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.

Financial Report 2000

Reference Document

Cap Gemini Ernst & Young

Board of Directors

Serge Kampf, *Chairman*
Ernest-Antoine Seillière, *Vice-Chairman*
Christian Blanc
Paul Hermelin
Pierre Hessler
Michel Jalabert
Ruud van Ommeren
Terry Ozan
Bruno Roger
Geoff Unwin
Guy de Wouters

Non-voting directors ("Censeurs")

Chris van Breugel
Phil Laskawy

CONTENTS

FINANCIAL HIGHLIGHTS

in millions of euros	Consolidated financial statements (1)		Pro forma accounts (1)	
	1999	2000	1999	2000
OPERATING REVENUE	***4,310***	***6,931***	***7,674***	***8,471***
OPERATING INCOME	***469***	***703***	***786***	***893***
OPERATING MARGIN	***10.9%***	***10.1%***	***10.2%***	***10.5%***
NET INCOME	***266***	***431***	***436***	***547***
Total dividend (net)	78	(2) 149	nm	nm
NET MARGIN	***6.2%***	***6.2%***	***5.7%***	***6.5%***
EARNINGS PER SHARE				
- Adjusted average number of shares	77,261,741	107,920,778	119,998,848	125,727,906
- Earnings per share (in euros)	3.44	3.99	3.63	4.35

in millions of francs	Consolidated financial statements (1)		Pro forma accounts (1)	
	1999	2000	1999	2000
OPERATING REVENUE	***28,272***	***45,464***	***50,338***	***55,566***
OPERATING INCOME	***3,076***	***4,611***	***5,156***	***5,858***
OPERATING MARGIN	***10.9%***	***10.1%***	***10.2%***	***10.5%***
NET INCOME	***1,745***	***2,827***	***2,860***	***3,588***
Total dividend (net)	511	(2) 977	nm	nm
NET MARGIN	***6.2%***	***6.2%***	***5.7%***	***6.5%***
EARNINGS PER SHARE				
- Adjusted average number of shares	77,261,741	107,920,778	119,998,848	125,727,906
- Earnings per share (in french francs)	22.6	26.2	23.8	28.5

TOTAL NUMBER OF EMPLOYEES		
as of December 31	39,626	59,549

nm : not meaningful

(1) The consolidated financial statements include the Ernst & Young consulting business from May 23, 2000, the date of approval of the acquisition by Cap Gemini Group's shareholders. The pro forma consolidated financial statements include the results of the Ernst & Young consulting business as if they had been acquired on the first day of the year.
(2) Subject to approval by the Shareholders' Meeting of May 16, 2001.

THE CAP GEMINI ERNST & YOUNG GROUP AND ITS BUSINESSES

I - BACKGROUND

Following the May 2000 acquisition of Ernst & Young Consulting, the Cap Gemini Group – now renamed Cap Gemini Ernst & Young – is actively pursuing its strategic development as a global player with a strong local presence that offers solutions built around the Group's two core competencies – strategy and management consulting, and information technologies.

The Group's origins go back to the 1967 creation in Grenoble of Sogeti, which subsequently changed its name to Cap Gemini Sogeti before becoming simply Cap Gemini in 1996. The company quickly grew to become the leading European services and consulting group, through a combination of acquisitions (of Sesa, Hoskyns, Volmac and Programmator to name but a few) and organic growth.

At the end of the 1980s, Cap Gemini decided to move up a gear in the development of its management consulting business by making a series of strategic acquisitions which led to the formation of Gemini Consulting. The companies that joined the Group during this period included United Research and Mac Group in the United States, Titze & Partner in Germany and Bossard in France.

The strategy to combine management consulting and IT services was implemented more systematically as from 1994, when the Convergence program was launched. In recent years, this strategy has ensured that the Group has kept pace with the rapid emergence of new technologies and e-business.

Although, historically, Cap Gemini was the European services and consulting Group with the strongest presence in the United States, the need ultimately arose to give the Group's U.S. operations a dimension in line with the size of the American services and consulting market. Although Ernst & Young Consulting operated in over 30 countries, two-thirds of its revenues were generated in North America. The acquisition of this business therefore allowed the Group to triple the size of its North American operations. At the same time, the acquisition of the Ernst & Young consulting businesses in Germany and the Asia-Pacific region strengthened the Group's position in markets where it had a smaller presence. In summary, the May 2000 acquisition of the Ernst & Young consulting businesses has given the Group critical mass in most key geographic markets.

Ernst & Young Consulting was the consulting arm of the Ernst & Young global network formed in 1989 through the merger of Ernst & Whinney and Arthur Young. The management and IT consulting business, which was developed as from the 1970s alongside the traditional audit and tax advisory businesses, expanded rapidly in the 1980s and 1990s.

Following completion of the Ernst & Young Consulting acquisition, the Group merged Cap Gemini, Gemini Consulting and Ernst & Young Consulting, to create a new group – Cap Gemini Ernst & Young – with an organization structure designed to reap the full benefits of the respective qualities and strengths of the legacy entities.

II - BUSINESS OVERVIEW

a) Market Trends

Within the global IT industry, Cap Gemini Ernst & Young is active in the strategy and management consulting and IT services segments. The main characteristics of these markets are as follows:

- Constant technological advances are fuelling sustained market growth.
- Demand for services is changing constantly. The period from 1997 to mid-2000 saw the emergence of e-commerce, creating demand for website development services and the first on-line transaction systems. Spending on Internet-based infrastructures was high. Since then, the market has become more mature and established companies are launching large-scale projects in the areas of customer relationship management, supply chain management, integrated logistics systems and electronic marketplaces. These projects, which require an in-depth knowledge of client businesses, call for high level expertise in new technologies backed by a solid experience in management consulting, as well as the transformation and management of information systems.
- Demand is now shifting towards solutions combining the best technological tools with experience-based consulting know-how and an excellent knowledge of the specific features of client industries.
- Recruitment needs are high in a job market where the necessary talent is in short supply.
- The market players appear to have embarked on a new wave of restructuring and consolidation.

b) The Group's Businesses

The Cap Gemini Ernst & Young Group's businesses range from management consulting to the implementation and management of corporate information systems.

The Group supports clients in their drive to meet their strategic goals by:
- helping them to steer and manage their business,
- creating the necessary momentum to drive structural change,
- advising them on the choice of IT systems, helping them to implement these systems and, in some cases, managing them on the client's behalf,
- working to deliver tangible results as quickly as possible, and
- helping them to derive the fullest possible benefits from the network economy.

In today's rapidly changing environment, the Cap Gemini Ernst & Young Group partners its clients by offering them a comprehensive array of services backed by proprietary methodologies (see pages 6 to 8). The primary goal is to deliver concrete, measurable results quickly and to enhance clients' competitive advantage.

Management Consulting

Cap Gemini Ernst & Young Group consultants contribute to improving their clients' performance by offering them the benefit of their professional expertise, their knowledge and their experience in the design and implementation of efficient solutions based on leading edge technologies. They help companies to successfully carry through the upgrades made necessary by the rapid pace of change in their markets, drawing on all their resources to formulate strategies, adapt structures, refocus the skill base and tailor products to changing market needs.

System Transformation

The Group offers a full range of services, based on architectures incorporating leading edge technologies and the Perform KLM (Knowledge Learning Method) advanced methodology.

The Group participates in three types of project:
- development of bespoke software tailored to the exact needs of the client,
- systems integration projects, where several market players (OEMs, software publishers, etc.) take part in defining the information system and the related architecture, developing and installing the system,
- adapting processes and behaviors to the new environment.

Systems Management

Outsourcing the management of information systems (facilities management) allows clients to focus on their core business and keep a tighter rein on the costs of maintaining and running existing applications. The Group has developed a range of services that meet client needs in this area by taking over the management or all or part of the client's IT resources.

III - ORGANIZATION OF THE GROUP

The merger with Ernst & Young Consulting was accompanied by far-reaching changes to the Group's transnational structure, designed to meet client needs more effectively by offering them:

- a high level of industry specialization, guaranteeing in-depth knowledge of client businesses and high value-added service offerings,
- geographic proximity to clients' local decision-making centers, thanks to the Group's worldwide reach,
- a range of services encompassing consulting, IT services and infrastructure management,
- a unique array of skills organized around 6 professions managed on a global basis, allowing the Group's 60,000-strong staff to constantly enhance their knowledge and their professional expertise.

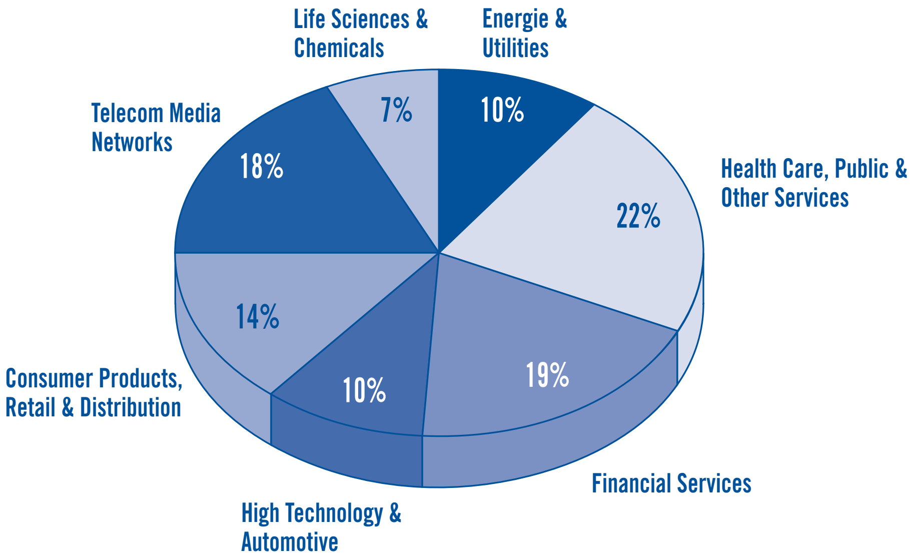
In addition to the skills of its specialists based throughout the world, Cap Gemini Ernst & Young also offers clients a network of technological alliances to help them meet the challenges of a rapidly evolving economy.

a) Global reach

The Cap Gemini Ernst & Young Group is a global player with critical mass in most key markets. The Group has a balanced geographic presence, with 35% of revenues generated in the Americas and just over 60% in Europe. The rapidly expanding Asia-Pacific region extends from Korea to New Zealand. The Group's six European regions comprise 20 countries. The Americas region includes Canada, the United States and Mexico. In all, Cap Gemini Ernst & Young is present in 31 countries (see page 11).

b) A dedicated industry-focused organization

The Group's 2000 pro forma revenues break down as follows by client industry(*):



(*) The same information concerning 1999 is not available in view of the differences in definitions of business segments that existed between Cap Gemini and Ernst & Young Consulting.

Cap Gemini Ernst & Young has 6 global market units offering clients in the industries concerned responses that are closely tailored to their specific needs. These units manage services for around one hundred of the Group's largest clients on a global basis.

Telecoms Media Networks (TMN)

This is the world's most highly integrated sector. Cap Gemini Ernst & Young is ranked second in the market and is keeping up the pace of its development by offering clients a comprehensive range of integrated solutions. In 2000, the TMN unit served 40% of the world's top 50 telecoms companies (source: Computer Weekly International/UIT). TMN also helped new market entrants to define, launch and manage their new business.

TMN employs around 7,000 professionals worldwide and also offers clients the benefit of its partnerships. In particular, Cisco Systems, which has a 4.9% interest in TMN, has become a world-recognized leader in IP-based network systems.

TMN will continue to develop solutions for the telecommunications sector, in the areas of customer relationship management, invoicing systems, operational support and content provider services. In addition, the partnership with Cisco offers the scope to develop network infrastructure design and implementation services.

Consumer Products, Retail and Distribution (CPRD)

Clients operating in these sectors are looking for the necessary expertise to develop strategies that will help them increase their sales in what are generally mature and highly competitive markets, while preserving or improving margins.

The Cap Gemini Ernst & Young CPRD unit offers the innovations and strategies required to take up this challenge. Examples include:

- Customer Relevancy programs. A study conducted by Cap Gemini Ernst & Young showed that a significant gap can exist between consumer expectations and the offerings of companies operating in these sectors. An exclusive strategic model has been developed and applied to several major market players. This model serves to pinpoint the exact needs of consumers and to improve customer satisfaction rates.
- The design and development of electronic marketplaces and B2B information systems.

During 2000, the Group conducted projects for a large number of clients, including Kimberly Clark, Danone, Ahold, Carrefour, Deutsche Post, Geodis and Moulinex.

The CRPD unit is also working with SAP and Coca-Cola to develop an industry-focused platform for SAP's integrated management software.

Energy and Utilities

The Energy and Utilities sector is currently being extensively reshaped, with the oil and gas companies looking to achieve critical mass while the public utilities are actively preparing for deregulation.

Cap Gemini Ernst & Young, with around 5,000 professionals serving the industry, is a key partner during this transition period. Its strengths include leading-edge, industry-specific service lines, transaction and risk management solutions, and advanced e-business services. Drawing on these strengths, the Group is helping Equiva Services, a joint-venture between Shell, Texaco and Saudi Aramco, to develop a diversified e-business offering that is designed to propel this company to the forefront of its market.

The know-how developed by Cap Gemini Ernst & Young has also been deployed on projects such as the U.S.-based Enporion electronic marketplace which allows sophisticated trading among medium-sized buyers and suppliers in the electric and gas industries. In Australia, the Group has conducted a project for Nemmco, the authority responsible for opening up the local energy market, and in Canada, a major outsourcing contract has been signed with Ontario Power Generation (see note 26 page 51).

Financial Services

The needs of the financial services sector arising from the growing sophistication of the capital markets, increasing interest in customer relationship management and escalating use of e-business applications make this an extremely attractive market for Cap Gemini Ernst & Young.

To strengthen its position, the Group has launched a multi-pronged development drive. Service capacity is being extended in the traditional fields of banking, insurance and securities management, with growing emphasis on customer relationship management and sector-specific services.

New business wins in 2000 included a contract to develop the Crédit Agricole-BNP Paribas-Société Générale Internet portal. These three leading French banks have also joined forces with Cap Gemini Ernst & Young to launch the Answork B2B electronic marketplace.

High-Technology and Automotive

In 2000, the quality of Cap Gemini Ernst & Young's combined offerings for the high-technology and automotive industries won several major contracts for the Group.

The Group's second generation e-business service offering, coupled with its leading edge technologies and global presence, proved to be a winning combination. In the automotive industry, four of the leading players (GM, Ford, Daimler-Chrysler and Renault/Nissan) joined forces to create Covisint, the world's first electronic marketplace for automakers and their suppliers. Covisint will allow members to react more quickly to changing market conditions and remain at the forefront in terms of innovation and quality while also enhancing their price competitiveness. Cap Gemini Ernst & Young has been selected to develop this project, in close cooperation with Oracle and CommerceOne, two of the Group's partners.

The unique combination of expertise offered by Cap Gemini Ernst & Young was also put to work in other segments of the industry. Airbus Industrie selected the Group to develop its AOLS (Airbus On Line System) extranet, which offers airlines secure, real time access to the vast array of data – including aircraft plans and specifications, manuals, service notes and replacement part availability data – required to allow them to operate their fleets efficiently.

This contract is a typical example of how the Group's services can translate into a key competitive advantage for not only for its clients, but also for its client's customers.

Life Sciences and Chemicals

Cap Gemini Ernst & Young offers high value added services to the Life Sciences and Chemicals sector, drawing on its in-depth knowledge of the industry and its long-term partnerships with leading industry players such as Aventis, Basell and Baxter.

The Group's service offering is as broad as it is deep, ranging from customer relationship management services for the pharmaceutical industry to R&D services for the life sciences sector, and from e-business services for the chemicals industry – including development of the Elemica electronic marketplace – to supply chain management services for plants operating round the clock.

c) The service offering

Strategy and Transformation

Global enterprises are constantly changing and they are now having to cope with the emergence of e-business, rapid geographic shifts in their markets and the arrival of new players. They need to be able to act or react with unprecedented speed to challenges and opportunities on a previously unheard of scale.

To help them, Cap Gemini Ernst & Young has developed six new Strategy and Transformation offers, culminating in the deployment of concrete solutions:

- 2nd Generation E-business helps companies choose the right opportunities in the Net Economy (especially e-commerce and m-commerce).
- Growth Works identifies and leverages the growth drivers that will allow a company to grow faster and more efficiently than its competitors.
- Adaptive Organization allows companies to reap the full benefits of web-based collaborative tools, including e-procurement, Knowledge Management, electronic market places and e-commerce.
- Merger-in-a-box allows companies to prepare and carry out a merger in less than six months.
- Collaborative Innovation allows companies to organize, equip and optimize innovation processes, using Collaborative Design tools.
- Accelerated S&T offers procedures, methodologies and specific forums designed to speed up collective decision-making and build prototypes of the selected solutions in the space of a few weeks.

B2B Markets

One of the most significant developments of 2000 was undoubtedly the rapid emergence of large scale electronic marketplaces. These are profoundly influencing the working methods of many - if not most - companies, by offering them the opportunity to achieve substantial cost savings within their supply chain, respond more efficiently to customer needs and enhance communication among employees.

Cap Gemini Ernst & Young occupies a privileged position in this market, with more than 40 prestigious global e-marketplace projects under its belt. Several factors explain the Group's success in this field, including an exceptionally vast spectrum of competencies backed by partnerships with the leading market players (including Oracle, CommerceOne, Hewlett-Packard and Vodafone), tried and tested proprietary methodologies (including ASE - Accelerated Solution Environment - which allows clients to speed up decision-making cycles for complex operations) and dedicated solutions.

Projects conducted in 2000 include the development of Coface's web-based trade debt rating service @rating, and Elemica, the leading electronic marketplace for the chemicals industry.

Mobile Internet

Mobile phones attract more people to the Internet than PCs have ever done. European developers and manufacturers have gained a head start on their American rivals in this area. As one of the frontrunners, Cap Gemini Ernst & Young is participating in cutting edge initiatives in this area, through its close relations with clients and partners who are leading the field.

DareStep Interactive Agency

Designed originally to offer web-based services to the B2C market, DareStep has extended its reach and now covers a far wider range of applications and activities. DareStep aims to be the primary provider of user experience consultancy services in the up-front creation and design phases. Consultants then assist the other service line teams to make the entire user lifecycle exceed expectations. DareStep is organized as a separate unit and works closely with CRM and B2B teams, while also supplying essential information to the industry-focused and regional lines of service whenever a creative approach to user experience is required.

Customer Relationship Management

The core aim of Cap Gemini Ernst & Young's customer relationship management services is to help companies establish and operate effective CRM programs.

Solutions have been devised for the marketing, sales and customer service areas. The Group possesses expertise in real time marketing automation, sales force automation and multiple channel integration.

Cap Gemini Ernst & Young's competitive strengths include fast-track methods to identify needs, advanced development centers and the CRM Index℠, a benchmarking database covering several hundred American and European companies. The CRM Index℠ allows the Group to benchmark its clients' customer relationship management performance against the best practices in their industry.

The Group has established partnerships with the leaders in this field, including Siebel, Nortel/Clarify, Oracle, Cisco, Vignette, Broadvision, ATG and Exchange.

New business wins in 2000 included contracts with Alcatel and Carlson Wagonlit.

Supply Chain Management

All companies seeking profits in the short-term are working to achieve an ever closer match between supply and demand, as a key means of improving response times and enhancing performance and service levels, while at the same time reducing costs. Many companies are launching transformation programs to create an "adaptive supply chain" backed by network-based technology.

Cap Gemini Ernst & Young is a world renowned actor in supply chain services. The Group offers clients an array of leading edge services covering supply chain transformation, outsourcing and e-procurement, logistics and e-fulfillment, as well as adaptive manufacturing. Its offers are organized around Networked Value Chain, a proprietary supply chain solution model.

Extensive Enterprise Application / Enterprise Resources Planning (EEA/ERP)

The integrated management systems market has grown rapidly over the last ten years.

Today companies are also moving towards new collaborative applications, which allow networked, real time communications with partners, subcontractors and customers.

Cap Gemini Ernst & Young's new EEA (Extended Enterprise Applications) offer a response to these developments. EEA is both a technical architecture and a business process concept that allows work to be performed in groups using ERP as the federating network infrastructure. EEA solutions extend the reach of clients' existing and future ERP systems.

