

Pegasus

Josepha



An overview of the Capgemini Group

Capgemini is one of the world leaders in management consulting and IT services.

With more than 55,000 people (as of January 1, 2004) from 34 countries on four continents (Europe, North America, and Asia-Pacific), the Capgemini Group reported 2003 revenues of more than €5.75 billion with an average workforce of 49,805.

The 4 Disciplines

For its clients, both local and international, Capgemini proposes a complete range of services organized around four disciplines:

- **Consulting** (transformation/process – page 33)

The mission of Consulting Services is to contribute to the business transformation and economic performance improvement of organizations, based on in-depth knowledge of their industries and processes.

- **Technology** (architecture/systems integration/ infrastructure – page 37)

These services call upon the ability and expertise to design and integrate technological solutions, exploit innovation, and transform the technical environment. They are closely allied with consulting services in such cases where upgrading and transforming IT systems are directly tied to the clients' organizational and strategic priorities.

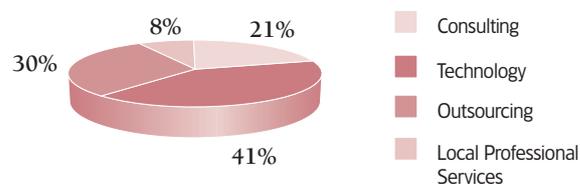
- **Outsourcing** (IT systems and business process management – page 41)

This activity involves taking charge of all or part of the management of a client's IT resources. Capgemini has developed a range of services which call for expertise in IT systems management, business process management and pricing flexibility to maximize the cost/performance ratio.

- **Local Professional Services** (page 45)

These services – made available in the closest possible proximity to the local technology officers of large organizations – are aimed at supporting the internal capabilities of IT departments by proposing the best experts to exercise their skills in the shortest possible time frames.

2003 revenue breakdown among these four disciplines is as follows:



An organization around 5 large operational units

In order to make the most of **Capgemini's** consulting and technology resources, and especially to enable the smaller countries to benefit from the expertise and support of the larger ones, **Capgemini** is now organized around 5 large Strategic Business Units or SBUs:

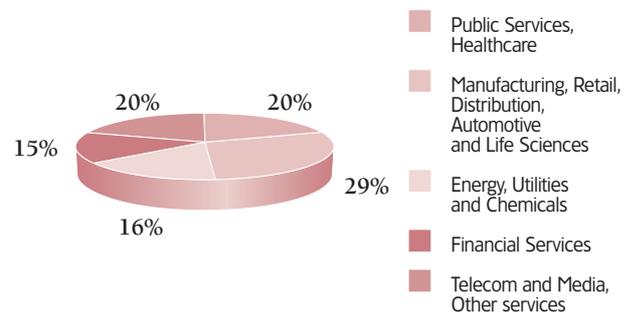
- 3 geographical units
 - North America
 - Northern Europe and Asia-Pacific
 - Central and Southern Europe
- a European Outsourcing unit
- a unit devoted to Local Professional Services (Sogeti / Transiciel).

Rightshore™

To take further advantage of **Capgemini's** consulting and technology resources, the Group has developed the concept of "Rightshoring." What this means is that based on the very diverse needs and requirements of its clients, a combination of delivery methods – on shore, near shore and offshore – may be proposed that will optimize risks, time scales, costs and production. Aimed at improving its project capabilities and outsourcing its IT resources, this "industrial" approach relies on a network of worldwide centers which employ identical tools and methods.

A sector approach

2003 revenue breakdown by sector



Public Sector

With the Public Sector worldwide engaged in extensive reforms – from large international organizations to local administrations – **Capgemini** is eager to become the preferred transformation partner in this growing market.

As key projects open up in areas such as Defense, Tax and Treasury, Law Enforcement or Local Government, in many countries such as the UK, the U.S., the Netherlands, France, Spain, Germany, Canada, and Australia, among others, the Group is able to bring valuable knowledge and extensive resources to Public Sector clients.

The largest IT deal worldwide in 2003 was signed with the UK Inland Revenue (the ASPIRE project), a striking illustration of the benefits of **Capgemini's** close collaboration with its Public Sector clients and partners.



Healthcare

Capgemini provides comprehensive Healthcare solutions to a variety of organizations including physicians' groups, academic health centers, rehabilitation facilities, managed care companies, and health-related technology companies.

With over a thousand dedicated healthcare professionals, among them experts in specialized industry-related software systems, the Group is helping its clients deal with some of the core issues facing the sector today: tighter controls on technology investments, changes in medical care brought about by new technologies, the redesign of business processes for greater clinical and financial efficiency, and greater collaboration between payers and providers at an operational level.

