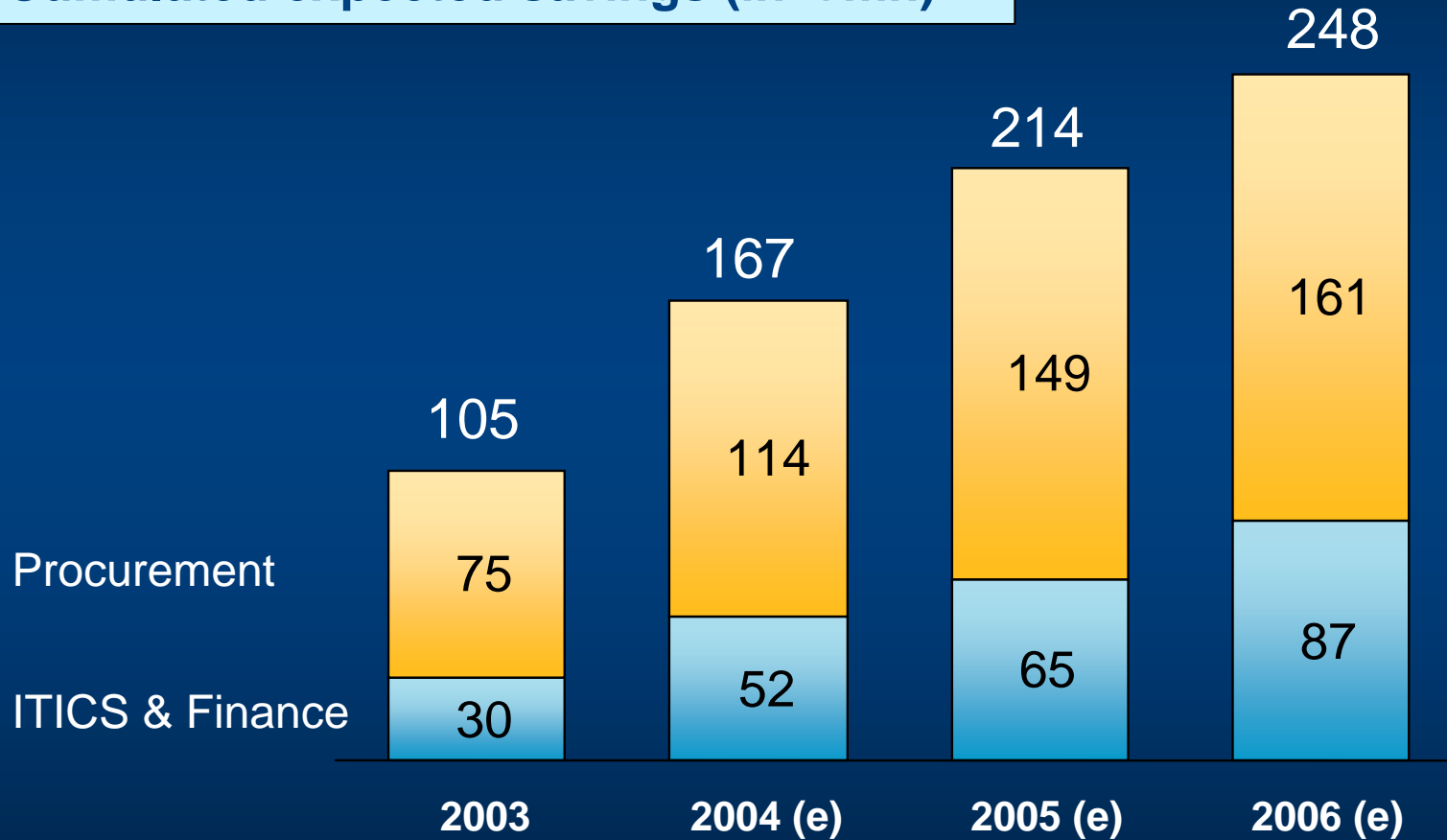
	Q4 2003	H2 2003	FY 2003
Sequential Current Growth	4.3%	-9.7%	
Sequential Organic Growth	5.8%	-8.3%	
Year-on-Year Current Growth	-17.4%	-17.6%	-18.3%
Year-on-Year Organic Growth	-11.9%	-12.4%	-12.5%