They integrate the major generic ERP systems with dedicated software (SAP with Siebel for customer relationship management, Oracle with i2 for supply chain management, etc.) or use a full suite of applications (such as mySAP.com, the Oracle e-business suite, PeopleSoft 8, J.D.Edwards OneWorld XE).

The cornerstone of the Cap Gemini Ernst & Young EEA solution offering, E3 (Extended Enterprise Effectiveness) is a diagnostic tool that explains how to move from ERP to e-business.

The EEA/ERP offer also includes standard ERP services, including solution assessment and selection, global or regional deployment, change management, migration and upgrades. These services are supplied by the Group's 20 advanced ERP centers located around the world.

For all of these services, Cap Gemini Ernst & Young works in close partnership with world's leading suppliers of ERP software, SAP, Oracle, PeopleSoft and J.D. Edwards.

Support Services

This service offer is designed to help clients optimize internal processes, by dealing with administrative, human resources and information systems issues. In many cases, internal knowledge and resources can be used effectively to deal with these problems. The support service offer has been designed to combine the Group's specialist expertise with the client's internal resources to deliver an appropriate response within a very short timeframe. Where appropriate, the Best Practice Solutions developed by the Group are used to achieve optimum results.

Technology Consulting

The technology consulting service line draws on the Group's internal talents and its many key technological alliances to offer consistently high levels of support for the main projects and strategic engagements undertaken worldwide. Thanks to its excellent knowledge of global technological architectures, the Group is in a position to offer clients a vast array of tried and tested tools and techniques, backed by alliances with leading players in the technology sector including Cisco, Microsoft, Sun Microsystems, Hewlett-Packard and Oracle.

Accelerated Development and Integration

The Cap Gemini Ernst & Young AD&I service line leverages technological breakthroughs to design, develop and integrate efficient Net Economy solutions.

The Group's competitive advantage lies in the methodologies developed and applied to build new applications, as well as in its Advanced Development Centers, which are used to build and test-run client solutions prior to implementation.

Network Infrastructure Solutions

Network infrastructures lie at the heart of the Net Economy. Any company that plans to play an active role in e-business will first need to invest in its network infrastructure. The NIS (Network Infrastructure Solutions) service line offers a textbook example of how a strong strategic alliance (with Cisco Systems) backed by the Group's technological expertise and global presence, creates outstanding value for clients and gives Cap Gemini Ernst & Young an unrivalled competitive advantage.

Applications Management

Companies with heavy and complex mainframe systems, high systems maintenance costs and a shortage of qualified support staff, often find themselves spending time and money on managing their applications which could be much better spent on developing their business.

Cap Gemini Ernst & Young has built a reputation as a specialist in applications management, with a market share of 19% in Europe (source: IDC). The Group has set up the structures, the skill-base, the resources and tools allowing it to offer clients personalized, high quality applications management services on an industrial scale.

The cornerstone of the AM organization is the global AMSC (Applications Management Service Centers) network. Each AMSC serves several clients. To ensure that each client is offered a flexible and reliable service, applications management processes are organized according to industrial principles, resources are pooled under applications management contracts and key processes and activities are automated. They can also enter into partnerships with Cap Gemini Ernst & Young, allowing them to benefit not only from applications management services but also from the development of e-business and other applications in an efficiently managed continuum.

The contract signed with Mercedes Benz in the United States in 2000 is a typical example of what the Group has to offer. Under the terms of this contract, Cap Gemini Ernst & Young will manage the Warranty and Technical Service division applications, replace certain obsolete technologies and implement new warranty procedures.

Infrastructure management

This offer allows clients to outsource the management of all or part of their IT resources to Cap Gemini Ernst & Young, in order to focus on their core business. Benefits include high quality services and access to the experts and technologies of a Group that is at the forefront of its sector.

IV - HUMAN CAPITAL

In the consulting and service businesses, the quality and motivation of staff represent the main key to success. Following the operational merger of Cap Gemini and Ernst & Young Consulting, the Group launched a number of initiatives that are designed to attract and retain the best talent.

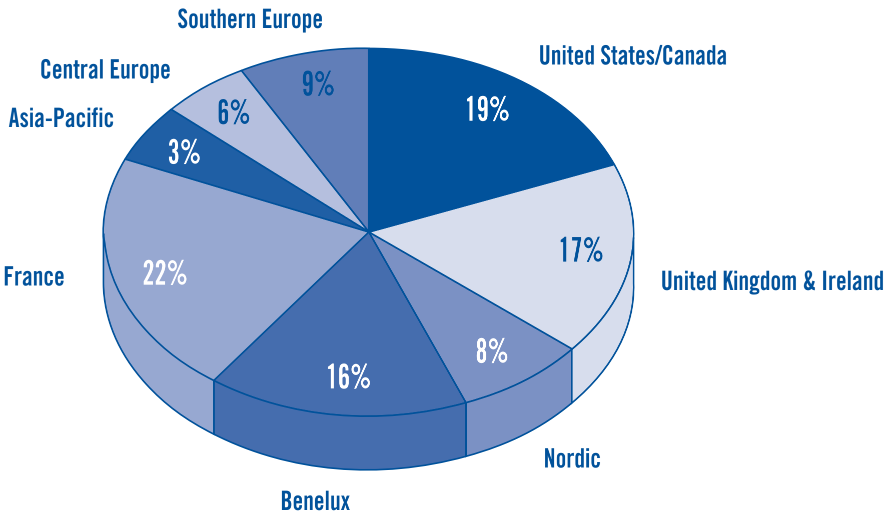
Staff have been allocated among six Professions, corresponding to groups of businesses. The aim is to encourage the emergence of local and international professional communities in order to promote the development and sharing of expertise and methodologies that are specific to the various businesses.

The six Professions are as follows:

- Strategy consulting.
- Enterprise solution consulting.
- Technology consulting.
- Operations.
- Business development.
- Enable.

The creation of these Professions offers a career framework for all employees and also allows the Group to assign professionals to client engagements with a high level of competency in their specific area, whatever the country, the industry or the service line.

At December 31, 2000, the Group had 59,549 employees. The breakdown by geographic area is as follows:



Changes in employee numbers over the last seven years reflect the rapid development of the business:

Year	Average number of employees	No. of employees at year-end
1994	19,001	19,823
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

V - INVESTMENT POLICY

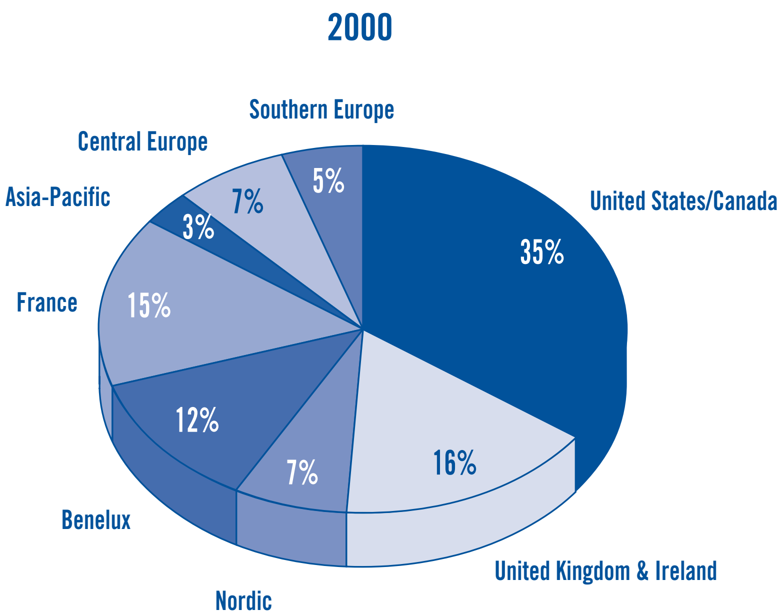
The Group's priority is to fully leverage the strengths of the new organization created following the acquisition of the Ernst & Young consulting businesses. Cap Gemini Ernst & Young considers that it now has the necessary critical mass to operate efficiently in the regions, sectors, service lines and new market segments defined above. Nevertheless, the Group wants to strengthen its position in two major IT services markets, Germany and the Asia Pacific region. The Group currently has less than 3,000 employees in Germany, which is Europe's largest market, and around 2,000 employees in the Asia Pacific region. The Group may therefore enter into partnership arrangements in these markets, with or without financial ties.

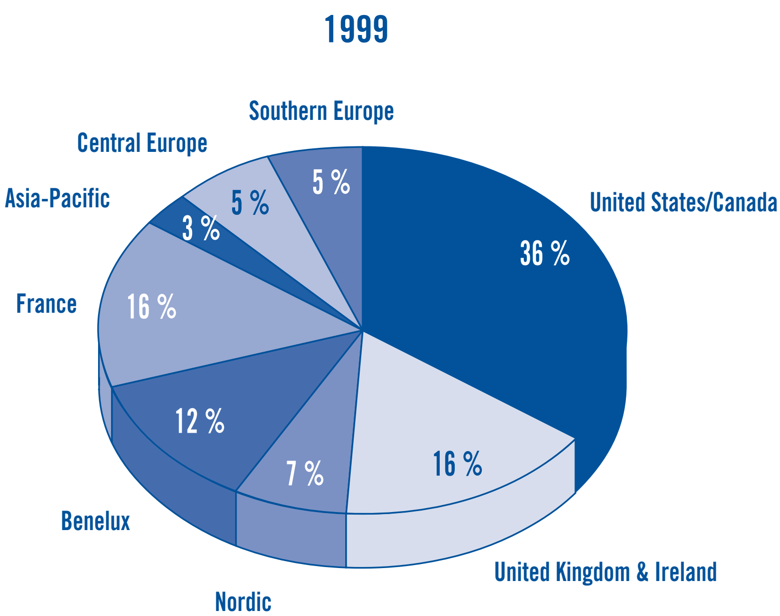
During 2000, the Group started work on the construction of a € 100 million international training center designed to house the Cap Gemini Ernst & Young University. The center, which is located at Gouvieux, to the north of Paris, is scheduled to be inaugurated in mid-2002.

The main investments made in 1998, 1999 and 2000 are described in notes 2 a), b) c) and notes 9, 10 and 11 to the consolidated financial statements.

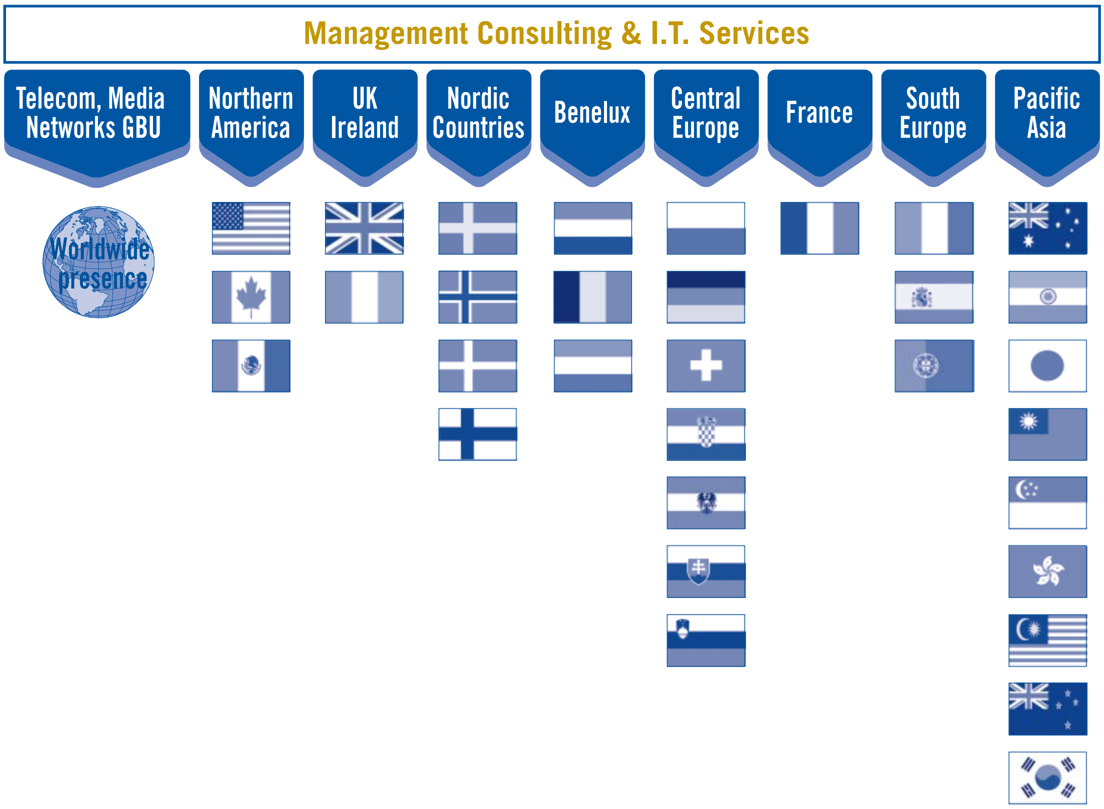
VI - OVERVIEW OF THE MAIN SUBSIDIARIES AND AFFILIATES

Total pro forma 2000 revenue (€ 8,471 million) and pro forma 1999 revenue (€ 7,674 million) breaks down as follows by geographic area:





At December 31, 2000, the parent company of the Group, Cap Gemini S.A., held the entire capital of the main subsidiaries, with the exception of Benelux-based Cap Gemini NV which is 94.2%(*)-owned and 95.1%-owned Cap Gemini Telecom. The Group is organized around 9 operating units:



In addition to the operating subsidiaries, Cap Gemini SA holds the entire capital of two non-trading real estate companies and another company which own, respectively, the Company's headquarters building, the buildings housing the Cap Gemini Ernst & Young University – the Group's international training center located at Behoust in the western Paris suburbs – and the property at Gouvieux, to the north of Paris, which will be the site of the new international training center.

The Group organization chart comprises 188 consolidated companies operating in 32 countries, organized by region as explained above. The list of these companies, by country, is provided in note 27 to the consolidated financial statements. This organisation chart has not been shown, because merger date is very recent. The different composants of the organisation are in the process of simplification.

VII - MARCH 31, 2001 - CONSOLIDATED REVENUE

The first quarter 2001 consolidated revenue of the Cap Gemini Ernst & Young amounts to 2,214 million euros, an increase of 105.2% over the first quarter revenue of 1,079 million euros published by the Cap Gemini Group in 2000.
Based on comparable structure for the first three months of 2000 and 2001, the first quarter 2001 pro forma growth shows an increase of 9.7%.
At constant rates and structure, the first quarter 2001 pro forma growth amounts to 7,6 %.

(*) Cap Gemini S.A. increased its interest in Cap Gemini N.V. to 99.8% on May 1, 2001. A "squeeze out" procedure will be launched on the Euronext Amsterdam Stock Exchange, to acquire the entire capital of Cap Gemini N.V.

CAP GEMINI ERNST & YOUNG AND THE STOCK EXCHANGE

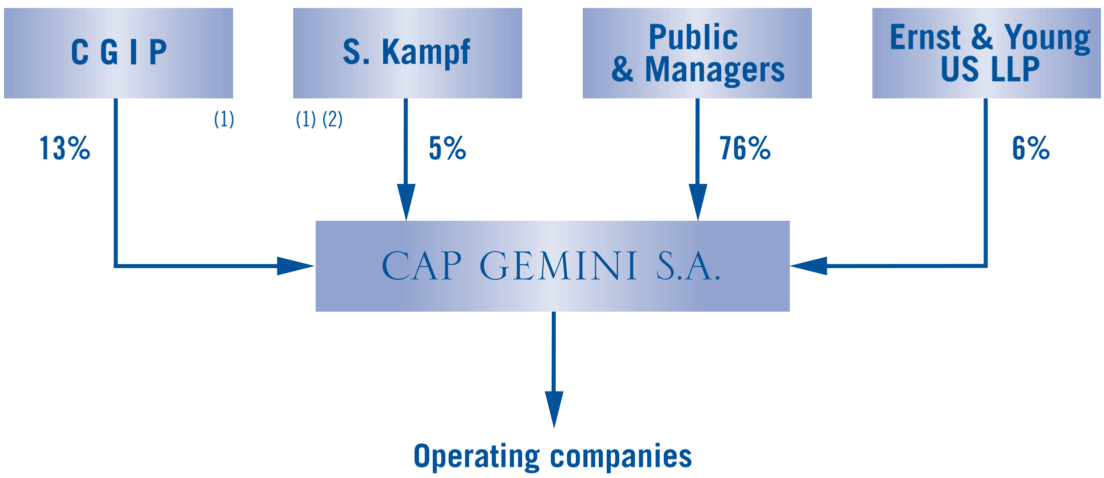
As of December 31, 2000, the Company's share capital was made up of 124,305,544 shares, an increase of 46,360,436 shares compared to 1999. A total of 42,737,107 shares were issued on May 23, 2000 in connection with the acquisition of Ernst & Young Consulting and a further 2,597,764 shares were issued to Cisco Systems. The balance of the increase concerns shares issued on exercise of stock options. 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 the total capital held by managers and the public (mainly institutions) rose from 68% to 76%.

Cap Gemini shares have been included in the CAC 40 index since February 13, 1998 (and were also part of the index prior to November 17, 1993). They are also included in the Dow Jones STOXX and Dow Jones Euro STOXX indexes. The share price on the First Market of the Paris Bourse started the year at € 252 (FRF 1,653) and ended the year at € 171.80 (FRF 1,127).

Average daily trading volume in Cap Gemini shares, in value, represented around 2.6% of total trading volume on the Paris market in 2000.

OWNERSHIP STRUCTURE AT DECEMBER 31, 2000

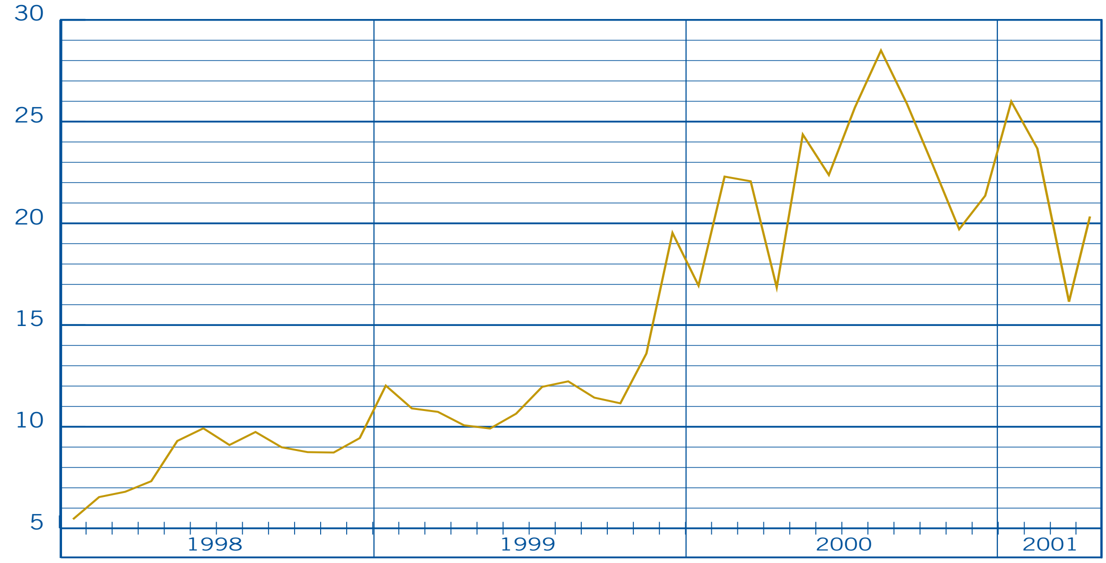


For more detailed information, refer to page 20.

(1) after the two share capital increases regarding Ernst & Young (May) and CISCO (November).
(2) after the sale in January 2000 (at the price agreed in January 1996) of around 2,000,000 shares to 200 managers of the Group.