Manufacturing, Retail and Distribution

In 2003, the Manufacturing and High Technology industry practice focused on key offerings such as Distributive Applications Development, Business Process Outsourcing (BPO), and Supply Chain initiatives in Mobility, RFID (Radio Frequency Identification) and Sourcing. Major clients included IBM, Philips, Sony, Nokia, General Electric, Lucent Technologies, and Thomson Multimedia. With Hewlett-Packard, **Capgemini** helped deploy the keyChain™ private marketplace solution for supplier collaboration (see page 24).

In Consumer Products and Retail, the Group worked with key clients such as Carrefour, The Coca-Cola Company, Royal Ahold, Delhaize/Food Lion, South African Breweries, and Tesco, and is working with clients to increase efficiency in their supply chain through the use of RFID technology.

The global Distribution practice is working with 14 of the top 20 global logistics providers, including Deutsche Post World

Net, Exel, FedEx, and TPG, as well as other key postal operators such as La Poste in France, and Poste Italiane.

Automotive

In the Automotive industry, the Group serves 13 of the world's 14 largest automotive vehicle manufacturers and many of the largest automotive suppliers. Major clients include General Motors, Nissan, DaimlerChrysler, Ford, BMW, Renault, Mitsubishi, PSA, Honda, Fiat, Visteon, Michelin, Goodyear and Faurecia.

Capgemini's global automotive practice provides business consulting and systems integration services throughout the automotive value chain, including Supply Chain Management, Order-to-Delivery, Customer and Dealer Relationship Management, Aftermarket Solutions, Product Lifecycle Management, Manufacturing and Quality, as well as traditional back-office solutions.

In 2003, **Capgemini** signed a 10-year, \$500 million contract with IBM to provide applications management services to automotive supplier Visteon Corporation as part of Visteon's global alliance relationship with IBM.

Life Sciences

In recent years, the Life Sciences industry (pharmaceuticals, biotechnology, medical devices, and crop sciences) has demonstrated consistently strong performance in terms of revenue and profit growth.

During 2003, however, the sector was impacted by adverse market conditions, including the erosion of reliable revenues from blockbuster products and the increasing influence of generic competition. In response, the industry is focusing heavily on productivity, efficiency and cost reduction initiatives, and moving towards greater consolidation. **Capgemini's** Global

Life Sciences practice combines dedicated global account teams, supported by a highly experienced industry consulting team, bringing to market innovative sector-specific solutions to help clients improve their competitiveness.

The Group has active working relationships with 17 of the top 20 pharmaceutical companies worldwide, helping its clients, often in long-term collaboration, to rethink and redesign their key strategies and business processes.

Energy, Utilities and Chemicals

Utility companies in Europe and the U.S. are facing similar large-scale challenges. In 2003, severe blackouts called attention to the need for a secure power supply, while the new leap forward in deregulation across Europe, scheduled for July 2004, is keeping the industry extremely busy.

Capgemini has been providing specific solutions to help utility companies meet these delivery and sustainability challenges. It was also a turbulent year for the “big oils,” faced with unusually high oil prices due to the Iraq war and the growing need to improve performance to satisfy shareholders. As a result, globalization, standardization, and operational excellence have become top priorities for the industry, and **Capgemini** has been participating in many of these large scale re-engineering programs.

In 2003, the Group’s Energy, Utilities and Chemicals practice provided its expertise to major clients worldwide, among them Total and EDF in France; Statoil, E.ON, Enel in Europe; Hydro One, and TXU in North America; Sepco in China; and Akzo Nobel, BP and Shell worldwide.

Financial Services

Capgemini has established a leadership position in financial services, counting among its clients 35 of the world’s largest financial institutions. Key offerings include Wealth Management, Retail Banking and Transaction Services. In 2003, FS’s significant global network served four strategic worldwide accounts: AXA, Allianz, ABN AMRO, and ING.

As an example, **Capgemini** assisted AXA Non Life Japan with a range of consulting and technology services – including the addition of a web-based channel – warranting important changes to systems under very stringent deadlines. A **Capgemini** team, largely drawn from France and India, deployed a blend of distributed delivery approaches to deliver the business outcomes faster and with high quality. Benefits to AXA include improved customer acquisition via a fully-enabled web-based system, and extension of products at significantly reduced cost.

Telecom, Media and Entertainment*

For over 30 years Telecom, Media and Entertainment (TME) has been helping the telecommunications, media and entertainment industries achieve strategic goals and world-class results. In 2003, the sector delivered leading business and systems solutions in leading-edge fields such as new multimedia services and digital media management, as well as core services such as billing transformation and system consolidation.

Key clients included BSkyB, France Telecom, Nextel, Reach Telecom, TeliaSonera, Telecom Italia Mobile, Time Warner and Vodafone.

* New name as of January 1, 2004.