Cost base analysis

M€	2003				2002	
	H1	H2	H2 / H1 in %	FY	FY	'03 / '02 in %
Salarial & social charges	-1,922	-1,750	-8.9%	-3,672	-4,249	-13.6%
Purchases	-401	-366	-8.7%	-767	-978	-21.6%
Other external charges	-237	-212	-10.5%	-449	-758	-40.8%
Travel expenses	-190	-160	-15.8%	-350	-505	-30.7%
Office rents & related charges	-126	-102	-19.0%	-228	-300	-24.0%
Depreciation (tangible assets)	-66	-67	1.5%	-133	-143	-7.0%
Total Costs	-2,942	-2,657	-9.7%	-5,599	-6,933	-19.2%

Support and procurement cost rationalization program

Cumulated expected savings (in €mn)



Analysis by Geography

	Revenue			Operating Margin		
	H1	H2	H2/H1 at constant rate	H1	H2	H2/H1
North America	933	783	-13%	3,0%	1,7%	-1,3 pts
UK & Ireland	522	494	-4%	2,9%	4,3%	1,4 pts
Nordic	199	177	-10%	-3,0%	1,1%	4,1 pts
Benelux	393	369	-6%	8,4%	10,6%	2,2 pts
Central Europe	212	225	-6%	2,8%	6,2%	3,4 pts
France	566	501	-11%	3,4%	1,0%	-2,4 pts
Southern Europe	153	131	-14%	-9,2%	-17,4%	-8,2 pts
Asia Pacific	45	51	13%	0,0%	5,9%	5,9 pts
Total	3 023	2 731	-8%	2,7%	2,7%	

Net Income

	2003	2002
Operating Income	155	114
Operating Income (%Revenue)	2.7%	1.6%
Interest income/(expense), net	-14	-1
Restructuring costs	-211	-463
Other revenue and expenses, net	-40	-40
Income Before Tax	-110	-390
Income Tax	-47	-6
Income Before GW Amortization	-157	-396
Equity in net results of affiliates	-1	-2
Minority interests	-1	7
Net Income Before GW Amortization	-159	-391
Amortization of Goodwill and Market shares	-38	-123
Net Income	-197	-514

(*)

(*) of which Beechwood for 85M€

Income tax analysis

		FY 2003
(M€)		
<u>Current tax</u>		- 38
<u>Deferred tax</u>		
US	- 181	} - 9
France	+ 208	
Other countries (Nordic, Central Europe, Iberia...)	- 36	
Total income tax		- 47

Cash Flow Analysis

in M€	FY
Net Income	-197
Minority interests & equity income from affiliated Cies	2
Net Income of fully consolidated Cies	-195
Depreciation/Amortization	207
Provision	19
Other	35
Cash-Flow of fully consolidated Cies	66
Change in working capital	81
Operating cash flow after restructuring costs	147
Capital expenditure (net)	-146
Net Investments	-39
Translation, perimeter changes & other	27
Change in Net Debt wo Transiciel	-11
Opening Net Debt	465
Closing Net Debt wo Transiciel	454
Transiciel Net Debt	-188
Closing Net Debt	266



Challenges and Priorities

Paul Hermelin, CEO



Implementing LEAP strategy

- 4 Markets with 4 distinct Business Models delivering full solutions to our major accounts



- Progressive LEAP Roll-Out

H2 02

- Defined
- 4 business models
- Sogeti



H1 03

- UK
- Central
- S. Europe
- Nordic
- APAC



H2 03

- Benelux
- France



H1 04

- US



Implementing LEAP strategy: Transforming for Performance

Simplified Operating Model in France

In depth transformation in North America

Management/ Organization

Simplified Organisation and new management in place

Portfolio

- Shift TS focus to core technologies
- Consolidate OS

- New focus in OS and TS

Costs

- Restructured CS
- Cost structure aligned to market rates

- Significant G&A reduction
- Reduce sub-contracting

Priorities & Focus

- Delivery rigour
- Public sector

- Increase market coverage (+ 69%) and efficiency

Consulting Services: Strengthen our Front-End

Status

Global Leader in
Transformation
Consulting ✓

European
Leader ✓

Top 3 in
North America ✓

Actions

- Go to market along key industries:
 - Renewed focus in Financial services, Telco
- Differentiate through specialized process capabilities
- Leverage Transformation consulting for CxO
- Focus on:
 - BPO
 - Transformational Outsourcing

Expected Results

- Long term client relationships
- Rebound with market
- Cross selling the group capabilities