MARKET CAPITALIZATION FROM JANUARY 1, 1998 TO APRIL 30, 2001

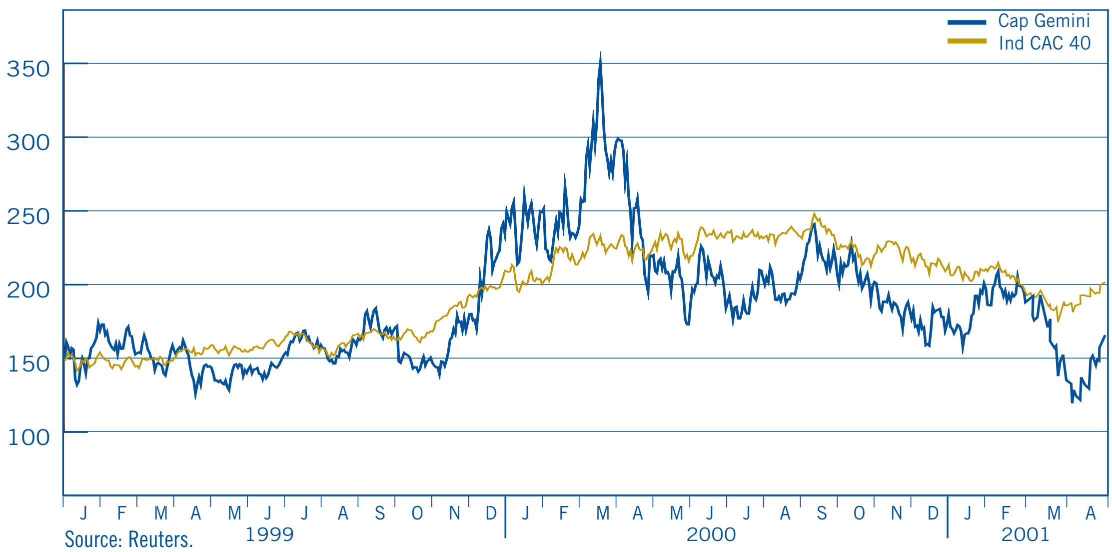
(in billions of euros)



Source: CMF.

SHARE PERFORMANCE FROM JANUARY 1, 1999 TO APRIL 30, 2001

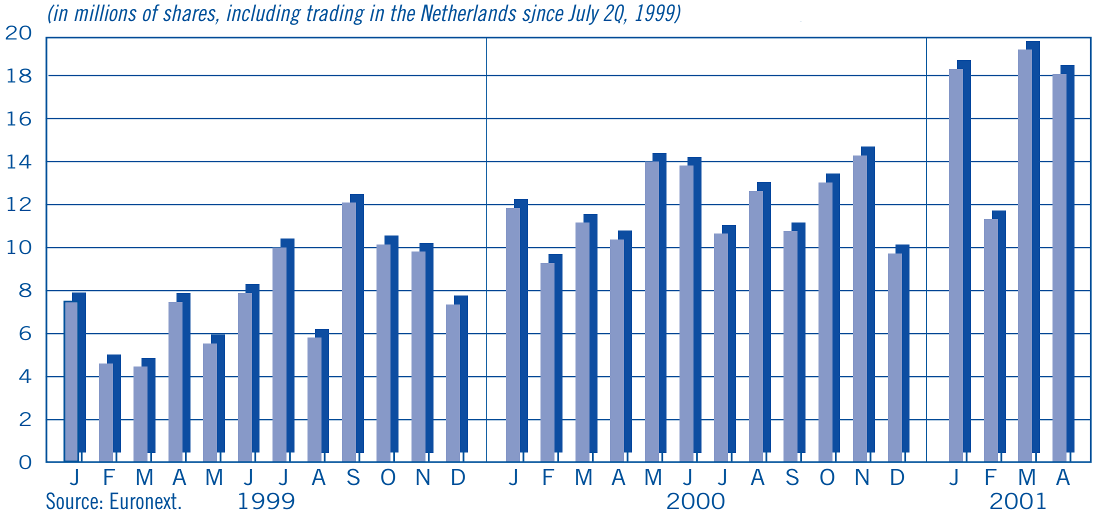
(in euros)



Source: Reuters.

MONTHLY TRADING VOLUME FROM JANUARY 1999 TO APRIL 2001

(in millions of shares, including trading in the Netherlands since July 20, 1999)



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)*
May,99	20	147.90	138.41	128.20	5,586,436	279,322	778.3
June,99	22	152.40	142.94	132.90	7,971,956	362,362	1,133.3
July,99	21	172.00	161.44	148.60	9,902,150	471,531	1,595.8
August,99	22	164.50	154.64	146.10	5,597,431	254,429	868.3
September,99	22	193.90	171.11	147.30	11,711,368	532,335	1,944.0
October,99	21	154.90	147.48	137.60	9,786,440	466,021	1,442.6
November,99	21	182.00	164.06	135.30	9,431,921	449,139	1,523.2
December,99	22	269.30	219.65	169.20	7,086,422	322,110	1,513.2
January,00	21	274.80	238.46	210.10	11,450,984	545,285	2,708.7
February,00	21	296.00	243.76	215.20	9,077,761	432,274	2,285.6
March,00	23	368.90	297.59	253.10	10,953,463	476,238	3,286.9
April,00	18	276.70	227.78	188.20	10,245,068	569,170	2,310.9
May,00	22	221.00	200.76	166.00	14,033,839	637,902	2,728.0
June,00	21	236.00	203.22	172.60	13,552,248	645,345	2,738.2
July,00	20	215.00	193.06	175.60	10,383,360	519,168	2,013.2
August,00	23	235.70	202.09	184.20	12,342,546	536,632	2,515.4
September,00	21	247.00	218.08	196.00	10,537,870	501,803	2,315.5
October,00	22	228.30	201.31	180.50	12,672,806	576,037	2,511.6
November,00	22	194.00	178.88	158.90	13,956,169	634,371	2,475.1
December,00	19	190.00	173.84	154.60	9,660,146	508,429	1,681.9
January,01	22	209.80	185.80	154.00	18,100,549	822,752	3,389.6
February,01	20	208.90	193.79	184.00	10,683,382	534,169	2,083.5
March 01	22	193.40	161.09	125.60	18,713,227	850,601	2,972.5
April 01	19	164.80	135.32	109.70	17,661,583	929,557	2,395.2

Source: Euronext.

DIVIDENDS

Year ended December 31	Total dividend *(in millions)*	Number of shares	Dividends	"Avoir fiscal" tax credit	Total Payout
1995	-	53,073,228	-	-	-
1996	MFF 121	60,356,666	FRF 2	FRF 1	FRF 3
1997	MFF 214	61,198,877	FRF 3.50	FRF 1.75	FRF 5.25
1998	MFF 380	69,130,658	FRF 5.50	FRF 2.75	FRF 8.25
1999	M€ 78	77,945,108	€ 1	€ 0.5	€ 1.5
2000	(*) M€ 149	124,305,544	(*) € 1.2	(a) € 0.6	(b) € 1.8

(*) recommended to the Ordinary General Meeting of May 16, 2001.

(a) and (b) Under the terms of the 2001 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 25% or 15% for other corporate shareholders, depending on the period when the tax credit is used.

REPORT OF THE BOARD OF DIRECTORS TO THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF MAY 16, 2001

1 - General Comments

For the Group, the highlight of 2000 was without contest the acquisition of the Ernst & Young consulting business in approximately thirty countries, which had 1999 revenues of € 3,364 million.

The businesses were acquired in exchange for 42.7 million new Cap Gemini shares and a cash payment of € 378 million.

The other significant event of the year was the formation of a joint-venture with Cisco Systems, dedicated to the telecommunications, media and network sectors. The new company is 95.1%-owned by Cap Gemini and 4.9% by Cisco Systems. In parallel with this operation, on October 31, 2000, Cisco Systems acquired a 2.1% interest in the capital of Cap Gemini SA. The two operations represented a total investment by Cisco Systems of € 872 million.

The Group's performance in 2000 should be assessed based on:
- the statutory consolidated financial statements, which include the Ernst & Young consulting businesses as from May 23, 2000 corresponding to the date of the General Shareholders' Meeting at which the acquisition was approved, and
- above all, the pro forma consolidated financial statements, including the Ernst & Young consulting businesses as if they had been acquired on January 1, 1999.

Although the Group changed dimension in 2000, it nevertheless met its stated targets of 10% revenue growth and operating margin of "10% to 11%".

2 - Comments on the consolidated financial statements of the Cap Gemini Ernst & Young Group

The acquisition of the Ernst & Young consulting businesses was accounted for in the Group's financial statements according to the alternative method provided for in section 215 of French Accounting Standards Committee ("CRC") standard 99-02 ("méthode dérogatoire"). In accordance with this method, the cost of the shares in the acquired Ernst & Young entities was replaced by the net book value of the assets and liabilities making up the net assets of the entities concerned, as reflected in their financial statements at the date of acquisition, after restatement in accordance with Group accounting policies. Therefore, no goodwill was recognized under assets in the consolidated balance sheet.

The method of acquisition enables the Group to benefit in North America from the tax saving resulting from the deductibility of amortization of the difference between the acquisition price of the Ernst & Young consulting businesses in the United States and Canada and the tax basis of their assets and liabilities. In terms of cash flows, this saving will result in lower tax payments in the two countries, year after year, until the total saving has been realized . The potential tax saving is currently estimated at € 1,808 million over 15 years. In view of the revenue and earnings visibility in this region, at December 31, 2000, the Group recognized a deferred tax asset of € 698 million in respect of the total saving (see note 19 to the consolidated financial statements). The amount of € 698 million represents the net present value of the tax credit which is currently considered as probable of being recovered. A provision has been recorded to cover the difference between this amount and the tax saving of € 1,808 million.

At December 31, 2000, the Group decided to credit the amount of € 698 million directly to shareholders' equity, instead of recording it in the income statement under exceptional items which is how it was treated in the first half published accounts (for an amount of € 140 million): indeed, it seemed to be best practice not to increase the annual results with such a considerable amount, all the more so since this operation does not give rise to any amortization charges in the income statement. However, according to current accounting rules, any future changes in the recoverable amount of the tax credit – due to changes in earnings visibility leading to an increase or decrease in provisions, a change in tax rate or discounting effects – will be reflected in the income statement for the year in which the change occurs.

The accounting treatment of the tax saving has no impact on the pro forma consolidated financial statements.

Consolidated Statement of Income

Operating revenue increased by 60.8% in 2000 to € 6,931 million from € 4,310 million in 1999.

Pro forma operating revenue came to € 8,471 million versus € 7,674 million, representing an increase of 10.4%. Out of the total increase, 7.6% was attributable to the weakness of the euro against the dollar and sterling throughout the year.

The pace of business growth increased as the year wore on. Second half revenues rose 15.3% compared with a 5.5% increase in the first half, and the growth rate reached 22.4% in the fourth quarter (13.5% at constant exchange rates). The escalating momentum was in keeping with the overall market trend but clearly reflects the operational benefits of the merger of the Group with the Ernst & Young consulting business.
Revenues in the early part of the year were impacted by the knock-on effect of depressed demand in the second half of 1999, when clients devoted their attention to ensuring that their systems were safe for the millenium bug and when the markets still believed that the web agencies might supplant the traditional consulting and IT services firms. Further into the year, clients gradually began launching large-scale projects, although decision-making processes were significantly longer than in the past. Many of these projects included an initial strategic and management consulting phase, which had the effect of pushing back to the second half of the year the ramp up of our IT services on the projects and, consequently, the generation of proportionately higher revenue.

The negotiations leading up to the acquisition of the Ernst & Young consulting businesses followed by the merger of Cap Gemini, Gemini Consulting and Ernst & Young Consulting, also adversely affected revenues for the year and especially for the first half, due to the usual uncertainties that prevail in the months leading up to and following a large-scale merger.

The impact of these various factors differed according to the geographic area of operations:

- The United States (which, together with Canada, accounted for 35% of the Group's total revenue in 2000) turned in a disappointing performance. Revenues contracted by 9% at constant exchange rates, in a highly competitive and rapidly changing market. Staff numbers declined significantly in the first half, partly as a result of the restructuring operations carried out prior to the merger by both Ernst & Young Consulting and by Cap Gemini America, but also due to the departure of a large number of consultants, reflecting both the effects of the merger and competition from "web agencies" in the market. The situation stabilized in the second half - staff retention rates improved and the American business returned to growth in the fourth quarter;

- In the United Kingdom and the Nordic countries, which account for 16% and 7% of Group revenues respectively, revenues rose by an average of more than 9% (3% at constant exchange rates). This growth rate was the net outcome of a difficult first half followed by a strong recovery in the second half, when revenues grew at an average rate of more than 20% at constant exchange rates;

- Revenues in Benelux, representing 12% of the Group total, expanded by around 9%, reflecting gains in market shares in countries where we already hold leading positions;

- In France, representing 15% of Group revenues, the more restrained 6% growth was largely due to the implementation of the 35-hour week legislation;

- Operations in the Asia-Pacific region and Southern Europe (representing 3% and 5% of Group revenues respectively) achieved revenue growth of more than 20%;

- The star performers were Germany and Central Europe (accounting for 7% of consolidated revenues), where revenues surged by more than 45%, mainly due to the build up of business with the E.ON. Group.

At December 31, 2000, the Group had a total of 59,549 employees, including the 16,643 employees of the Ernst & Young consulting business, representing a net increase of nearly 20,000 persons compared with 1999.

The average number of Group employees, including the employees of the Ernst & Young consulting business from May 23, 2000, totalled 50,249 persons. Based on the average number of Cap Gemini Group employees in 1999 (39,210 persons), revenue per employee rose by 25.5% year-on-year (20.8% at constant exchange rates), from € 109,900 in 1999 to € 137,900 in 2000. The increase reflects the Group's strategic intent to offering higher value-added services through the acquisition of the Ernst & Young consulting businesses.

Consolidated operating income totaled € 703 million, an increase of 49.9% compared with € 469 million in 1999.

Pro forma operating income amounted to € 893 million versus € 786 million in 1999. Pro forma operating margin rose to 10.5% of revenue, a 0.3 point improvement on the previous year's 10.2%.

The 2000 breakdown between cost of services rendered and general, administrative and selling expenses is not exactly comparable to prior year breakdowns due to the consolidation of the Ernst & Young consulting businesses. The reason for this is that consulting businesses generally comprise a smaller proportion of professional staff whose related costs are charged directly to selling, general and administrative expenses.

In order to facilitate the analyses of the new Group's operating performance, the 2000 consolidated financial statements include, for the first time, a breakdown of operating margin by geographic area. The method to be used to allocate the cost of headquarters functions and common services supplied at a global level (e.g. marketing, service line development and management and large account management) had not yet been finalized at the 2000 year-end, and the analysis provided therefore corresponds only to an indication of the level of operating margin in each geographic area.

In 2000, the Group had **net interest expense** of € 7 million as opposed to net interest income of € 8 million in 1999. The negative swing primarily reflects the impact of changes in Group structure and the amounts paid out in May 2000 for the acquisition of Ernst & Young's consulting business, which were only partly offset by interest income earned as from late October on the funds received from Cisco Systems in connection with its investment in the Group.

Other revenue and expenses, net amounted to € 9 million in 2000 compared with € 39 million in 1999. The main components of other revenue and expenses were as follows:

- € 134 million dilution profit arising on the sale to Cisco Systems of a stake in the joint venture that is currently 95.1%-owned by the Group, partly offset by a € 10 million net loss on disposal of non-strategic assets (including a € 13 million loss on the sale of the Group's 14.5% interest in Hagler Bailly);
- Restructuring costs of € 48 million, including the € 32 million cost of reorganizing and the German software package development and maintenance business;
- € 55 million in costs associated with the integration of the Ernst & Young consulting businesses, which were not provided for in the opening balance sheet at May 23, 2000.

Income tax for the year came to € 238 million compared with € 199 million in 1999, representing an effective tax rate of 33.8% versus 38.7%. The lower effective tax rate stemmed from the fact that the € 134 million dilution gain arising on the sale to Cisco Systems of a stake in the Telecom/Media and Networks joint-venture was not taxable. Without this, the effective tax rate would have been 41% in 2000. The underlying increase arose from a change in geographic breakdown of taxable income compared with 1999, with a higher proportion being generated in Germany where the average tax rate is in excess of 40% and a lower proportion in the United Kingdom, where the 31% tax rate is below the Group average.

The Group's equity in the net results of affiliates represented a negative amount of € 7 million versus a negative € 1 million in 1999. The year-on-year change primarily reflects the effects of changes in Group structure.

Minority interests came to € 7 million versus € 22 million in 1999. The decrease was mainly attributable to the full-year impact of the reduction in minority interests in Cap Gemini NV from 44% prior to the mid-1999 Public Exchange Offer to 5.8% at December 31, 2000. The first-half 2000 buyout of the 49.4% of Cap Gemini Portugal's capital not already held by the Group also had a positive impact on minority interests. Minority interests corresponding to Cisco System's stake in the joint venture were not material in 2000, because the stake was not sold to Cisco Systems until October 31.

Amortization of goodwill eased back to € 22 million from € 28 million in 1999. No goodwill was recognized in connection with the acquisition of the Ernst & Young consulting businesses (see discussion of the consolidated balance sheet below) and the transaction therefore did not have a material impact on goodwill amortization.

Net income for the year surged to € 431 million from € 266 million in 1999. Net margin represented 6.2% of operating revenue, unchanged from the previous year.

Diluted earnings per share came to € 3.99, up 16% on the previous year's € 3.44.

Pro forma net income totaled € 547 million versus € 436 million in 1999, representing an increase of 25.5%.

Pro forma diluted earnings per share stood at € 4.35, an increase of 19.8% compared with € 3.63 in 1999.

Consolidated Balance Sheet

After leveling off at year-end 1999, the **ratio of shareholders' equity to non-current assets** improved significantly, reaching 193% at December 31, 2000 compared with 135% one year earlier. In 2000, consolidated shareholders' equity including minority interests rose to € 4,223 million while non-current assets stood at € 2,191 million. In 1999, shareholders' equity totaled € 2,638 million and non-current assets amounted to € 1,950 million.

The € 1,585 million increase in consolidated shareholders' equity reflects the combined impact of:

- the € 455 million net increase in shareholders' equity arising from the acquisition of the Ernst & Young consulting businesses. This amount includes the € 9,402 million share issue, including premiums, in payment for the Ernst & Young consulting businesses, plus the € 698 million deferred tax asset corresponding to the tax saving arising in connection with the acquisition of Ernst & Young's North American businesses, credited directly to shareholders' equity, less (i) transaction costs of € 148 million after tax, and (ii) goodwill of € 9,497 million (calculated on the basis of the Ernst & Young consulting business' balance sheet at May 23, 2000, restated according to Group accounting policies, after taking into account provisions of € 192 million net of tax for costs related to the separation of the consulting business from Ernst & Young's audit, legal and tax businesses and the set-up of the organization of the new Group);
- the distribution of 1999 dividends of € 78 million;
- the € 698 million share issue, including premiums, corresponding to the issuance of 2.6 million new shares to Cisco Systems;
- € 32 million worth of shares issued on exercise of employee stock options;
- the negative translation adjustment for the year of € 1 million;
- the € 48 million increase in minority interests, due mainly to Cisco Systems' acquisition of shares in the joint venture;
- the net income for 2000 of € 431 million.

The € 241 million increase in **non-current assets** arose mainly from:

- the acquisition of the Ernst & Young consulting business for € 235 million, including a € 151 million net increase in property, plant and equipment, a € 64 million net increase in intangible assets and a € 20 million net increase in investments;
- disposal of the German software package development and maintenance business for € 28 million;
- acquisitions of operating assets, net of disposals, for € 147 million;
- depreciation and amortization for the year of € 145 million, including € 123 million related to property, plant and equipment and intangible assets and € 22 million in goodwill amortization;
- positive translation adjustments of € 26 million;
- additions to investments without any impact on the scope of consolidation for € 7 million.

Accounts and notes receivable amounted to € 2,312 million at December 31, 2000, including € 2,164 million in trading receivables versus € 995 million at the previous year-end. The 117% increase in trade receivables includes the € 737 million worth of receivables of the Ernst & Young consulting business. At December 31, 2000, trade receivables represented 93 days' pro forma revenue compared to 84 days in 1999. The deterioration was partly due to the high business volume in the fourth quarter.

Net debt at December 31, 2000 represented a debit balance of € 849 million, reflecting a € 341 million increase in the excess of cash and cash equivalents over debt compared with the year-earlier figure. The increase was attributable to net cash inflows of € 728 million, including the € 872 million cash proceeds from the investment by Cisco Systems which was partly offset by the € 502 million in net cash absorbed by investments other than additions to and disposals of operating assets. Net cash provided by operating activities represented a modest € 33 million, with the positive net cash in the second half compensating for the net outflow in the first half.

Cash and cash equivalents totaled € 1,003 million at December 31, 2000 compared with € 749 million at the previous year-end, representing an increase of € 254 million including the € 5 million negative effect of exchange rate movements.

