Farmhouse in Provence

Samuel Azuelos, 1998

Outstanding events of 2003

JANUARY

Transformation program for Portuguese Postal Service

● Faced with an increasingly privatized and competitive environment, the Portuguese National Postal Service (CTT) launched a transformation program known as "Mercúrio." Targeting a wide range of management challenges, the revitalization initiative was CTT's first step toward profitability and included several programs such as cost rationalization through reorganization and process optimization, investment planning, greater client orientation and a stronger marketing focus. **Capgemini** began collaborating with the CTT in January 2003 on an operations diagnosis, which expanded during the year to include other cost reduction and operational efficiency improvements in strategic sourcing, logistics, finance and human resources. These initiatives position **Capgemini** as one of CTT's preferred partners for business and transformation consulting in 2004.

Global applications outsourcing for Visteon

● **Capgemini** signed a contract with IBM to provide applications management services to automotive supplier Visteon Corporation as part of Visteon's global alliance relationship with IBM. The 10-year, $500 million contract includes IT support services across mainframe and client-server application platforms. The use of **Capgemini**'s technology delivery centers around the world will help Visteon meet its objectives in an accelerated time frame without compromising superior service. Over the past two years, **Capgemini** has assisted Visteon with improvements in service levels and increased applications development effectiveness, and this current contract continues that effort.

IT application and services support for Yamanouchi Pharma America

● Preparing for the launch of its first drug in the U.S. market, Yamanouchi Pharma America (YPA) needed a strong, globally experienced pharmaceutical partner. They chose **Capgemini** to help launch an enterprise application portfolio backed by an adaptive technology infrastructure and global customer-focused support organization. Building upon an outsourcing relationship established in 2002, and implementing leading application packages such as SAP, Siebel and Documentum, **Capgemini**'s infrastructure support team expanded capabilities to support YPA's remote sales force and connections with external partners.

MARCH

Business Process Outsourcing Center for BlueScope Steel

● BlueScope Steel (formerly BHP Steel) is Australia and New Zealand's leading steel company. Under the terms of a collaborative agreement, a Business Process Outsourcing Center was created in Adelaide, Australia, enabling **Capgemini** to provide business process services to BlueScope Steel on a commercial basis. The project also involved the transition of back-office functions from BlueScope Steel Shared Business Services to the new BPO center. This is the first example in Australia of collaboration with a client to establish a standalone BPO facility that can ultimately serve a wide external market. Almost all existing staff of BlueScope Steel's Shared Business Services team have joined **Capgemini**, making it possible to deliver continuity of service without losing the intellectual capital of the BlueScope Steel team.

| APRIL |

Asset Management improvements for Essent

● A leading electricity and natural gas provider in the Netherlands, Essent was facing the pressures of deregulation, increased competition and tighter price restrictions. The question for the utility became: "how to maintain operational performance at acceptable levels while reducing costs to maintain profitability?" Already a strong technology and consulting partner of Essent, **Capgemini** was engaged, in 2003, to transform the client's Asset Management processes. This included development of a risk-based KPI control framework, a new Operating Model, along with an improved IT architecture. The full transformation program is expected to achieve cost reductions of €18 million annually over a five-year period.

| MAY |

Transforming customer service for the London Borough of Croydon

● Croydon Council, the local authority for the London Borough of Croydon, signed a long-term contract with **Capgemini** to update its IT infrastructure and transform its interface with residents, local businesses and other customers. The aims include easier access to Council information and services for customers, and greater efficiency and better communications for employees. The contract also involves running both old and new Council IT systems in Croydon – which is by far the largest London borough – on an outsourcing basis for a period of seven years.

keyChain™ private marketplace reduces costs for HP

● **Capgemini** was engaged to help Hewlett-Packard deploy the keyChain™ private marketplace solution for supplier collaboration. As prime contractor and project manager during the eight-month project, **Capgemini** was responsible for deploying and directing the program team, comprised of HP, i2 and **Capgemini** resources. **Capgemini** effectively used a two-center distributed delivery approach – in Cupertino, California, and Mumbai, India – to deliver an implementation, performed on schedule and within budget. This approach created a firm foundation for HP to build an adaptive supply chain enterprise, delivering more simplicity, agility, and value for their customers. This project exemplifies the type of offering that the **Capgemini** and HP partnership provides their clients based on a strong 15-year strategic global alliance.

| JUNE |

Dutch Ministry of Defense undertakes transformation process

● The Dutch Ministry of Defense wants to achieve greater cooperation, synergy and efficiency among the various wings of its armed forces by leveraging IT and the process improvements that IT can provide. In June 2003, the Ministry selected a consortium led by **Capgemini** to be its strategic partner in a transformation process for integrated operational management and information provision over a minimum eight-year period. These processes are currently run by the autonomous wings of the military services. Starting with the main focus on Finance and Logistics, the Dutch will probably have the first armed forces in the world with an integrated "back office" running on single shared systems.