Technology Services: Accelerate Innovation and Industrialization

Status




European
Leadership 

Top 3 in
North America 

Actions

- **Master Delivery and Industrialization:** Complex Projects Management
- **Rightshore:**
 - Clermont-Ferrand to Guangzhou
 - Mumbai - CMM Level 5
- **Maintain World Leadership in Packages:** Netweaver (SAP), Oracle, Peoplesoft
- **Revitalize leadership through Innovation:** Mobility, webservices

Expected Results

- **Reduction in overruns: 25% on Complex Projects**
- **Offshore:**
from  >  > 
- **Center base growth (03/02):**
+ 15% to 8000 seats
+ 22% revenue
- **Riding the innovation S-curve:** 8% (2002); 14% (2003); 25% (2004)

Local Professional Services (LPS): Lead and define the Market

Achievements

European
Leadership 

- **Sogeti:**
 - Healthy Growth
 - Margin high single digit

Actions

- **Merger with Transiciel/Sogeti:**
 - Commercial synergy and cross selling
 - Grow new expertise: R&D, in-sourcing, third party testing acceptance (TPTA)
- **Performance incentive through earn-out**

Expected Results

- **Bring Transiciel margins closer to Sogeti level**
- **Double revenues in next 5 years**
- **Mid-market penetration**

Outsourcing and Business Process Outsourcing (BPO): Build on UK Traction Across Europe

Achievements

**UK
Leadership** 

- **Key Clients:**
 - Inland Revenue(1st)
 - Visteon (5th)
 - International Paper (BPO)
- **North America's margin level**
- **Outsourcing Europe SBU**
 - Centers consolidations (UK)

Actions

- **Capitalize on the Public sector in the UK & later in Europe**
- **Increase presence in Continental Europe**
 - Expand in Transformational Outsourcing
 - Grow in BPO
- **AM Rightshore**
- **Center consolidation: across Europe**

Expected Results

- **Recurring revenues and margin**
- **Long term client relationship**
- **Best in class profitability beyond 2005**

Major Win in Outsourcing: Inland Revenue, greater top line stability

Key Facts

- Transformational Outsourcing
- Won against 10 year incumbents
- £3billion contract, 10 year deal
- No upfront payment, sound cash profile
- More than 2200 highly skilled government IT professionals

Achievements

- CGE&Y in Outsourcing Premier League
- CS and TS leverage
- Profitable growth: £245m in 2004, £378m/full year

Top Priority: Energizing the Top Line!

What

Shift Business mix

- Grow in BPO and Transformational OS
- Grow in LPS
- Grow in “Rightshore”

Strengthen industry segments

- Expand in Public
- Strengthen Financial Services
- Telco revival

Penetrate client segments

- Refocus on Large Accounts
- Vertical leading-edge solutions

How

- Increase market coverage: +50% market facing resources
- Increase win rate:
 - Win centers
 - CS/TS/OS hubs
- Strengthen our brand

Branding

- **Re-branding**
- **Market positioning**
- **Sales mobilization**
- **Value delivery**

Governance Model: Manage Synergies

- **5 strategic business units (SBUs)**
 - North America (CS + TS + OS)
 - Northern Europe and APAC (CS + TS)
 - Southern and Central Europe (CS + TS)
 - LPS (Sogeti plus Transiciel)
 - Outsourcing Europe
- **4 business models managed geographically through SBUs**
 - Optimal allocation of resources to ensure win rate
 - Enables efficiency and tight cost control
- **Global Operations: Sectors, alliances, delivery**



Guidance and Summary

Paul Hermelin , CEO



Portfolio: Rebalancing for profitable growth

	2003	2004		Priority
	CGE&Y Mix with Transiciel	Global Market Trend	Top Line Ambition	
CS	19%	→	→	Client Intimacy
TS	38%	↘	↘	Transforming
LPS	15%	↗	↗	Integrate + Lead
OS	28%	↗	↗↗	Invest to grow

2004 Priorities: Energize Top Line!

- **Outsourcing led growth**
 - **Lead in LPS**
- **Increase market coverage in CS and TS**
 - **Global Branding Campaign**

...while managing our bottom line

- **Investments in OS: Sales costs, profitability ramp-up**
 - **Investment in Branding**
 - **Pursuing cost reduction with CPR**



2003 Annual Results

Paris, 26 February 2004