3 - Comments on the Cap Gemini SA financial statements

Income Statement

The Company's **operating revenues** amounted to € 196 million compared with € 108 million in 1999, including royalties of € 103 million versus € 98 million. Revenue for the year also comprised expense transfers of € 89 million corresponding to gross fees paid by Cap Gemini SA in connection with the Ernst & Young and Cisco Systems transactions, which were charged directly to the premiums on the related share issues.

Operating income contracted to € 74 million from € 82 million in 1999, after taking into account the Company's contribution to the advertising campaign carried out by the Group.

Net interest income declined to € 88 million from € 100 million in 1999. Dividend income from subsidiaries increased to € 100 million from € 98 million. A provision for impairment in value of shares in subsidiaries and affiliates was made for € 28 million, including € 24 million related to shares returned by former partners of the Ernst & Young consulting business who have left the Group.

Net other revenue and expenses totaled € 188 million, corresponding primarily to gains realized on the transfer for the Telecom/Media and Networks businesses under the terms of the Company's agreements with Cisco Systems, and revenue of € 38 million related to Cap Gemini SA shares issued in May 2000 and returned by former Ernst & Young partners who have left the Group. The amount of € 38 million includes € 33 million in shares and € 5 million in cash.

After deducting income tax of € 32 million, **net income** for the year came to € 318 million compared with € 149 million in 1999.

Balance Sheet

The Company's **shareholders' equity** totaled € 13,458 million at December 31, 2000. This was 4,3 times higher than the balance of € 3,138 million one year earlier, reflecting the issuance of € 9,402 million worth of shares in payment for the Ernst & Young consulting businesses and the € 701 million worth of shares issued to Cisco Systems.

Debt totaled € 29 million compared with € 62 million at December 31, 1999, corresponding mainly to commercial paper issues.

The Company's total assets increased fourfold to € 13,665 million at December 31, 2000 from € 3,439 million at the previous year-end. The € 10,226 million increase primarily reflects the shares issued in payment for the Ernst & Young consulting businesses and the shares issued for cash to Cisco Systems.

Appropriation of Net Income

Income available for distribution, comprising net income for the year of € 318,151,920.90 and retained earnings of € 85,514,889.11, amounts to € 403,666,810.01.

The Board of Directors recommends that distributable income should be appropriated as follows:

- legal reserve (to raise the reserve to 10% of capital)	€ 37,088,348.80
- dividend per share of € 1.20 on the 124,305,544 shares outstanding at December 31, 2000, i.e. total dividends of	€ 149,166,652.80
- dividend equalization tax ("précompte") (1)	€ 15,289,227.21
- retained earnings	€ 202,122,581.20
Total	€ 403,666,810.01

Taking into account the 59.5% increase in the number of shares outstanding, the recommended total dividend is 91.5% higher than that paid last year. If approved, the Board of Directors recommends that dividends should be paid as from May 18, 2001.

(1) In exchange for the avoir fiscal tax credit, a dividend equalization tax, known as the "précompte" is payable in respect of dividends paid out of income that has not been fully subject to corporate income tax, at the rate of 50% of the distributed untaxed income.

In accordance with the provisions of the 2001 Finance Act, the dividend will give rise to an avoir fiscal tax credit of € 0.60, (50%) in the case of private shareholders and legal entities qualifying for the affiliation privilege and € 0.30 (25%) or € 0.18 (15%) per share in the case of all other shareholders that are legal entities depending on the date on which the tax credit is utilized.

If any of the Company's shares are held in treasury stock when the dividend is paid, an amount corresponding to the dividends not paid out on these shares will be credited to retained earnings, together with the related adjustment to dividend equalization tax.

In accordance with the provisions of Article 243 bis of the French General Tax Code, shareholders are informed that 1999 dividends totaled € 77,945,108 (FRF 511,286,392), representing a dividend per share of € 1, paid on 77,945,108 shares, that 1998 dividends totaled FRF 380,218,619 (€ 57,963,955), representing a dividend per share of FRF 5.50, paid on 69,130,658 shares and that 1997 dividends totaled FRF 214,196,069.50 (€ 32,653,980), representing a dividend per share of FRF 3.50, paid on 61,198,877 shares.

Share Capital and Ownership Structure

In 2000, the share capital was increased from € 623,560,864 to € 994,444,352 as a result of the following:

- issuance of 42,737,107 shares in payment for the Ernst & Young consulting businesses, on May 23, 2000,
- issuance of 2,597,764 shares for cash, to Cisco Systems, Inc., on October 31, 2000,
- issuance of 1,025,565 shares on exercise of stock options granted to Group employees in prior years.

Pursuant to article L.233-13 of the Commercial Code, shareholders are informed that as of December 31, 2000:

- CGIP (Compagnie Générale d'Industrie et de Participations) held over 10% of the Company's capital and voting rights, directly or indirectly, Serge Kampf held over 5% and Ernst & Young US LLP held. 6,2% of the capital but only 4.9% of the Company's voting rights because of a late disclosure threshold.

- During the year, CGIP's interest was reduced to below the 20% disclosure threshold, Serge Kampf's interest was reduced to below the 10% disclosure threshold and Ernst & Young US LLP's interest reached the 5% disclosure threshold.

Stock Options

The Extraordinary Shareholders' Meeting of May 2, 1996 authorized the Directoire to grant stock options to certain employees of the Company and its French and foreign subsidiaries. The authorization was given for a period of 5 years commencing June 1, 1996 and the number of shares to be subscribed on exercise of the options was limited to 6 million. The authorization was used to set up the Fourth Stock Option Plan.

The Extraordinary Shareholders' Meeting of May 23, 2000 authorized the Board of Directors to grant stock options to employees of the Company and its French and foreign subsidiaries. The authorization was given for a period of 5 years commencing on May 23, 2000 and the number of shares to be subscribed on exercise of the options was limited to 12 million. The authorization, which did not have the effect of canceling the previous authorization expiring on May 24, 2001, was used to set up the Fifth Stock Option Plan.

In 2000, the Directoire and then the Board of Directors used the above authorizations to grant options to subscribe for 3,127,500 shares of the Company to a total of 1,796 Group employees. The option exercise price was set at 80% of the average of the prices quoted for the Company's shares over the 20 trading days preceding the date of grant. Out of the total options granted, 661,000 options are exercisable at a price of € 178, 2,108,500 options at a price of € 161 and 358,000 options at a price of € 144.

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

During 2000, 631,603 shares were subscribed on exercise of options granted under the Third Plan and 393,962 shares under the Fourth Plan, bringing the total for the year to 1,025,565 shares corresponding to the equivalent of 0.8% of the Company's capital at December 31, 2000. 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.

Authorization to buy back the Company's shares

The Annual Shareholders' Meeting of May 23, 2000 authorized the buyback of the Company's shares, mainly with a view to allowing external growth transactions to be carried out, remunerated by the Company's shares. During 2000, a total of 7,232 shares – representing 0.006% of the capital – were bought back at a price of € 205.33 per share and used to pay for the acquisition of Cap Gemini Ernst & Young Korea.

At the Annual 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 remunerated by Cap Gemini SA shares,
- award shares to Group employees on the terms and by the methods provided for by law, including in connection with stock option plans or company savings plans,
- stabilize the Company's share price by purchasing and selling shares on the open market.

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 € 300 per share and the minimum price at which they could be sold will be set at € 120 per share.

These transactions will be governed by Act no. 98-546 of July 2, 1998, 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. This authorization is the subject of the sixth resolution to be submitted for approval at the Extraordinary Shareholders' Meeting.

Returned Shares

In application of the terms of the agreements signed by Cap Gemini and Ernst & Young in connection with the acquisition of the Ernst & Young consulting business, which was completed on May 23, 2000, 208,370 Cap Gemini shares had been returned to the Company as of March 31, 2001 by people who became employees of the Cap Gemini Ernst & Young Group and then 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 had 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 business to Cap Gemini. The number of shares to be returned depends on the reason for and timing of the new employee's departure.

Issuance of Debentures

The Extraordinary Shareholders' Meeting of April 22, 1999 gave the Directoire a five-year authorization to issue up to € 800 million worth of debentures in France or abroad. **This authorization has not been used.** The Board of Directors is now seeking to replace the 1999 authorization with a new authorization with adjusted terms and for a different period. So that the amount is tailored to the new configuration of the Group and is consistent with those provided for in the financial authorizations presented for renewal at the Extraordinary Shareholders' Meeting, the Board of Directors will be asking shareholders to authorize the issue up to € 1.5 billion worth of secured or unsecured debentures. Under the terms of the authorization, the Board of Directors would have full discretionary powers to set the amount of each individual issue, within the above limit, the form of the debentures, the timing of the issues, the interest rate and repayment terms.

4 - Outlook

After a successful merger carried out in the space of seven months, the new organisation structure integrates and combines what has so far been the strengths of Ernst & Young Consulting and Cap Gemini. The new business development and management structure set up should help to unlock the synergies created by a value-creating merger thanks to the excellent strategic fit of the two organisations. As far as **the outlook** is concerned, the Board notes that the Group is entering 2001 with a solid order-book and an improved staff retention rate, even in regions which had experienced difficult conditions in the first part of 2000 (United States, Great Britain and the Nordic countries).

Of course, the market is still affected by uncertainty and nobody can currently determine the magnitude of the consequences of the economic slowdown in the United States on the global economy and on corporate IT budgets. However, against such a background and taking into account its strengths, Cap Gemini Ernst & Young is well-armed to keep pace with its current momentum:

- strategy and technology still go hand in hand, independent of the economic climate, and the Group benefits from a skill set that closely coincides with market requirements,
- the Group's client portfolio is well split between the different economic sectors, and the accent placed on the sector approach in the new organisation helps adapt service offerings to the new developments of each business sector,
- the Group's service lines meet the needs of companies in full swing as well as of those clients whose strategy is focused on a rigorous management of their costs and expenditure,
- company change, needed to adapt to the new net economy and illustrated by the rapid emergence of virtual marketplaces or by the new client relationship management methods, is taking place against a background of growing competition in substantially all markets, forcing companies to work constantly to improve their productivity,
- on the employment market, the new Group's reputation and its dedication to the management of its different professions should contribute to employee stability and reinforce its ability to hire the best.

On January 25, 2001, the Group announced that its objectives for 2001 were to increase operating revenue to € 9.6 billion (based on 2000 exchange rates) and to achieve a modest improvement in operating margin.

5 - Comments related to the matters to be discussed at the Extraordinary Shareholders' Meeting

Authorization to cancel shares acquired under the buyback program

The Board of Directors is seeking an authorization to cancel all or some of the shares bought back pursuant to the provisions of Act no. 98-546 of July 2, 1998, as discussed in the 6th paragraph of Section 3 of this report, up to a maximum of 10% of the Company's capital per 24 month period.

Capital reduction to cancel returned shares

As of March 31, 2001, a total of 208,370 Cap Gemini shares had been returned to the Company by former partners of the Ernst & Young consulting business who had become employees of the Cap Gemini Ernst & Young Group and had since left the Group. These shares, which do not form part of the share buyback program, 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 € 35,944,962.10 corresponding to the amount at which the returned shares were recorded in the accounts of Cap Gemini SA.

Financial authorizations

The authorizations given to the Board of Directors last year 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 bonds, bonds 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 opportunities, shareholders will be asked to replace the authorizations given at last year's meeting by new authorizations for the same amounts but with new expiry dates.

It is proposed to authorize the Board of Directors to issue shares with a maximum aggregate par value of € 1.5 billion and share equivalents up to a maximum amount of € 3 billion per issue (€ 400 million for stand-alone 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 referred to above. 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 shares would be issued at market price and, if the issues are placed on the French market, shareholders would 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 YEARS ENDED DECEMBER 31, 1998, 1999 & 2000

To the shareholders of Cap Gemini SA,

In accordance with the terms of our appointment at the Annual Shareholders' Meeting, we have audited the consolidated balance sheets of Cap Gemini SA and subsidiaries as of December 31, 1998, 1999 and 2000 and the related consolidated statements of income, changes in shareholders' equity and cash flows for the years then ended, presented in euros.

These consolidated financial statements are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. 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 in the preparation of the financial statements, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly the consolidated financial position of Cap Gemini SA and subsidiaries as of December 31, 1998, 1999 and 2000, the consolidated results of operations, changes in shareholders' equity and cash flows for the years then ended.

Notes 3 and 19 to the consolidated financial statements describe the accounting and tax treatment of the acquisition of the Ernst & Young consulting businesses.

We have also performed the specific procedures required by law, in accordance with generally accepted auditing standards. We are satisfied that the information given in the Report of Board of Directors is fairly stated and agrees with the consolidated financial statements.

Paris, March 14, 2001

The Statutory Auditors
Members of the Regional Company of Paris

CONSTANTIN ASSOCIES

Jean-François Serval - Laurent Lévesque

COOPERS & LYBRAND AUDIT
Member of PricewaterhouseCoopers
Bernard Rascle

CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 1998, 1999 AND 2000

(in millions of euros)	Notes	1998		1999		2000	
		Amount	%	Amount	%	Amount	%
Operating revenue	4	***3,955***	***100.0***	***4,310***	***100.0***	***6,931***	***100.0***
Cost of services rendered	5	2,678	67.7	2,904	67.4	4,871	(1) 70.3
General, administrative and selling expenses	5	871	22.0	937	21.7	1,357	(1) 19.6
Operating income		***406***	***10.3***	***469***	***10.9***	***703***	***10.1***
Interest income/(expense), net	6	(2)	-	8	0.2	(7)	(0.1)
Other, revenue and expenses, net	7	5	0.1	39	0.9	9	0.2
Income of fully consolidated companies before tax		***409***	***10.4***	***516***	***12.0***	***705***	***10.2***
Income tax	8	(155)	(4.0)	(199)	(4.6)	(238)	(3.4)
Net income of fully consolidated companies before amortization of goodwill		***254***	***6.4***	***317***	***7.4***	***467***	***6.7***
Equity in net results of affiliates		(2)	-	(1)	(0.1)	(7)	(0.1)
Minority interests		(34)	(0.9)	(22)	(0.5)	(7)	(0.1)
Net income before amortization of goodwill		***218***	***5.5***	***294***	***6.8***	***453***	***6.5***
Amortization of goodwill	9	(30)	(0.7)	(28)	(0.6)	(22)	(0.3)
Net Income		***188***	***4.8***	***266***	***6.2***	***431***	***6.2***

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

	Notes	1998	1999	2000
Average number of shares	1.P	***66,163,937***	***73,178,100***	***103,875,903***
Weighted average number of stock options		4,918,336	4,083,641	4,044,875
Adjusted average number of shares		***71,082,273***	***77,261,741***	***107,920,778***
Number of shares at December 31		***69,130,658***	***77,945,108***	***124,305,544***
Net Income		188	266	431
Primary earnings per share (in euros) (1)		2.84	3.63	4.15
Diluted earnings per share (in euros) (2)		2.65	3.44	3.99
Primary earnings per share (in euros) (3)		2.73	3.41	3.47

(1) Earnings per share based on average number of shares.
(2) Earnings per share based on adjusted average number of shares.
(3) Earnings per share based on number of shares at December 31.

In 2000, consolidated net income before minority interests but after amortization of goodwill totaled € 438 million, representing 6.3% of operating revenue, versus € 288 million or 6.7% of operating revenue in 1999 and € 222 million or 5.6% of operating revenue in 1998.

CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 1998, 1999 AND 2000

(in millions of euros)	**Notes**	**1998**	**1999**	**2000**
ASSETS				
Intangible assets	9	1,281	1,589	1,646
Property, plant and equipment	10	298	319	475
Investments	11	44	42	70
Total fixed assets		***1,623***	***1,950***	***2,191***
Long-term deferred tax assets	19	53	86	786
Total non-current assets		***1,676***	***2,036***	***2,977***
Accounts and notes receivable, net	12	941	1,063	2,312
Other receivables	13	113	170	327
Financial receivables and short-term investments	15	879	569	666
Cash	15	139	193	463
Total current assets		***2,072***	***1,995***	***3,768***
Total assets		***3,748***	***4,031***	***6,745***
Guarantees received from third parties	20	2	29	3
LIABILITIES AND SHAREHOLDERS' EQUITY				
Share capital		422	624	995
Additional paid-in capital		1,242	1,226	2,073
Retained earnings		408	761	1,080
Total shareholders' equity	14	***2,072***	***2,611***	***4,148***
Minority interests	14	176	27	75
Shareholders' equity, including minority interests	14	***2,248***	***2,638***	***4,223***
Long-term debt	15	192	143	91
Provisions and other long-term liabilities	16	140	179	211
Total long-term liabilities		***332***	***322***	***302***
Short-term debt and bank overdrafts	15	249	111	189
Accounts and notes payable	17	781	777	1,875
Other payables		138	183	156
Total current liabilities		***1,168***	***1,071***	***2,220***
Total liabilities and shareholders' equity		***3,748***	***4,031***	***6,745***
Commitments given to third parties	20	553	711	1,294
Net debt	15	***(577)***	***(508)***	***(849)***

To facilitate comparisons certain items in the 1998 and 1999 balance sheets have been restated based on the same presentation as in 2000, in order to show long-term deferred tax assets on a separate line.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 1998, 1999 AND 2000

(in millions of euros)	1998	1999	2000
OPERATING ACTIVITIES			
Net income	188	266	431
Minority interests	34	22	7
NET INCOME OF FULLY CONSOLIDATED COMPANIES	***222***	***288***	***438***
Adjustments to reconcile net income of fully consolidated companies to cash generated by operations:			
Depreciation and amortization	112	114	145
Provisions	6	(9)	12
Changes in deferred taxes	5	(16)	33
Cisco Systems dilution gain	-	-	(134)
(Gains)/losses on disposals of fixed assets	(4)	(45)	36
Other	(3)	(8)	-
CASH FLOW OF FULLY CONSOLIDATED COMPANIES (I)	***338***	***324***	***530***
DIVIDENDS RECEIVED FROM AFFILIATES (II)	***2***	***1***	***7***
Change in accounts and notes receivable, net (A)	138	122	1,169
Change in accounts and notes payable, net (B)	29	(2)	499
Change in other receivables and payables, net (C)	180	21	313
NET MOVEMENT IN WORKING CAPITAL (III=A-B-C)	***(71)***	***103***	***357***
NET CASH PROVIDED FROM OPERATIONS (IV=I+II-III)	***411***	***222***	***180***
INVESTING ACTIVITIES			
Acquisitions of property, plant and equipment and intangible fixed assets	131	144	169
Disposals of property, plant and equipment and intangible fixed assets	(32)	(24)	(22)
	99	120	147
Acquisitions of investments	13	19	45
Disposals of investments	(3)	(77)	(25)
	10	(58)	20
Effect of changes in Group structure	3	199	(*) 482
NET CASH PROVIDED BY INVESTING ACTIVITIES (V)	***112***	***261***	***649***
FINANCING ACTIVITIES			
Increase in share capital (including exercise of stock options)	585	38	(**) 730
Minority interests in increase in share capital of subsidiaries	7	12	(**) 170
Dividends paid to parent company shareholders	(33)	(58)	(78)
Dividends paid to minority shareholders of consolidated companies	(20)	(28)	(2)
Net change in borrowings	(148)	(194)	(92)
NET CASH PROVIDED/(USED) BY FINANCING ACTIVITIES (VI)	***391***	***(230)***	***728***
CHANGE IN CASH AND CASH EQUIVALENTS (IV-V+VI)	***690***	***(269)***	***259***
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	***324***	***1,002***	***749***
CASH AND CASH EQUIVALENTS AT END OF YEAR	***1,002***	***749***	***1,003***
Effect of exchange rate movements on cash and cash equivalents	(12)	16	(5)
CHANGE IN CASH AND CASH EQUIVALENTS	***690***	***(269)***	***259***

(*) Mainly comprising the cash payment made in connection with the acquisition of the Ernst & Young consulting business plus related fees and expenses.
(**) During 2000, Cisco Systems invested € 698 million in the capital of Cap Gemini SA and € 170 million in the capital of Cap Gemini Telecom SA. See note 2.c.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 1998, 1999 AND 2000

(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, 1998	***61,198,877***	***373***	***705***		***329***	***1,407***
Increase in share capital:						
- upon exercise of options	1,108,040	7	18	-	-	25
- for cash	6,823,741	42	531	-	-	573
Share issuance costs	-	-	(12)	-	-	(12)
Dividends paid	-	-	-	-	(33)	(33)
Translation adjustments	-	-	-	-	(76)	(76)
Net income for 1998	-	-	-	-	188	188
As of December 31, 1998	***69,130,658***	***422***	***1,242***	***-***	***408***	***2,072***
Increase in share capital:						
- due to conversion of the share capital into euros and increase of par value up to € 8.0	-	131	(131)	-	-	-
- upon exercise of options	1,510,449	12	26	-	-	38
- upon public tender offer for minority interests in Cap Gemini NV (see note 2-b)	7,304,001	59	944	-	-	1,003
Dividends paid	-	-	-	-	(58)	(58)
Goodwill associated with public tender offer for minority interests in Cap Gemini NV	-	-	(855)	-		(855)
Translation adjustments	-	-	-	-	145	145
Net income for 1999	-	-	-	-	266	266
As of December 31, 1999	***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 business:						
- 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 business (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 at 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***

(1) See note 1.g.
(2) See note 19.