Village in Provence
Samuel Azuelos, 1998

Financial Services acclaimed for benchmarking studies

● The Financial Services sector of **Capgemini** publishes two yearly "founding studies," in collaboration with key strategic clients. In the area of Wealth Management, every June for the past seven years, in association with Merrill Lynch, the Group has been issuing the "World Wealth Report (WWR)." Regarded as an industry standard, this internationally distributed study reveals how high net-worth individuals and their financial assets perform in today's volatile markets. In 2003, Financial Services also began publishing the "World Retail Banking Report (WRR)" in association with EFMA – the European Financial Management and Marketing Association, a consortium of 800 member banks – and with co-sponsor ING Direct. Both these publications firmly position **Capgemini** in the forefront of financial services innovation.

JULY

Total outsources part of IT operation of Refining-Marketing Branch

● Under the terms of a five-year agreement between **Capgemini** and the Board of Total's Refining-Marketing division, Total will transfer operation of part of this division's information systems to **Capgemini**. The activity will be carried out at the Group's SAP skill center in Toulouse, France, the largest center of its kind in Europe. The operation is expected to generate 200 jobs over the next three years – more than half of them directly linked to Total business – and to attract new clients to the Toulouse center.

SEPTEMBER

Swedish Rail undertakes major business transformation

● As a result of market deregulation in 2001, Sweden´s state-owned rail operating company (SJ AB) was facing major challenges. Enlisting **Capgemini**'s support in 2002, a business plan was developed and a new business model and organization implemented, which would enable SJ AB to adapt to new industry conditions and prepare for future expansion into the European market. In 2003, a three-year contract was signed to administer and develop all critical business systems through a series of Service Level Agreements. This project showcases one of **Capgemini**'s strongest competitive advantages: the ability to deliver real and sustainable transformation in collaboration with the client.

DECEMBER

Public Exchange Offer for Transiciel strengthens Sogeti

● An Extraordinary Shareholders Meeting of **Capgemini**, convened on December 18, 2003, overwhelmingly approved a friendly Public Exchange Offer (OPE) for the majority of the shares in Transiciel. This European IT services and engineering company specializing in R&D outsourcing, has an offering portfolio, business model and culture fully compatible with and complementary to Sogeti's, the Local Professional Services arm of **Capgemini**. The combined companies have a workforce of 14,000 and projected revenues of more than €1 billion. With this operation, the Group is aiming for a leadership position in a strong, lucrative and recurrent market, whose success has not diminished in 35 years.

Sogeti's Software Control Testing offering exceeds clients' expectations

● Sogeti USA and Sogeti Netherlands have been working in close collaboration to expand Sogeti's footprint in the Software Control Testing (SCT) arena. This offering is designed to help organizations address mounting market pressures to develop high-quality software faster and more cost effectively, while mitigating the risks associated with insufficient software quality. In 2003, Sogeti USA more than doubled its SCT revenues and quadrupled its client base, validating the increasing demand for effective software testing services. Sogeti has successfully delivered SCT services to leading financial, manufacturing, consumer products and health care companies with impressive results.

Successful e-cooperation with Heidelberg Druckmaschinen AG

● **Capgemini** is supporting Heidelberg AG – the world's leading manufacturer of printing machines – in its entry into e-business, as it works to become an adaptive company that can react quickly to market changes. Heidelberg is benefiting from the relationship in the form of globally coordinated e-projects based on a jointly developed IT strategy and globally standardized business processes and technology platforms. The collaboration also resulted in the transfer of know-how between company divisions, more transparent costs, and more efficient monitoring of expenditures. Today, Heidelberg is a more adaptive organization and has created a solid foundation upon which to build for the future.