The consolidated financial statements as of December 31, 2000 include a full twelve months operations of the Cap Gemini Group and 7.3 months of operations, from May 23, 2000 to December 31, 2000, of the Ernst & Young consulting businesses which were acquired by the Cap Gemini Group on May 23, 2000.

In order to facilitate year-on-year comparisons, pro-forma income statements for the years ended December 31, 2000 and 1999 are presented in note 3.2.

1 - Accounting policies

The consolidated financial statements have been prepared in accordance with French generally accepted accounting principles applicable at December 31, 2000, including CRC standard 99-02 approved on June 22, 1999. The application of this standard had no impact on opening consolidated shareholders' equity.

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

a) Consolidation methods

- The accounts of Cap Gemini SA 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. Minority interests are analyzed in note 14.c. As explained in note 3.1, the acquisition of the Ernst & Young consulting businesses 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. The accounting treatment of the acquisition is explained in note 3.1.

- Investments in companies which Cap Gemini SA 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 24.

- Investments in affiliated companies over whose management Cap Gemini SA 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 some companies (mostly dormant) 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 financial position or the results of its operations.

The scope of consolidation is given in note 27.

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

All consolidated companies had a December 31, 2000 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 limited degree of uncertainty.

c) Foreign currency translation

The 1998 consolidated financial statements were prepared in French francs and then converted into euros. The 1999 and 2000 consolidated financial statements were prepared directly 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		
	1998	1999	2000	1998	1999	2000
French franc	0.15	0.15245	0.15245	0.15	0.15245	0.15245
US dollar	0.90	0.93851	1.08518	0.86	0.99542	1.07469
Pound sterling	1.49	1.51849	1.64133	1.42	1.60849	1.60231
Deutsche Mark	0.51	0.51129	0.51129	0.51	0.51129	0.51129
Dutch guilder	0.45	0.45378	0.45378	0.45	0.45378	0.45378
Swedish krona	0.11	0.11355	0.11843	0.11	0.11679	0.11323
Australian dollar	0.57	0.60520	0.62940	0.53	0.64842	0.59630
Singapore dollar	0.54	0.55390	0.62900	0.52	0.59740	0.62010

d) Intangible assets

Market share

When the acquisition of companies allows the Group to obtain a significant share of a specific market, part of the excess of purchase cost over the fair value of assets acquired is allocated to the market share acquired.

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. However, at each fiscal year end, it is 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.

Goodwill

Goodwill consists of the excess of cost over the Group's equity in the fair value of the underlying net assets as of the date of acquisition of companies consolidated or accounted for by the equity method, after allocation of purchase cost to identified tangible or intangible assets, such as market share. Goodwill is amortized over 40 years.

In 1999 and in accordance with French accounting standards applicable as of the transaction date (Article 248-3 of the Decree of February 17, 1986) and as approved 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 was written off against the premium on the shares issued in exchange for the Cap Gemini NV shares.

In 2000, the acquisition of the Ernst & Young consulting businesses 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. The detailed accounting treatment of the acquisition is explained in in note 3.1.

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 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 fitting	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 cost with their fair value being disclosed in note 11.

g) Treasury stock
Cap Gemini SA 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 differences in 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 19.

In accordance with the liability method, deferred taxes are computed at the tax rate known as of the closing date. 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 that are expected to be utilized. Deferred tax assets recognized in prior years, less deferred tax liabilities, where appropriate, are written down when the related tax loss carry-forwards are not expected to be utilized.

i) Capital leases
A capital lease is a lease that transfers substantially all the risks and rewards incident to ownership of an asset. 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 as per the Group's policy and future minimum lease payments are amortized over the lease term.

j) Revenue recognition on long-term contracts
- Revenue from long-term fixed price contracts, including systems development and integration contracts, is 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 benefit or defined contribution plans set up in accordance with the regulations in force in the countries in which the Group operates.

Pension costs under defined benefit plans are determined based on the discounted present value of future benefit payments. Estimates are based on regularly reviewed internal parameters and the interest rate on Government bonds or are performed by independent actuaries (see note 16).

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

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, as follows:

- Operating expenses are broken down between:
  - cost of services rendered,
  - general, administrative and selling expenses.

The main components of operating expense are payroll costs and travel expenses (see note 5).

- Net interest income/(expense) corresponds to interest income from short-term investments less interest on long-and short-term debt.

- Other revenues and expenses include primarily:
  - exchange differences,
  - gains and losses on asset disposals,
  - provisions for impairment in value and dividends received from non-consolidated companies,
  - non-recurring charges (restructuring costs, new business integration costs etc.).

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, taking into account treasury stock as of December 31, 2000.

- diluted earnings per share: on the basis of the weighted average number of shares outstanding during the year taking into account treasury stock as of December 31, 2000, plus the number of potential dilutive shares related to options granted to employees of the Group (note 14.b) calculated based on the average share price for the year.

- earnings per share based on the number of shares at December 31: on the basis of the number of shares outstanding as of December 31, 2000, including treasury stock at that date.

q) Net debt - Cash and cash equivalents

Net debt comprises short term and long-term debt less cash and cash equivalents.
Cash and cash equivalents comprise financial receivables, short-term investments and cash less bank overdrafts. The fair value of short-term investments is close to their book value, with the exception of certain investments held in 1998 and 1999 which are valued based on their guaranteed minimum yield.

r) Consolidated statement of cash flows

The consolidated statement of cash flows details cash provided and used by operating, investing and financing activities. The 1998 and 1999 consolidated statements of cash flows have been restated in order to comply with the presentation defined by Rule 99-02 of the Comité de la Règlementation Comptable.

s) Segment information

The Group operates primarily in Europe, North America and the Asia-Pacific region, where it is engaged in management consulting, design, installation and operation of corporate information and communication systems.

The group manages its operations based on geographic areas, business segments and service lines. Only the geographic entities constitute profit centers for which detailed performance measurements exist. Pro forma operating revenue, pro forma operating income, fixed assets and trade accounts and notes receivable for 2000 are analyzed in note 23.

2 - Changes in Group structure in 1998, 1999 and 2000

a) 1998

The main changes in the scope of consolidation in 1998 were as follows:

- In the United States the Group took a 2.9% stake in Hagler-Bailly, a management consulting firm specialized in the utilities industry. A 50/50 joint-venture was created in the United States by Cap Gemini and Hagler-Bailly in order to deploy a common service offer in the utilities market. The joint-venture, named Cap Gemini Hagler-Bailly, has been consolidated by the proportional method based on Cap Gemini's 50% interest.
- In Benelux, the Group acquired Bortiboll BV, a Dutch company specialized in electronic commerce and took over the business of Association d'Informatique Hennuyere Machelen, a Belgian outsourcing company. Both of these companies were fully consolidated as from October 1, 1998.
- In France, the Group sold its 49% interest in IFOP Participations. In 1997, this company was accounted for by the equity method.

b) 1999

The main changes in the scope of consolidation in 1999 were as follows:

- In the United States the Group acquired Beechwood, a company specialized in IT services for telecom operators in April 1999. Immediately after its acquisition, Beechwood was merged into Cap Gemini America. Beechwood had revenue of USD 56 million in 1998.
- In Benelux, on August 31, 1999, Cap Gemini SA completed a public tender offer for the minority interests in its subsidiary Cap Gemini NV. This transaction increased its interest in the subsidiary from 56.4% to 94.2% as of December 31, 2000. Cap Gemini SA issued 7,304,001 common shares, on the basis of 4 shares for 9 Cap Gemini NV shares tendered to the offer, for an amount of € 1,003 million (€ 998 million after allocation of issuance costs). The acquisition became effective on July 1, 1999. Cap Gemini NV also acquired the remaining 50% of the capital of Twinac Software and Twinsoft Belgium. Both companies, along with Twinsoft UK, were formerly jointly owned by Cap Gemini and Compaq. On May 1, 1999, the Group also acquired the company Academish Computer Centre Utrecht.
- In the United Kingdom, training services were divested, as well as the 50% interest in Twinsoft UK.

c) 2000

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

- Cap Gemini Group acquired the Ernst & Young consulting business on May 23, 2000 following approval of the transaction 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 paid in Cap Gemini SA shares and for the remaining part (3 million euros) in cash.
- On October 31, 2000, Cisco Systems, world leader in Internet "plumbing", took a 4.9% stake in the capital of Cap Gemini Telecom SA, the holding company for the Cap Gemini and Gemini Consulting telecommunications, media and networks businesses. A total of 4,600 Cap Gemini consultants were transferred to the new company. Cisco Systems invested €171 million in the new company and € 701 million (€ 698 million after costs related to the transaction) in the capital of Cap Gemini SA through a restricted share issue.
- 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 of software package development and maintenance businesses were sold in February and December 2000.

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

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

The acquisition of the Ernst & Young consulting businesses was accounted for in the Group's financial statements according to the alternative method provided for in section 215 of French Accounting Standards Committee ("CRC") standard 99-02 ("méthode dérogatoire").

In accordance with this method, the cost of the shares in the acquired Ernst & Young entities was replaced by the net book value of the assets and liabilities making up the net assets of the entities concerned, as reflected in their financial statements at the date of acquisition, after restatement in accordance with Group accounting policies.

The cost of the shares, as determined in accordance with standard 99-02, amounts to € 9,230 million, as follows:

- par value of the new shares issued in payment for the acquired businesses: € 342 million,
- premium on the new shares: € 9,060 million,
- cash payment: € 378 million,
- costs directly relating to the acquisition, net of tax: € 148 million, including professional fees of € 56 million, share issuance costs of € 17 million and the € 75 million exceptional cost of staff retention measures,
- less the deferred tax asset resulting from the tax treatment of the transaction in North America: € 698 million. (See note 19).

According to the agreements signed between the parties, in the event of the departure of any former partners of the Ernst & Young consulting business, all or some of the Cap Gemini SA shares allocated to them in connection with the May 23, 2000 acquisition that have not been sold must be returned to Cap Gemini SA. The number of shares to be returned depends on the reason for and timing of the new employee's departure. The Group has decided to cancel any shares thus returned. The shares concerned - totalling 192,538 shares as of December 31, 2000 - are therefore eliminated from consolidated shareholders' equity.

3.2 Pro forma accounts

Pro forma income statements of Cap Gemini Ernst & Young Group for the years 1999 and 2000 have 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 business on the various consolidated balance sheet and cash flow statement items is disclosed in the notes wherever material.

The Ernst & Young consulting business acquired by Cap Gemini was 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 business 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, 1999. The amount of this adjustment is € 16 million for 1999 and € 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, 1999. 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 business as if it had formed part of the Cap Gemini Group from January 1, 1999. The main adjustments primarily consist of replacing the expenses allocated to the consulting business 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 1999 and 2000,

- adjustments to the provision for income taxes to recognize a theoretical provision calculated according to the rates applicable in each country.

Pro forma income statement

(in millions of euros)	1999		2000	
	Amount	%	Amount	%
Operating revenue	***7,674***	***100.0***	***8,471***	***100.0***
Operating expenses	(6,888)	(89.8)	(7,578)	(89.5)
Operating income	***786***	***10.2***	***893***	***10.5***
Interest income/(expense), net	(13)	(0.2)	(17)	(0.2)
Other revenue and expenses, net	35	0.5	8	0.1
Income of fully consolidated companies before tax	***808***	***10.5***	***884***	***10.4***
Income tax	(315)	(4.1)	(296)	(3.5)
Net income of fully consolidated companies before amortization of goodwill	***493***	***6.4***	***588***	***6.9***
Equity in net results of affiliates	(4)	0.0	(9)	(0.1)
Minority interests	(23)	(0.3)	(9)	(0.1)
Net income before amortization of goodwill	***466***	***6.1***	***570***	***6.7***
Amortization of goodwill	(30)	(0.4)	(23)	(0.2)
Net income	***436***	***5.7***	***547***	***6.5***

Earnings per share	1999	2000
Average number of shares (1)	**115,815,207**	**121,683,031**
Weighted average number of stock options	4,083,641	4,044,875
Adjusted average number of shares	**119,998,848**	**125,727,906**
Net income	436	547
Primary earnings per share (in €) (2)	3.76	4.49
Diluted earnings per share (in €) (3)	***3.63***	***4.35***

(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, 1999.
(2) On the basis of average number of shares.
(3) On the basis of adjusted average number of shares.

Pro forma operating revenue and operating income for 2000 are analyzed by geographic area in note 23.

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

(in millions of euros)

ASSETS	
Intangible assets	68
Property, plant and equipment	148
Investments	29
Total fixed assets	***245***
Accounts and notes receivable, net	750
Other receivables	75
Cash	1
Total current assets	***826***
Total assets	***1,070***
LIABILITIES AND SHAREHOLDERS' EQUITY	
Shareholders' equity	***285***
Minority interests	5
Shareholders' equity, including minority interests	***290***
Provisions for retirement benefit obligations	26
Total long-term liabilities	***26***
Accounts and notes payable	664
Other payables	90
Total current liabilities	***754***
Total liabilities and shareholders' equity	***1,070***

The balance sheet of the Ernst & Young consulting business as of May 23, 2000 has been restated to comply with Cap Gemini Group accounting policies after taking into account provisions for costs associated with the separation of Ernst & Young's consulting business from its audit, tax and legal businesses and the setting up the new group. These provisions, which are included in accounts and notes payable in the above balance sheet, cover 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.

4 - Operating revenue

Operating revenue by geographic area can be analyzed as follows:

(in millions of euros)	1998		1999		2000	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**
North America	563	14	547	13	1,966	28
United Kingdom and Ireland	950	24	974	23	1,237	18
Nordic Countries	482	12	482	11	553	8
Benelux	664	17	775	18	952	14
Germany and Central Europe	149	4	147	3	425	6
France	942	24	1,128	26	1,264	18
Southern Europe	144	4	177	4	358	5
Asia-Pacific	61	1	80	2	176	3
Total	***3,955***	***100***	***4,310***	***100***	***6,931***	***100***

5 - Operating expenses

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

(in millions of euros)	1998	1999	2000
Payroll costs	2,264	2,581	4,001
Travel expenses	231	253	369
Total	***2,495***	***2,834***	***4,370***
As a % of total operating expenses	70%	74%	70%
As a % of total operating revenue	63%	66%	63%

The net increase in the number of employees was 19,923 persons in 2000 including the employees of the former Ernst & Young consulting businesses (1,285 employees in 1999 and 7,247 in 1998).

6 - Interest income/(expense), net

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

(in millions of euros)	1998	1999	2000
Interest income from short-term investments	22	27	19
Interest on debt	(26)	(21)	(28)
Other	2	2	2
Total	***(2)***	***8***	***(7)***

7 - Other revenues and expenses, net

Other revenues and expenses can be analyzed as follows:

(in millions of euros)	1998	1999	2000
Cisco Systems dilution gain	-	-	134
Gains/(losses) on disposals of shares and businesses	1	43	(10)
Gains/(losses) on disposals of property, plant and equipment	3	2	(1)
Foreign exchange gains/(losses), net	(2)	6	(5)
Restructuring costs	(1)	(14)	(48)
Integration costs	-	-	(55)
Other, net	4	2	(6)
Total	***5***	***39***	***9***

Gains on disposals of shares and businesses in 1999 mainly relate to the € 37 million gain on sale of training services in the United Kingdom. Losses on disposals of shares and businesses in 2000 correspond mainly to the € 13 million loss on the disposal of Hagler Bailly shares.

Restructuring costs in 1999 include € 3 million for the reorganization of the German software development business and € 8 million for the integration of the management consulting and IT services businesses in the United States. The ongoing reorganization of the German software development and maintenance business accounted for a further € 32 million in restructuring costs in 2000, and an additional € 16 million was spent on general restructuring during first half 2000.

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

8 - Provision for income taxes

The provision for income taxes can be analyzed as follows:

(in millions of euros)	1998	1999	2000
Current income tax expense	(150)	(215)	(205)
Deferred taxes	(5)	16	(33)
Total	***(155)***	***(199)***	***(238)***

Effective rate of income tax

In 2000, the average effective tax rate was 33.8% (1999: 38.7%; 1998: 38.0%).

Cap Gemini 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 %)	1998	1999	2000
Standard tax rate in France	***41.7***	***40.0***	***37.8***
Impact (%) of:			
Utilization of tax loss carry-forwards	(0.7)	(0.2)	(0.4)
Net deferred tax assets corresponding to tax loss carry-forwards	2.4	2.0	(0.2)
Difference in tax rates between countries	(6.0)	(4.7)	0.7
Permanent differences	0.6	1.6	(4.1)
Effective rate of income tax	***38.0***	***38.7***	***33.8***

In 2000, permanent differences mainly comprise the non-taxable dilution gain on the sale of Cap Gemini Telecom SA shares to Cisco Systems, which reduced the effective tax rate of the Group by 7.2 points. Excluding this dilution gain, the Group's effective tax rate rose by 2.3 points to 41%, due to the lower relative contribution to consolidated earnings of operations in the United Kingdom, where the tax rate is 31%, and the higher relative contribution of operations in Germany where the tax rate is over 40%.

The reduction in the French tax rate in 2000 had the effect of reducing the provision for income taxes by € 1 million. In 1999 and 1998, rises in the French tax rate had the effect of increasing the provision for income taxes by € 3 million and € 2 million respectively.

In 1998, 1999 and 2000, several subsidiaries were subject to tax audits. Several of the tax reassessments have been contested by the companies concerned.

9 - 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, 1998	***627***	***882***	***34***	***1,543***
Translation adjustments	(29)	(26)	(1)	(56)
Acquisitions	-	2	24	26
Disposals	-	(1)	(3)	(4)
Changes in Group structure	-	5	26	31
As of December 31, 1998	***598***	***862***	***80***	***1,540***
Translation adjustments	66	56	7	129
Acquisitions	-	2	44	46
Disposals	-	(11)	(16)	(27)
Changes in Group structure	172	35	2	209
As of December 31, 1999	***836***	***944***	***117***	***1,897***
Translation adjustments	11	21	-	32
Acquisitions	-	10	35	45
Disposals	-	(39)	(16)	(55)
Changes in Group structure	(7)	49	39	81
As of December 31, 2000	***840***	***985***	***175***	***2,000***
ACCUMULATED AMORTIZATION				
As of January 1, 1998	***-***	***(188)***	***(22)***	***(210)***
Translation adjustments	-	7	1	8
Acquisitions	-	(30)	(8)	(38)
Disposals	-	-	2	2
Changes in Group structure	-	1	(22)	(21)
As of December 31, 1998	***-***	***(210)***	***(49)***	***(259)***
Translation adjustments	-	(15)	(3)	(18)
Acquisitions	-	(28)	(17)	(45)
Disposals	-	4	13	17
Changes in Group structure	-	(1)	(2)	(3)
As of December 31, 1999	***-***	***(250)***	***(58)***	***(308)***
Translation adjustments	-	(7)	-	(7)
Acquisitions	-	(22)	(20)	(42)
Disposals	-	9	11	20
Changes in Group structure	-	(6)	(11)	(17)
As of December 31, 2000	***-***	***(276)***	***(78)***	***(354)***
NET VALUE				
As of January 1, 1998	627	694	12	1,333
As of December 31, 1998	598	652	31	1,281
As of December 31, 1999	836	694	59	1,589
As of December 31, 2000	***840***	***709***	***97***	***1,646***

Market share is valued according to the method described in note 1.d and represents part of the excess of purchase cost over the fair value of the net assets of Hoskyns in the United Kingdom (€ 409 million), Volmac in the Netherlands (€ 176 million), Programator in Sweden (€ 66 million) and Beechwood in the United States of America (€ 189 million) as of the date of acquisition. The change in market share in 2000 corresponds to an adjustment to the value of Beechwood's market share.

The change in the net value of goodwill in 2000 primarily reflects the following:
- the 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 expense for the year (€ 22 million),
- translation differences arising on goodwill denominated in foreign currencies (€ 14 million increase).

The change in the net value of goodwill in 1999 primarily reflects the following:
- the goodwill recognized on full consolidation of Beechwood, Twinac Software, Twinsoft Belgium and Academish Computer Centre Utrecht (total: € 24 million increase),
- the acquisition of minority interests in Cap Gemini NV after the closing of the public tender offer (€ 8 million increase),
- the divestiture of training services in the United Kingdom (€ 8 million reduction),
- amortization expense for the year (€ 28 million),
- translation differences arising on goodwill denominated in foreign currencies (€ 41 million increase).

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 2000 would have been € 21 million and the net value as of December 31, 2000 would have been € 823 million.
Other intangible assets are mainly purchased software and other licenses.

10 - Property, plant and equipment

Changes in property, plant and equipment in 1998, 1999 and 2000 can be analyzed as follows:

(in millions of euros)	Land, buildings, fixtures and fittings	Computer equipment	Other	TOTAL
GROSS VALUE				
As of January 1, 1998	***276***	***239***	***73***	***588***
Translation adjustments	(5)	(9)	(3)	(17)
Acquisitions	29	53	23	105
Disposals	(8)	(49)	(11)	(68)
Changes in Group structure	3	(25)	(1)	(23)
As of December 31, 1998	***295***	***209***	***81***	***585***
Translation adjustments	11	15	5	31
Acquisitions	41	32	25	98
Disposals	(15)	(26)	(9)	(50)
Changes in Group structure	(4)	(21)	-	(25)
As of December 31, 1999	***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***
ACCUMULATED AMORTIZATION				
As of January 1, 1998	***(81)***	***(155)***	***(45)***	***(281)***
Translation adjustments	2	7	1	10
Acquisitions	(19)	(45)	(9)	(73)
Disposals	5	27	8	40
Changes in Group structure	(3)	19	1	17
As of December 31, 1998	***(96)***	***(147)***	***(44)***	***(287)***
Translation adjustments	(5)	(11)	(2)	(18)
Acquisitions	(23)	(34)	(12)	(69)
Disposals	6	19	4	29
Changes in Group structure	6	20	(1)	25
As of December 31, 1999	***(112)***	***(153)***	***(55)***	***(320)***
Translation adjustments	1			1
Acquisitions	(36)	(51)	(16)	(103)
Disposals	4	24	6	34
Changes in Group structure	(45)	(32)	(9)	(86)
As of December 31, 2000	***(188)***	***(212)***	***(74)***	***(474)***
NET VALUE				
As of January 1, 1998	195	84	28	307
As of December 31, 1998	199	62	37	298
As of December 31, 1999	216	56	47	319
As of December 31, 2000	***285***	***117***	***73***	***475***

The gross value of leased assets represented € 131 million in 2000 (1999: € 125 million; 1998: € 130 million). The related accumulated depreciation was € 49 million in 2000 (1999: € 46 million; 1998: € 42 million).

The effect of changes in Group structure on property, plant and equipment in 2000 principally concerns the acquisition of the Ernst & Young consulting business, as follows:

- land, buildings and fixtures and fittings: € 76 million,
- computer equipment: € 63 million,
- other property, plant and equipment: € 12 million.

11 - Investments

Investments can be analyzed as follows:

As of December 31 *(in millions of euros)*	1998	1999	2000
Investments accounted for by the equity method	8	5	2
Shares in non-consolidated companies	30	30	44
Deposits and other long-term investments	6	7	24
Total	***44***	***42***	***70***

a) Shares in non-consolidated companies

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

(in millions of euros)	1998	1999	2000
As of January 1	***20***	***30***	***30***
Translation adjustments	-	2	1
Acquisitions	11	16	27
Disposals	(1)	(18)	(30)
Changes in Group structure	-	-	16
As of December 31	***30***	***30***	***44***

In 1998, Cap Gemini America acquired a 2.9% stake in Hagler-Bailly for € 11 million.

In 1999, shares in CISI were sold to CS Communication & Systems at their net book value of € 18 million. In 1999, the Group also acquired an additional 11.6% stake in Hagler-Bailly for € 15 million.

In 2000, the main changes in shares in non-consolidated companies were as follows:

- acquisitions:
  - Cap Gemini Ernst & Young US entered into a partnership agreement with Corio, an Application Services Provider, and acquired a 1.9% stake in the company for € 9 million thanks to the exercise of warrants. The market value of the Group's interest was € 2 million as of December 31, 2000.
  - Cap Gemini UK entered into a partnership agreement with Vodafone-Mannesman, creating a joint subsidiary called Terenci. Terenci will be consolidated in 2001 once operations have commenced. The Group's investment in the joint subsidiary amounts to € 5 million.
  - Acquisitions in Central Europe and Italy (€ 6 million).
  - Acquisitions of minority stakes in Internet companies in the United States (€ 7 million).
- The Group sold its stake in Hagler-Bailly to the PA Consulting Group for € 16 million, generating a capital loss of € 13 million.
- The effect of changes in Group structure concerned the acquisition of the Ernst & Young consulting business in the United States:
  - 5.3% interest in Vialink with a carrying value of € 10 million. This stake in Vialink reflects a long-term partnership with the company which operates in the business-to-business e-commerce sector. As of December 31, 2000, the market value of the Vialink shares was € 3 million.
  - 6.4% stake in the Internet strategy consulting company, Mainspring, recorded in the opening balance sheet in an amount of € 3 million. The market value of the Mainspring shares was € 2 million as of December 31, 2000.
  - Cap Gemini Ernst & Young US also holds shares in several other non-consolidated companies, with a total carrying value of € 3 million.

b) Deposits and other long-term investments

The increase in deposits mainly concerns deposits related to property, plant and equipment in France and the United States. The fair value of deposits and other long-term investments is not materially different from their book value.

12 - Accounts and notes receivable, net

As of December 31 *(in millions of euros)*	**1998**	**1999**	**2000**
Trade accounts and notes receivable, net	873	995	2,164
Other accounts and notes receivable	68	68	148
Total	***941***	***1,063***	***2,312***

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)*	**1998**	**1999**	**2000**
Trade accounts receivable	895	926	2,026
Work-in-progress	252	323	637
Provisions for doubtful accounts	(15)	(20)	(59)
Advances received from customers	(259)	(234)	(440)
Total	***873***	***995***	***2,164***
In number of days of operating revenue	**81**	**84**	**93**

The increase in trade accounts and notes receivable, net includes € 737 million in receivables of the Ernst & Young consulting business.

b) Other accounts and notes receivable

As of December 31 *(in millions of euros)*	**1998**	**1999**	**2000**
Employees and social security	9	7	29
Prepaid and recoverable taxes	27	20	45
Other	32	41	74
Total	***68***	***68***	***148***

13 - Other receivables

As of December 31 *(in millions of euros)*	**1998**	**1999**	**2000**
Income tax prepayments	26	69	110
Deferred tax assets	32	37	137
Other	55	64	80
Total	***113***	***170***	***327***

Deferred tax assets are analyzed in note 19.

14 - 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 SA'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)*	**1998**	**1999**	**2000**
Retained earnings of Cap Gemini SA	329	485	514
Retained earnings of subsidiaries (*)	155	208	499
Cumulative translation adjustments	(76)	68	67
Total	***408***	***761***	***1,080***

(*) Net of dividends paid to Cap Gemini SA.

b) Stock option plans

The Board of Directors or the Directoire was authorized by the June 3, 1993, May 24, 1996 and May 23, 2000 Annual Shareholders' Meetings to set up one or several employee stock option plans over a five-year period.

Details of the three stock option plans in force at December 31, 2000 are summarized in the table below:

		1993 Plan	**1996 Plan**	**2000 Plan**
Date of Shareholders' Meeting		June 3, 1993	May 24, 1996	May 23, 2000
Beginning of exercise period		July 1, 1993	July 1, 1996	September 1, 2000
Exercise period		6 years	6 years	6 years
Exercise price as a % of average quoted market price for the 20 trading days preceding the date of grant		95%	80%	80%
Exercise price per share in €:	. Low	18.65	22.79	161.00
	. High	28.61	178.00	161.00
Number of shares subscribed as of December 31, 2000		2,521,096	814,214	0
Potential number of shares to be created on exercise of options outstanding as of December 31, 2000		1,081,263	(*) 4,789,485	(**) 1,617,035
Of which options held by four of the eleven members of the Board of Directors		156,354	170,000	none

(*) i.e. 85,737 shares at a price of € 22.79, 749,304 shares at a price of € 29.31, 504,331 shares at a price of € 39.52, 652,198 shares at a price of € 56.98, 586,215 shares at a price of € 87.96, 13,500 shares at a price of € 121.81, 233,400 shares at a price of € 114, 561,800 shares at a price of € 118, 618,000 shares at a price of € 178, 427,000 shares at a price of € 161 and 358,000 shares at a price of € 144.
(**) At a price of € 161.

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, corresponding to third parties' equity in the net assets of Cap Gemini Ernst & Young subsidiaries, can be analyzed as follows:

(in millions of euros)	1998	1999	2000
As of January 1	***158***	***176***	***27***
Minority interests in increase in share capital of subsidiaries	5	12	(*) 38
Minority interests in net income of subsidiaries	34	22	7
Purchase of Cap Gemini NV minority interests	-	(156)	-
Minority interests in cumulative translation adjustment and other	(1)	1	5
Dividends paid by subsidiaries to minority shareholders	(20)	(28)	(2)
As of December 31	***176***	***27***	***75***

(*) Mainly corresponding to the issuance of shares to Cisco Systems for € 171 million net of the related dilution gain of € 134 million.

In 1998, minority interests primarily represented shares owned by the public (approximately 44%) in Cap Gemini NV, which was quoted on the Amsterdam Stock Exchange.

Following the 1999 public tender offer for the remaining Cap Gemini NV shares, minority interests in this subsidiary were reduced to approximately 5.8% as of December 31, 2000.

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

15 - Net debt

As of December 31 *(in millions of euros)*	1998	1999	2000
Debt	425	241	154
Cash and cash equivalents	(1,002)	(749)	(1,003)
Net Debt	***(577)***	***(508)***	***(849)***

Net debt comprises:

- long-term debt 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. Debt, which is analyzed in a) below, comprises:

As of December 31 *(in millions of euros)*	1998	1999	2000
Long-term debt	192	143	91
Short-term debt	233	98	63
Total Debt	***425***	***241***	***154***

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

As of December 31 *(in millions of euros)*	1998	1999	2000
Financial receivables and short-term investments	879	569	666
Cash	139	193	463
Bank overdrafts	(16)	(13)	(126)
Total cash and cash equivalents	***1,002***	***749***	***1,003***

Total short-term debt and bank overdrafts are therefore as follows:

As of December 31 *(in millions of euros)*	1998	1999	2000
Short-term debt	233	98	63
Bank overdrafts	16	13	126
Total short-term debt and bank overdrafts	***249***	***111***	***189***

a) Debt

• Change in debt

(in millions of euros)	1998	1999	2000
As of January 1	***573***	***425***	***241***
Translation adjustments	-	10	5
Movements for the period	(167)	(242)	(112)
New borrowings	19	48	20
As of December 31	***425***	***241***	***154***

As of December 31, 2000, variable rate debt accounted for 54% of Group debt and fixed rate debt 46%.

• Analysis of debt

As of December 31 *(in millions of euros)*	1998	1999	2000
Debenture loan (1994)	152	-	-
Bank borrowings	69	104	56
Drawdowns against lines of credit and other borrowings covered by lines of credit	127	62	26
Obligations under capital leases	77	75	72
Total	***425***	***241***	***154***

• Fair value of borrowings

The fair value of short-term debt and obligations under capital leases is close to their book value.

• Debenture loan (1994)

In December 1994, Cap Gemini issued a debenture loan of € 152 million (FF 995 million), represented by 199,000 5-year debentures with a par value of € 762 (FF 5,000) and an interest rate of 8.6%. Debentures were repaid in full on December 19, 1999.

• Bank borrowings

This item corresponds primarily to various foreign currency loans totaling € 24 million as of December 31, 2000 (1999: € 43 million; 1998: € 34 million), taken out mainly to finance the acquisition of companies in Europe and the United States.

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

In 1997, the Company obtained a € 412 million multi-currency line of credit from a banking syndicate which expires on December 27, 2001. The line of credit amounted to € 288 million as of December 31, 2000.

The main characteristics of this line of credit are as follows:
- Term: 5 years, repayable in 2 installments of 15% in 1999 and 2000 and one installment of 70% at maturity on December 27, 2001,
- Interest: Euribor (1-3-6 month),
- Commitment fee: 0.22%,
- Facility fee: 0.22%.

During 2000, this facility was used mainly to back up commercial paper (€ 25 million outstanding as of December 31, 2000) issued for periods of 1 to 3 months, essentially for the purpose of partially financing the acquisition of the Ernst & Young consulting business.

- **Obligations under capital leases**

As of December 31, 2000, obligations under capital leases relate primarily to the financing of leasehold improvements to the Cap Gemini Université building (Behoust) and the Gemini Consulting France head office, and of IT equipment acquired by Cap Gemini UK for its outsourcing business.

The main characteristics of the leases are as follows:

(in millions of euros)	Maturity	Rate	Obligation as of December 31, 1998	Obligation as of December 31, 1999	Obligation as of December 31, 2000
Cap Gemini University	March 2012	3-month Euribor +0.7%	36	36	34
Issy les Moulineaux (France)	July 2006	3-month Euribor +0.6%	31	26	22
Cap Gemini UK	Sept. 2001 to October 2007	Fixed rates (6.9% à 9.7%)	10	13	16
Total			***77***	***75***	***72***

- **Interest rates**

The average interest rate paid on Group debt stood at 4.9% in 2000 (4.2% in 1999 and 4.3% in 1998).

- **Maturities of debt**

Maturities of debt are as follows:

As of December 31 *(in millions of euros)*	1998		1999		2000	
	Amount	%	Amount	%	Amount	%
y + 1	233	55	98	41	63	41
y + 2	46	11	84	35	17	11
y + 3	95	22	14	6	16	10
y + 4	7	2	6	2	15	10
y + 5	6	1	6	2	12	8
y + 6 and subsequent years	38	9	33	14	31	20
Total	***425***	***100***	***241***	***100***	***154***	***100***

- **Breakdown by currency**

The breakdown of debt by currency is as follows:

As of December 31 *(in millions of euros)*	1998		1999		2000	
	Amount	%	Amount	%	Amount	%
French franc	365	86	62	26	56	36
Pound sterling	10	2	13	5	16	11
US dollar	-	-	63	26	11	7
Deutsche Mark	18	4	3	1	32	21
Dutch guilder	-	-	-	-	0	0
Euro	-	-	91	38	25	16
Other currencies	32	8	9	4	14	9
Total	***425***	***100***	***241***	***100***	***154***	***100***

81% of total debt is denominated in euro zone currencies.

- **Collateral**

As of December 31, 2000, borrowings were secured by collateral totaling € 72 million (1999 € 75 million; 1998: € 78 million).

b) Financial receivables and short-term investments

As of December 31 *(in millions of euros)*	1998	1999	2000
Financial receivables	3	1	11
Short-term deposits and marketable securities	876	568	655
Total	***879***	***569***	***666***

Financial receivables mainly represent the proceeds receivable from the disposal of shares in non-consolidated companies.

The fair value of financial receivables is not materially different from their book value.

16 - Provisions and other long-term liabilities

As of December 31 *(in millions of euros)*	1998	1999	2000
Long-term provisions for deferred taxes	65	84	82
Employee profit-sharing reserve	18	45	44
Provisions for retirement benefit obligations	35	39	67
Provisions for contingencies and charges	22	11	18
Total	***140***	***179***	***211***

Long-term deferred tax liabilities are analyzed in note 19.

17 - Accounts and notes payable, net

As of December 31 *(in millions of euros)*	1998	1999	2000
Trade accounts payable, net	200	198	698
Accrued personnel costs	369	362	743
Accrued taxes	156	169	270
Other	56	48	164
Total	***781***	***777***	***1,875***

18 - Financial instruments

• Interest rate hedges

- At 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 SA) has been swapped for a variable rate (Eonia, capitalized).

- No interest rate hedges were outstanding as of December 31, 1999.

- As of December 31, 1998, several 5-year contracts set up in December 1994 were outstanding, whereby fixed interest rates averaging 7.63% on an amount of € 152 million were swapped for variable rates based on 3- or 6-month Pibor variable interest rates (3-month Pibor) for fixed interest rates or other variable interest rates on the following positions: interest rate swaps on nominal amounts of € 30 million and futures contracts on nominal amounts of € 61 million

• 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 currency risks on intercompany financing transactions, including:
    - USD 123 million (€ 144 million),
    - GBP 19 million (€ 30 million),
    - SGD 28 million (€ 18 million).

- As of the 1999 year-end, forward purchases/sales of foreign currencies amounted to € 10 million and covered receivables and debts denominated in US dollars, euros and Singapore dollars.

- As of the 1998 year-end, forward purchases/sales of foreign currencies amounted to € 44 million and covered receivables and debts denominated in pounds Sterling, Swiss francs, Deutsche Marks and US dollars.

19 - 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)*	**1998**	**1999**	**2000**
Tax loss carry-forwards	68	122	214
Temporary differences arising from the acquisition of the Ernst & Young consulting business	-	-	1,377
Other	9	9	37
Provisions against deferred tax assets	(24)	(45)	(842)
Total deferred tax assets (long-term)	**53**	**86**	**786**
Tax loss carry-forwards	17	-	1
Temporary differences arising from the acquisition of the Ernst & Young consulting business	-	-	33
Provisions for vacation pay	10	10	14
Restructuring provisions	-	-	62
Other	21	34	27
Provisions against deferred tax assets	(16)	(7)	-
Total deferred tax assets (short-term)	**32**	**37**	**137**
Total deferred tax assets	***85***	***123***	***923***
Restated amortization of goodwill	(44)	(57)	(57)
Capitalization and amortization	(7)	(8)	(9)
Provisions	(5)	(9)	(6)
Other	(9)	(10)	(10)
Total deferred tax liabilities (long-term)	**(65)**	**(84)**	**(82)**
Revaluation of work-in-progress	(3)	(2)	(10)
Restructuring provisions	-	-	(30)
Other	(4)	(8)	(4)
Total deferred tax liabilities (short-term)	**(7)**	**(10)**	**(44)**
Total deferred tax liabilities	***(72)***	***(94)***	***(126)***

The increase in deferred tax assets is mainly due to the acquisition of the Ernst & Young consulting business in North America. The € 4,637 million difference between the acquisition price of this business and the tax value of the assets and liabilities acquired is being amortized over 15 years for tax purposes. The tax saving on this difference calculated according to the tax rules in force as of December 31, 2000, totals € 1,808 million. This amount is broken down between the long and short-term portions in the above table.

Based on an analysis of the recoverability of the tax benefit corresponding to the tax deductible amortization, the Group has recognized a deferred tax asset of € 698 million. This amount was determined according to the following assumptions:

- assumptions concerning the timing of recoveries of the tax benefit over the next 15 years, based on growth and profitability rates considered as reasonable.
- in view of the improved earnings visibility in North America, 100% utilization in the first five years (2001 to 2005), representing a deferred tax asset of € 361 million after discounting at the rate of 5.6% (rate of the 30-year US treasury bonds). Out of this amount, € 33million are classified as short-term in the above table and the balance as long-term.
- as from the sixth year, probable recoveries covered by provisions calculated at a standard rate of 35% in 2006; provision rate increased by five points per year up to 70% as of 2013. The total provision amounts to € 789 million and is included in provisions against long-term deferred tax assets. Reversals will be made as and when each annual tax benefit can reasonably be considered as being fully recoverable, based on earnings visibility for that year. Recognised deferred tax assets discounted at the rate of 5.6% and not covered by provisions total € 337 million. This amount is included in long-term deferred tax assets.

b) Tax losses

(in millions of euros)	1998	1999	2000
Tax loss carry-forwards temporarily available	165	235	446
Tax loss carry-forwards available without time limit	70	81	150
Total tax loss carry-forwards	***235***	***316***	***596***
Related potential tax saving	85	118	215
of which recognized deferred tax asset	53	77	177

The expiration dates of available tax loss carry-forwards as of December 31, 1998, 1999 and 2000 were as follows:

As of December 31 *(in millions of euros)*	1998		1999		2000	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**
y + 1	9	4	2	1	6	1
y + 2	2	1	5	2	5	1
y + 3	3	1	5	2	8	1
y + 4	5	2	14	4	48	8
y + 5 and subsequent years	146	62	209	65	379	64
without time limit	70	30	81	26	150	25
Total	***235***	***100***	***316***	***100***	***596***	***100***

20 - Guarantees received from and commitments given to third parties

a) Guarantees received

As of December 31 *(in millions of euros)*	1998	1999	2000
Guarantees received from third parties:			
- on contracts	1	1	1
- other	1	28	2
Total	***2***	***29***	***3***

As of December 31, 1999, guarantees received mainly included a reimbursement by a Swedish pension fund (SPP) to Cap Gemini AB, amount which was received in 2000.

b) Commitments given

As of December 31 *(in millions of euros)*	1998	1999	2000
Commitments given to third parties:			
- on contracts	54	28	39
- on non-cancelable leases (buildings and equipment)	459	613	1,008
- on borrowings	22	54	224
- other	18	16	23
Total	***553***	***711***	***1,294***

As of December 31, 2000, the Group's commitments under non-cancelable leases were as follows:

As of December 31 *(in millions of euros)*	Lease obligations
y +,1	228
y + 2	189
y + 3	132
y + 4	92
y + 5	75
y + 6 and subsequent years	292
Total	***1,008***

c) Other commitments

Under the terms of the agreements signed in connection with the acquisition of the Ernst & Young consulting business, former partners of Ernst & Young who worked in the consulting business became employees of the Cap Gemini Ernst & Young Group and as such had employment contracts. If any of these employees of the Cap Gemini Ernst & Young Group decided to leave the Group within a specified period, they are required to return all or some of the shares received at the time of sale of the Ernst & Young consulting business 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 SA, Cisco Systems would have the right to acquire all the shares of the joint subsidiary Cap Gemini Telecom SA.

21 - Exceptional events and litigation

All existing litigation arising from the normal course of business have been provided for in the event of a cost to the company; there are no other 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.

22 - Number of employees

The average number of employees by geographic area can be analyzed as follows:

Average number of employees	1998		1999		2000	
	Employees	%	Employees	%	Employees	%
North America	3,869	11	4,080	10	8,217	16
United Kingdom and Ireland	7,216	21	8,145	21	8,781	18
Nordic Countries	3,939	11	4,348	11	4,613	9
Benelux	6,475	19	7,397	19	8,674	17
Germany and Central Europe	949	3	1,107	3	2,333	5
France	9,146	26	10,853	28	12,098	24
Southern Europe	2,586	7	2,754	7	4,193	8
Asia-Pacific	427	1	526	1	1,340	3
Total	***34,606***	***100***	***39,210***	***100***	***50,249***	***100***

The number of employees by geographic area as of December 31 is as follows:

As of December 31	1998		1999		2000	
	Employees	%	Employees	%	Employees	%
North America	3,938	10	3,626	9	11,428	19
United Kingdom and Ireland	8,565	22	8,217	21	9,779	17
Nordic Countries	4,353	11	4,397	11	4,877	8
Benelux	7,047	18	7,635	19	9,549	16
Germany and Central Europe	1,001	3	1,117	3	3,279	6
France	10,299	27	11,315	29	13,334	22
Southern Europe	2,686	7	2,917	7	5,291	9
Asia-Pacific	452	1	402	1	2,012	3
Total	***38,341***	***100***	***39,626***	***100***	***59,549***	***100***

23 - Geographic segment information (pro forma)

In order to facilitate the follow-up of the new Group's operating performance, the table below analyzes pro forma operating revenue and income for 2000 by geographic area. The breakdown of operating income by geographic area is based on estimates, and is provided as an indication only, as the organization of the new Group was not decided until the end of the second half. This particularly applies to headquarters expenses and the cost of shared services including marketing, development of service offers, information systems etc.

Pro forma operating revenue and operating income, fixed assets and trade accounts and notes receivable by geographic area is as follows:

(in millions of euros)	Operating revenue	%	Operating income	%	Fixed assets	%	Trade accounts & notes receivable	%
North America	2,951	35	252	28	515	23	405	19
United Kingdom and Ireland	1,351	16	151	17	633	29	337	15
Nordic Countries	586	7	(*) 55	6	132	6	149	7
Benelux	1,025	12	164	19	316	14	323	15
Germany and Central Europe	565	7	74	8	167	8	215	10
France	1,308	15	162	18	370	17	458	21
Southern Europe	436	5	35	4	46	2	207	10
Asia-Pacific	249	3	-	-	12	1	70	3
Total	***8,471***	***100***	***893***	***100***	***2,191***	***100***	***2,164***	***100***

(*) Including net non-recurring revenue of € 21 million relating to payroll costs in Sweden.

24 - Joint-ventures

The Group has several joint ventures, particularly in the United States, the United Kingdom and Hong Kong. These joint ventures contribute to less than 1% of consolidated operating revenue.

25 - Other information

In 1998, the Group began to take measures to deal with the introduction of the euro on January 1, 1999. This strategy is now continuing to ensure that the Group is fully prepared for the final switch to the euro on January 1, 2002. An incremental procedure has been implemented in each of the countries concerned by the process and the costs of the necessary changes are recognized as they are incurred.

26 - Subsequent events

- On November 21, 2000, Cap Gemini Ernst & Young and Ontario Power Generation announced the formation, in the first half of 2001, of a joint subsidiary that will be 51%-owned by Cap Gemini Ernst & Young Canada and 49% by Ontario Power Generation. The new company, to be named New Horizon System Services, will employ around 700 people and manage the Ontario Power Generation internal information system under a 10-year, USD 1 billion facilities management contract.

- In connection with a strategic agreement signed on February 2, 2001, Cap Gemini Ernst & Young UK will acquire 12.5% of the U.K. company Vertex, the customer relationship management subsidiary of United Utilities, with an option to raise the interest to 15% in three years' time. In exchange, the agreement provides for the transfer to Vertex of Cap Gemini Ernst & Young UK's customer relationship management business, which generated revenues of € 56.5 million in 2000. Over the next five years, Cap Gemini Ernst & Young UK will continue to offer customer relationship management services, which will be performed by Vertex, while Vertex will offer its clients high technology services to be supplied by Cap Gemini Ernst & Young UK, also for a period of five years.

- In February 2001, Cap Gemini Ernst & Young US and the US company Farmland signed an agreement for the buyout by Cap Gemini Ernst & Young US of Farmland's 50% interest in their joint subsidiary, OneSystem Group. This facilities management company will be fully consolidated as from January 1, 2001.

- Also in February 2001, the Group's Australian subsidiary, Cap Gemini Ernst & Young OneResource Nominees, sold its 50% interest in OneResource Group (Australia) to its partner in this joint-venture, Franklins, a subsidiary of the Dairy Farm retail group. The joint-venture was set up in October 1999 to manage the accounting systems of the supermarkets run by Franklins, under a facilities management contract.

- On March 5, 2001, Cap Gemini Ernst & Young France sold its development, maintenance and sales activities related to the receivable collection management software ("Credence").

27 - List of the consolidated companies by country (188)

Country		% interest	Consolidation method
Germany	Cap Gemini Ernst & Young Consulting GmbH	100%	FC
	Cap Gemini Ernst & Young Mittelstandsberatung GmbH	100%	FC
	Cap Gemini Ernst & Young	100%	FC
	Cap Gemini Ernst & Young Deutschland GmbH	100%	FC
	Cap Gemini Deutschland GmbH	100%	FC
	Cap Gemini GmbH	100%	FC
	Cap Gemini Services GmbH	100%	FC
	Cap Gemini Tools Deutschland GmbH	94%	FC
	MCS Management-Consulting & Softwarevertrieb Gmbh	100%	FC
	Program Standard Computersystem GmbH	100%	FC
	Program Standard Leasing GmbH	100%	FC
	Gemini Consulting GmbH	100%	FC
	Sd&M software design & management AG	100%	FC
	Synergis GmbH Information Services für die Energiewirtschaft	51%	FC
	TDI GmbH	100%	FC
	Qcentic	100%	FC
	Cap Gemini Telecom Media & Networks Deutschland Gmbh	95%	FC
Australia	Cap Gemini Ernst & Young Australia Pty Ltd	100%	FC
	Ernst & Young One Resource Nominees Pty Ltd	100%	FC
	One Resource Group Pty Ltd	50%	PROP
Austria	Cap Gemini Austria GmbH	100%	FC
	Cap Gemini Ernst & Young Austria consulting AG	100%	FC
	Financial Advisory Services Gesellschaft GmbH Austria	52%	FC
	Gemini Consulting GmbH	100%	FC
Belgium	Cap Gemini Belgium NV/SA	94%	FC
	Cap Gemini Ersnt & Young Belgium SA	94%	FC
	Cap Gemini Information Systems Mgt (Belgium) NV/SA	94%	FC
	Volmac Software Groep Belgium NV	94%	FC
	Gitek Software NV	94%	FC
	Twinsoft NV/SA	94%	FC
	Gemini Consulting NV/SA	94%	FC
	Cap Gemini Telecom Media & Networks Belgium NV	95%	FC
Canada	Cap Gemini Ernst &Young Canada Inc.	100%	FC
	511965 N.B. Inc.	100%	FC
Korea	Cap Gemini Ernst & Young Consulting Korea	100%	FC
Croatia	Ernst & Young Consulting doo	100%	FC
Denmark	Cap Gemini Danmark AS	100%	FC
	Cap Gemini Telecom Media & Networks Danmark AS	95%	FC
Spain	Cap Gemini Ernst & Young Espana	100%	FC
	Cap Gemini Espana SA	100%	FC
	Cap Gemini Espana Holding SL	100%	FC
	Gemini Consulting Iberia SA	100%	FC
	Cap Gemini Telecom Media & Networks Espana SA	95%	FC
	Aula de Gestion S.L.	100%	FC
United States	BiosGroup Inc.	46%	EQ
	Cap Gemini America Inc	100%	FC
	Cap Gemini America Transmillenium Inc	100%	FC
	Cap Gemini Ernst & Young US LLC	100%	FC
	Cap Gemini Ernst & Young Holding Inc.	100%	FC
	Ernst & Young Application Services	100%	FC
	Ernst & Young Shareholdings Inc.	100%	FC
	Ernst & Young US Consulting BV	100%	FC
	Ernst & Young US Holdings LLC	100%	FC
	OneSystem Group	50%	PROP

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

Country		% interest	Consolidation method
United States	Net-Strike Worldwide	100%	FC
	Cap Gemini Hagler Bailly LLC	50%	PROP
	Sd&M USA	100%	FC
	Cap Gemini Telecom Media & Networks US Inc.	95%	FC
Finland	Cap Gemini Ernst & Young Finland Oy	100%	FC
	Cap Gemini Oy. SF	100%	FC
	Cap Programator FM Plavelut Oy. SF	100%	FC
	Cap SAM Consulting Oy	60%	PROP
	Gemini Consulting Oy	100%	FC
	Cap Gemini Telecom Media & Networks finland Oy	95%	FC
France	Cap Gemini S.A.	Parent company	
	Cap Gemini Service SA	100%	FC
	Cap Gemini Université SA	100%	FC
	Cap Gemini Gouvieux SA	100%	FC
	SARL Immobilière Les Fontaines	100%	FC
	SCI du château de Béhoust	100%	FC
	SCI Paris Etoile	100%	FC
	Cap Gemini France SA	100%	FC
	APIS SA	34%	EQ
	Dalkia Informatique SA	51%	FC
	Cap Gemini Telecom SA	95%	FC
	Cap Gemini Telecom France SA	95%	FC
	Gemini Consulting SA	100%	FC
	Cap Gemini Ernst & Young France SA	100%	FC
	Altis SA	100%	FC
	Soparco SA	100%	FC
	Clef SA	100%	FC
	Gamifip	15%	EQ
United Kingdom	Cap Gemini Sogeti Holdings Ltd	100%	FC
	Cap Gemini UK Plc	100%	FC
	Hoskyns Group Plc	100%	FC
	Hoskyns Systems Ltd	100%	FC
	Hoskyns Ltd	100%	FC
	The Instruction Set Ltd	100%	FC
	Volmac UK Ltd	94%	FC
	Gemini Consulting Holding Ltd	100%	FC
	Gemini Consulting Ltd	100%	FC
	Cap Gemini Ernst & Young UK Ltd	100%	FC
	Ernst & Young Consulting Worlwide UK Ltd	100%	FC
	Becket Consulting	100%	FC
	Ernst & Young Working links Ltd	100%	FC
	Working Links	33%	PROP
	Ernst & Young Operate Company (n°,2) Ltd	100%	FC
	Ernst & Young Equinox BP Ltd	100%	FC
	Ciberion	50%	PROP
	Cap Gemini Telecom Media & Networks UK Ltd	95%	FC
Hong-Kong	Cap Gemini Hong-Kong	100%	FC
	Cap Gemini Ernst & Young Hong-Kong Ltd	100%	FC
	One Resource Group Hong-Kong	50%	PROP
Hungary	Cap Gemini Magyarorszag Kft	95%	FC
India	Cap Gemini Ernst & Young India	100%	FC
	Cap Gemini Ernst & Young Consulting India Services Pvt Ltd	100%	FC
Ireland	Cap Gemini Group Ltd	100%	FC
	Cap Gemini Ireland Ltd	100%	FC
	Cap Gemini Ernst & Young UK Ltd	100%	FC
	Bedford House Consulting Ltd	100%	FC
	Cap Gemini Telecom Media & Networks Ireland Ltd	95%	FC

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

Country		% interest	Consolidation method
Italy	Cap Gemini Italia Spa	100%	FC
	Gemini Management Consulting Spa	100%	FC
	Cap Gemini Ernst & Young Italia Spa	100%	FC
	Ernst & Young Sanità srl	100%	FC
	Perseo srl	100%	FC
	Tecsis Sistemi srl	100%	FC
	Ersnt & Young Financial Services	99%	FC
	Sistemi e Telematica Spa	77%	FC
	Consorzio Business Intelligence Laboratory	22%	EQ
	Cap Gemini Telecom Media & Networks Italia Spa	95%	FC
Japan	Cap Gemini Ernst & Young Japan KK	100%	FC
Latvia	Gemini Consulting SIA (Latvia)	100%	FC
Luxembourg	Cap Gemini Luxembourg SA	94%	FC
	Cap Gemini Ernst & Young Luxembourg SA	100%	FC
Malaysia	Cap Gemini Malaysia	100%	FC
	Cap Gemini Ernst & Young Malaysia	100%	FC
New Zealand	Cap Gemini Ernst & Young New Zealand Ltd	100%	FC
	Cap Gemini Ernst & Young Data Warehouse Solutions Ltd	50%	PROP
Norway	Cap Gemini Norge A/S	100%	FC
	C/Computas Grad Losn A/S	100%	FC
	Gemini Consulting A/S	100%	FC
	Cap Gemini Ernst & Young AS Norge	100%	FC
	Cap Gemini Telecom Media & Networks Norge AS	95%	FC
Netherlands	GBA Volmac BV	100%	FC
	Cap Gemini Europe BV	100%	FC
	Cap Gemini Benelux BV	100%	FC
	Cap Gemini Nederland BV	94%	FC
	CGS/WSG Partnership CV	100%	FC
	Cap Gemini NV	94%	FC
	Cap Gemini Information Systems Management BV	94%	FC
	Volmac II BV	94%	FC
	Bortiboll Holding BV	94%	FC
	Bortiboll Communications BV	94%	FC
	Bolesian BV	94%	FC
	Iquip Informatica BV	94%	FC
	BIT-IC BV	94%	FC
	Gimbrère & Dohmen Software BV	94%	FC
	Cap Gemini Optiebeheer BV	94%	FC
	Twinac Software BV	94%	FC
	EC Gate BV	30%	EQ
	Entity Holding BV	10%	EQ
	Cap Gemini Assurantien BV	94%	FC
	Cap Gemini Telecom Media & Networks	94%	FC
	Cap Gemini Interim Management BV	94%	FC
	Cap Gemini Ernst & Young Management Sourcing BV	94%	FC
	Cap Gemini Sourcing BV	94%	FC
	Sacol BV	94%	FC
	Gemini Consulting BV	94%	FC
	Cap Gemini Ersnt & Young Nederland BV	94%	FC
	PRC EY BV	47%	PROP
	Ernst & Young Global Learning Solutions BV	100%	FC
	Ernst & Young Global Client Consulting BV	100%	FC
	Ernst & Young Global Client Consulting Asia Pacific BV	100%	FC
Poland	Gemini Consulting Sp Zoo	100%	FC
	Cap Gemini Ernst & Young Sp Zoo	100%	FC

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

Country		% interest	Consolidation method
Portugal	Cap Gemini Portugal SA	100%	FC
	Gemini Consulting SA	100%	FC
	Cap Gemini Ernst & Young Consultores Portugal SA	100%	FC
Romania	Gemini Consulting Romania srl	100%	FC
Russia	Gemini Consulting St Petersburg	100%	FC
Singapore	Cap Gemini Asia PTE Ltd	100%	FC
	Cap Gemini Singapore PTE Ltd	100%	FC
	Cap Gemini Ernst & Young Singapore PTE Ltd	100%	FC
	Cap Gemini Ernst & Young Singapore FSI PTE Ltd	100%	FC
	Cap Gemini Telecom Media & Networks Singapore PTE Ltd	95%	FC
Slovakia	Ernst & Young Consulting Slovakia	100%	FC
Slovenia	Ernst & Young Consulting Slovenia	100%	FC
Sweden	Cap Gemini AB	100%	FC
	Cap Gemini Sverige AB	100%	FC
	Cap Volmac Sweden AB	94%	FC
	Gemini Consulting AB	100%	FC
	Cap Gemini Ernst & Young Sverige Holding AB	100%	FC
	Cap Gemini Ernst & Young Sverige AB	100%	FC
	Cap Gemini Telecom Media & Networks Sweden AB	95%	FC
Switzerland	Cap Gemini Suisse SA	100%	FC
	Gemini Consulting AG	100%	FC
	Cap Gemini Ernst & Young Switzerland SA	100%	FC

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

SUMMARIZED FINANCIAL STATEMENTS OF CAP GEMINI SA

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

Statutory Auditors' General Report

To the shareholders of Cap Gemini SA,

In accordance with the terms of our appointment at the Annual Shareholders' Meeting, we hereby submit our report for the year ended December 31, 2000, on:

- our examination of the financial statements of Cap Gemini done in euros, as attached to this report;
- the specific procedures and information required by law.

These financial statements are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audits.

1. Opinion on the financial statements

We conducted our audit in accordance with professional standards. 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 in the preparation of the financial statements, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements present fairly the results of operations for the year ended December 31, 2000 and the financial position and assets of the Company at that date.

2. Specific procedures and information

We have also performed the specific procedures required by law, in accordance with professional standards.
We are satisfied that the information given in the Report of the Board of Directors and the documents sent to shareholders on the financial position and financial statements is fairly stated and agrees with the financial statements.
Pursuant to the provisions of Articles 233-6 and 233-13 of the French Commercial Code, we have verified that all information concerning acquisitions of shareholdings and controlling interests and the identity of shareholders is given in the Report of the Board of Directors.

Paris, March 14, 2001

The Statutory Auditors
Members of the Regional Company of Paris

CONSTANTIN ASSOCIES

Jean-François Serval - Laurent Lévesque

COOPERS & LYBRAND AUDIT
Member of PricewaterhouseCoopers
Bernard Rascle

STATUTORY AUDITORS' SPECIAL REPORT

To the shareholders of Cap Gemini SA,

In our capacity as Auditors, we are required to report to shareholders on agreements involving directors that have been disclosed to us by the Company's management. Our responsibility does not include identifying any undisclosed agreements.

We have not been informed of any agreements involving directors governed by Article 225-38 of the Commercial Code.

Paris, March 14, 2001

The Statutory Auditors
Members of the Regional Company of Paris

CONSTANTIN ASSOCIES

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SUMMARIZED STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 1998, 1999 AND 2000

(in millions of euros)	1998	1999	2000
Operating revenue	100	108	196
Operating expenses	(28)	(26)	(122)
Operating income	***72***	***82***	***74***
Interest income, net	55	100	88
Other income and expenses, net	2	1	188
Income tax	(25)	(34)	(32)
Net income	***104***	***149***	***318***

SUMMARIZED BALANCE SHEETS

AS OF DECEMBER 31, 1998, 1999 AND 2000

(in millions of euros)	1998	1999	2000
Assets			
Non-current assets	1,831	2,910	13,004
Current assets	684	528	660
Other assets	7	1	1
Total assets	***2,522***	***3,439***	***13,665***
Liabilities and shareholders' equity			
Shareholders' equity	2,012	3,138	13,458
Provisions	6	-	14
Long and short-term debt	378	62	29
Other liabilities	126	239	164
Total liabilities and shareholders' equity	***2,522***	***3,439***	***13,665***

SUBSIDIARIES AND INVESTMENTS

(in millions of euros)	Share capital	Other shareholders' equity (including net income for the year) (*)	% interest	Number of shares owned	Book value of shares		Loans and advances granted by the company	Guarantees given	2000 revenue (**)	Dividends received
					Gross	Net				
SUBSIDIARIES										
Cap Gemini America Inc	-	6,863	100.00%	1,100	6,985	6,962	154	161	551	
511,965 NB Inc. (Canada)	-	191	100.00%	266,612,897	254	254		7		
CGS Holdings Ltd	691	1	100.00%	431,513,903	571	571	31			
Gemini Consulting Holding Ltd	-	11	100.00%	1,083	23	23				
CGE&Y (UK)	43	-6	100.00%	1,033,938,858	801	801			231	
CGE&Y Ireland Ltd	-	1	100.00%	71,662	16	16			91	
Cap Gemini AB	1	33	100.00%	10,000	150	150		9		19
CGEY Sverige Holding AB	0	-	100.00%	20,440	112	112				
CGE&Y AS (Norway)	1	6	100.00%	7,100	27	27			19	
Cap Gemini Europe BV	88	22	100.00%	194,101	253	253				
Cap Gemini NV	5	165	38.27%	16,566,002	1,013	1,013			875	12
Cap Gemini Deutschland GmbH	18	81	72.20%	1	59	59	1			
CGE&Y Deutschland GmbH (Berlin)	14	23	100.00%	1	512	512		33		
CGE&Y Austria Consulting AG (Berlin)	0	4	100.00%	32,778	35	35			16	
CGE&Y Polska Sp. Z.o.o	1	-1	100.00%	37,000	11	11		2	5	
Cap Gemini France SA	27	38	99.96%	1,793,960	69	69			852	57
Gemini Consulting France SA	43	8	100.00%	6,685,961	88	88			245	6
CGE&Y France	19	2	100.00%	169,590	258	258			88	
Cap Gemini Telecom SA	133	831	95.09%	8,314,281	792	792			43	4
Cap Gemini Italia Spa	4	5	95.00%	760,000	101	20		6	74	
Cap Gemini Espana Holding S.L.	11	23	100.00%	1,230,475	47	36	2			
CGE&Y Espana S.L.	1	8	100.00%	100,000	79	79			51	
CGEY Consultores Portugal SA	0	-1	100.00%	824,000	14	14			3	
CGE&Y Italia Spa	0	0	100.00%	200,000	241	241	6		51	
Cap Gemini Asia PTE Ltd	27	-3	100.00%	44,000,000	25	25	18	37	11	
CGEY Consulting Pty Ltd (Australia)	14	-6	100.00%	24,159,000	139	139			53	
CGEY New Zealand Ltd	0	3	100.00%	1,000,000	36	36			14	
CGEY Hong Kong Ltd	-	1	100.00%	4	12	12			5	
CGEY Consultants Singapore Pte Ltd	-	2	100.00%	100,000	16	16			7	
Cap Gemini Service SA	8	-5	100.00%	499,994	37	3			132	
SCI Paris Etoile	-	-	99.99%	10,000	48	30			3	2
Other (France)	nm	nm	nm	nm	1	1	32	34	4	
Other	nm	nm	nm	nm	58	58				

INVESTMENTS

As of December 31, 2000, investments held by Cap Gemini SA are not material.

(*) Excluding share capital and before appropriation of income for the year.
(**) Revenue as reported by the subsidiaries in their statutory financial statements for the period ended December 31, 2000.
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 is at the head of the French tax group made up of 7 companies. The impact of tax consolidation in 2000 is a benefit of €3,466 thousand.

CHANGES IN SHAREHOLDERS' EQUITY

(in millions of euros)	1999	Net income appropriation 1999	Other changes	2000
Share capital	624	-	370	994
Additional paid-in-capital	2,075	-	9,710	11,785
Legal reserve	42	20	-	62
Untaxed reserves	42	-	-	42
Other reserves	171	-	-	171
Retained earnings	35	51	-	86
Dividends paid	-	78	(78)	-
Net income	149	(149)	318	318
Total	***3,138***	***-***	***10,320***	***13,458***

FIVE-YEAR FINANCIAL SUMMARY

(in millions of euros)	1996	1997	1998	1999	2000
I - Share capital at year-end					
Share capital	368	373	422	624	994
Number of common shares outstanding	60,356,666	61,198,877	69,130,658	77,945,108	124,305,544
Maximum number of future shares to be created					
- upon conversion of debentures	78,671	-	-	-	-
- through exercise of equity warrants	5,570,849	6,555,544	7,085,035	6,038,838	7,487,783
II - Operations and results of the current year					
Operating revenue	62	67	100	108	196
Operating revenue and financial revenue	135	156	230	257	330
Income before taxes, amortization and provisions	53	144	147	165	395
Income tax	7	16	25	34	32
Net income	29	90	103	149	318
Distributed income	18	33	58	78	(a)164
III - Earnings per share (in euros)					
Earnings after taxes, but before amortization and provisions	0.76	2.08	1.77	1.68	2.92
Net earnings	0.48	1.47	1.49	1.91	2.56
Dividend per share, net	0.30	0.53	0.84	1.00	(b)1.20
IV - Employee data					
Average number of employee during the year	-	-	-	-	-
Total payroll	-	-	-	-	-
Total benefits	-	-	-	-	-

(a) Subject to approval by the Ordinary Shareholders' Meeting of May 16, 2001 (including the € 15 million "précompte" dividend equalization tax).
(b) Subject to approval by the Ordinary Shareholders' Meeting of May 16, 2001.

REPORT OF THE AUDITORS
ON THE CANCELING OF SHARES BOUGHT BACK

To the shareholders of Cap Gemini SA,

In our capacity as Statutory Auditors of Cap Gemini and pursuant to the provisions of Article L.225-209, paragraph 4 of the Commercial Code, we hereby present our report on the canceling of shares bought back.

We have reviewed the proposed capital reduction and performed all the procedures that we considered necessary in accordance with the professional standards generally accepted in France.

This transaction is connected with the proposed acquisition by the Company of up to 10% of its own shares, in accordance with Article L.225-209, paragraph 4, of the Commercial Code, under an eighteen month authorization to be given at the Ordinary Shareholders' Meeting (4th resolution).

In connection with the authorization to buy back shares, the Board of Directors would be given 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 five 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, April 2, 2001

The Statutory Auditors
Members of the Regional Company of Paris

CONSTANTIN ASSOCIES

Jean-François Serval - Laurent Lévesque

COOPERS & LYBRAND AUDIT
Member of PricewaterhouseCoopers
Bernard Rascle

REPORT OF THE AUDITORS
ON THE ISSUANCE OF SHARES AND SHARE EQUIVALENTS WITH DELEGATION OF POWERS

To the shareholders of Cap Gemini SA,

In our capacity as Statutory Auditors of Cap Gemini SA and pursuant to the provisions of Articles L.228-92, L.228-95, L.225-135, L.225-150 and L.225-16 of the Commercial Code, we hereby present our report on:

- the issues of shares and other securities convertible, redeemable or otherwise exercisable for new Cap Gemini shares, and

- the restricted shares issues,

submitted to shareholders for approval.

a) Issues of shares and other securities convertible, redeemable or otherwise exercisable for new Cap Gemini shares

These operations are described in the table attached to this report.

If shareholders approve the related resolutions, the Board of Directors will be authorized to issue such securities in France or abroad, for a maximum nominal value of € 3 billion (€ 400 million for equity warrants and shares with equity warrants attached). The authorizations will be valid for the periods prescribed by law for each category of securities concerned.

The aggregate par value of the shares issued directly or indirectly, on conversion, redemption or exercise of share equivalents may not exceed € 400 million. As provided for in the eighteenth resolution, this amount of € 400 million is included in the € 1.5 billion limit set in the eighth resolution submitted to the Extraordinary Shareholders' Meeting .

Under the terms of the resolutions, the Board of Directors will be authorized to establish the terms and conditions of these issues.

The Board of Directors is also asking shareholders to waive their pre-emptive rights to subscribe for shares issued directly under the eleventh, thirteenth, fifteenth and seventeenth resolutions and indirectly, on conversion, redemption or exercise of share equivalents, under the tenth, eleventh, fourteenth and fifteenth resolutions.

b) Restricted share issues

The eighth resolution submitted to the Extraordinary Shareholders' Meeting concerns an authorization to be given to the Board of Directors to increase the capital of the Company up to a maximum of € 1.5 billion, in particular, by issuing new shares at par or at a premium, to be paid up in cash or by capitalizing debt.

If shareholders approve this resolution, the Board of Directors will be authorized to carry out one or several share issues for cash, without pre-emptive subscription rights, up to the maximum authorized in the eighth resolution. This authorization will be valid for a period of five years.

The ninth resolution concerns an authorization to be given to the Board of Directors to establish the terms and conditions of this/these operation(s) and the waiver of shareholders' pre-emptive subscription rights.

***

We have examined the proposals to issue shares and share equivalents and performed all the procedures that we considered necessary, in accordance with the professional standards generally accepted in France.

Subject to further examination of the terms and conditions of these issues, we have no matters to bring to shareholders' attention regarding the determination of the issue price of new shares, conversion bases, exercise price(s) of subscription rights or the amount(s) concerned, as presented in the Report of the Board of Directors.

As the issue price of new shares, conversion bases, exercise price(s) of the 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 waiver 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, April 2, 2001

The Statutory Auditors
Members of the Regional Company of Paris

CONSTANTIN ASSOCIES

Jean-François Serval - Laurent Lévesque

COOPERS & LYBRAND AUDIT
Member of PricewaterhouseCoopers
Bernard Rascle

APPENDIX TO THE REPORT OF THE STATUTORY AUDITORS
ON THE ISSUANCE OF SHARES AND SHARE EQUIVALENTS WITH DELEGATION OF POWERS

Description of the securities covered by the proposed authorizations

Resolution N°	Type of issue	Waiver of pre-emptive subscription rights		Authorization for valid
		share equivalents	shares	
10	Convertible bonds	No	Yes	2 years
11	Idem	Yes	Yes	2 years
12	Bonds with equity warrants	No	Automatic	2 years
13	Idem	Yes	Automatic	2 years
14	Equity warrants	No	Yes	1 year *
15	Idem	Yes	Yes	1 year *
16	Securities convertible, exchangeable redeemable or otherwise exercisable for newly-created shares at a fixed date or at any time	No	Automatic	Maximum period allowed by law
17	Idem	Yes	Automatic	Maximum period allowed by law

* Shares subscribable upon exercise of equity warrants must be issued within five years of the issue of the warrants.

REPORT OF THE AUDITORS
ON THE CANCELING OF RETURNED SHARES

To the shareholders of Cap Gemini SA,

In our capacity as Statutory Auditors of Cap Gemini and pursuant to the provisions of Article L.225-204 of the Commercial Code, we hereby present our report on the canceling of shares returned to the Company.

We have reviewed the proposed capital reduction and performed all the procedures that we considered necessary in accordance with the professional standards generally accepted in France. 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 or terms of the proposed canceling of returned shares, which would have the effect of reducing the Company's capital from € 994,444,352 to € 992,777,392.

Paris, April 2, 2001

The Statutory Auditors
Members of the Regional Company of Paris

CONSTANTIN ASSOCIES

Jean-François Serval - Laurent Lévesque

COOPERS & LYBRAND AUDIT
Member of PricewaterhouseCoopers
Bernard Rascle

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 2000 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, 2000 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 2000, comprising the balance sheet, statement of income and notes, as presented, as well as the transactions reflected in these financial statements or summarized in these reports.

The General Shareholders' Meeting notes that the consolidated financial statements for the year ended December 31, 2000 have been submitted to it and that the report of the Board of Directors on the management of the Group is included in the Report of the Board of Directors.

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

Second resolution

Agreements involving directors

After hearing the Statutory Auditors' special report, the General Shareholders' Meeting notes that during 2000, no agreements were entered into with directors as governed by article L.225-38 of the Commercial Code .

Third resolution

Net income appropriation and dividend

The General Shareholders' Meeting approves the recommendations of the Board of Directors to appropriate distributable income for the year totalling € 403,666,810.01, corresponding to net income for the year of € 318,151,920.90 and retained earnings brought forward from the prior year of € 85,514,889.11, as follows:

• to the legal reserve (to raise the legal reserve to 10% of capital)	€ 37,088,348.80
• to the payment of dividends corresponding to a dividend per share of € 1.20	€ 149,166,652.80
• dividend equalization tax (précompte)	€ 15,289,227.21
• to retained earnings	€ 202,122,581.20
• representing total appropriations of corresponding to the amount of distributable income.	€ 403,666,810.01

The dividend is therefore set at € 1.20 per share, payable on all of the 124,305,544 shares issued and outstanding at December 31, 2000. In accordance with the provisions of the 2001 Finance Act, the dividend will give rise to an avoir fiscal tax credit of € 0.6 (50%), € 0.30 (25%) or € 0.18 (15%) per share depending on the category of shareholder. The dividend will be paid as from May 18, 2001. If any of the Company's shares are held in treasury stock when the dividend is paid, an amount corresponding to the dividends not paid out on these shares will be credited to retained earnings, together with the related adjustment to dividend equalization tax.

Pursuant to Article 243 bis of the General Tax Code, the General Shareholders' Meeting notes that 1999 dividends totalled € 77,945,108, representing a dividend per share of € 1 paid on 77,945,108 shares, that 1998 dividends totalled FRF 380,218,619 (€ 57,963,955), representing a dividend per share of FRF 5.50 paid on 69,130,658 shares, and that 1997 dividends totalled FRF 214,196,069.50 (€ 32,653,980), representing a dividend per share of FRF 3.50, paid on 61,198,877 shares.

Fourth 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 of the Commercial Code.

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

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

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 Rule 90-04.

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, 2000, corresponding to 12,430,554 shares, and that the total funds invested in the share buybacks may not exceed € 3,729,166,200.

The General Shareholders' Meeting sets the maximum purchase price of the shares at € 300 per share and the minimum sale price at € 120 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 Board of Directors in this resolution replace those given in the fifth resolution of the General Shareholders' Meeting of May 23, 2000.

Fifth resolution

Issuance of debentures

The General Shareholders' Meeting, after hearing the report of the Board of Directors, authorizes the Board of Directors to issue secured or unsecured debentures. The debentures may be issued on one or several occasions, in France or abroad, denominated in euros or in foreign currency, provided that the aggregate nominal value of the issue or issues does not exceed € 1.5 billion or the foreign currency equivalent. Under this authorization the Board of Directors will be able to set the amount of each issue or issues, within the above limit, the form of the debentures, the timing of the issues, the interest rate and repayment terms. The debentures may take the form of perpetual bonds.

The General Shareholders' Meeting grants the Board of Directors full discretionary powers to carry out the debenture issue or issues authorized above and to fix the terms and conditions of issue thereof, including the interest rate which may be fixed or variable and any redemption premium which may also be fixed or variable (in which case the amount of the premium will not be included in the € 1.5 billion maximum limit as mentioned above). More generally, the Board of Directors may enter into any and all agreements, take all appropriate steps and carry out all formalities necessary for the issue and servicing of the debentures.

The present authorization is valid for five years.

The authorization given to the Board of Directors in this resolution replaces that given in the sixth resolution of the General Shareholders' Meeting of April 22, 1999.

II - Resolutions presented at the extraordinary shareholders' meeting

Sixth resolution

Authorization to cancel shares bought back

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 24 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 this authorization, 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 twelfth resolution of the Extraordinary Shareholders' Meeting of May 23, 2000.

Seventh resolution

Capital reduction to cancel returned shares

The General Shareholders' Meeting, after hearing 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 business which was completed on May 23, 2000, 208,370 Cap Gemini shares had been returned to the Company as of March 31, 2001 by people who became employees of the Cap Gemini Ernst & Young Group and then left the Group.
The General Shareholders' Meeting resolves to cancel these shares and to reduce the Company's capital by a total of € 1,666,960 representing the number of shares cancelled, 208,370, multiplied by the par value of € 8 per share.
The difference between the cost of these shares reported in Cap Gemini's balance sheet, € 35,944,962.10, and their par value, € 1,666,960, i.e. € 34,278,002.10, will be imputed to the premium recognized on the completion of the above mentioned acquisition.

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. This power may be delegated to the Chairman of the Board.

Eighth resolution

Authorization to issue shares with pre-emptive subscription rights

The General Shareholders' Meeting, after hearing the report of the Board of Directors, authorizes the Board of Directors to increase the Company's capital on one or several occasions, within an overall ceiling of € 1.5 billion, by:

- issuing new shares at par or at a premium, to be paid up in cash or by capitalizing debt, provided that existing shareholders are given a pre-emptive right to subscribe for the shares, pro rata to their existing holdings, as well as to any shares not taken up by other shareholders, also on a pro rata basis, or
- issuing bonus shares or raising the par value of existing shares, to be paid up by capitalizing all or part of the Company's additional paid-in capital, retained earnings, income, provisions or any other capitalizable items, or
- utilizing all or some of these methods, successively or simultaneously.

In accordance with the law, this authorization is given for a period of five years as from the date of this Meeting.

The General Shareholders' Meeting grants the Board of Directors full powers to carry out the share issue or issues within the above limits and to decide the timing of the issues, the subscription period and the terms and conditions of issue, subject to compliance with the law and the bylaws. Accordingly, the Board of Directors shall:

- set the number of new shares to be issued and their cum-dividend date or the amount by which the par value of existing shares is to be raised and, in the latter case, to set the effective date of such increase;
- in the case of shares issued for cash, decide the issue price, the dates, periods and conditions of exercise of existing shareholders' pre-emptive subscription rights, pro rata to their existing holdings and including any shares not taken up by other shareholders, allocate the balance of the capital increase if all the shares offered have not been subscribed, collect the subscriptions and subscription monies and,

if appropriate, limit the amount of the capital increase to the subscriptions received provided that at least three quarters of the shares offered have been taken up.

- enter into any and all agreements with any banks or credit institutions in connection with the placement of the shares and take all necessary measures to permit the completion of the issue or issues;
- amend the bylaws to reflect the new capital after each share issue.

The Board of Directors shall also decide and carry out all necessary transactions and formalities, directly or through a representative, and generally take all appropriate action to effect the capital increase or increases.

The authorizations given to the Board of Directors in this resolution replace those given in the thirteenth resolution of the Extraordinary Shareholders' Meeting of May 23, 2000.

Ninth resolution

Authorization to issue shares 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 Extraordinary Shareholders' Meeting,

(i) having noted the authorization given to the Board of Directors in the eighth resolution to increase the capital to a maximum of € 1.5 billion, including by issuing new shares at par or at a premium, to be paid up in cash or by capitalizing debt or by another method,

(ii) authorizes the Board of Directors to issue shares for cash, on one or several occasions, without pre-emptive subscription rights for existing shareholders, provided that the maximum authorized capital referred to in the eighth resolution is not exceeded and that:

- with the exception of the special provisions concerning the issuance of new shares with pre-emptive subscription rights and the issuance of bonus shares or the raising of the par value of existing shares, to be paid up by capitalizing retained earnings, income, additional paid-in capital, provisions or any other capitalizable items, all the provisions of the eighth resolution also apply to this authorization.
- the Board of Directors may grant shareholders a non-transferable priority right to subscribe for the shares, prorata to their existing holdings, for a period and on terms to be decided by the Board of Directors. Shareholders may also be offered a secondary priority right to subscribe for any shares not taken up by other shareholders. Any shares not subscribed by shareholders exercising their priority right will be offered to the public.
- the amount received by the Company for each share issued pursuant to this resolution must 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 shares.
- the Board of Directors may use this authorization to issue shares in connection with any public exchange offer made by the Company in accordance with the provisions of Article L.225-148 of the Commercial Code.

In accordance with the law, this authorization is given for a period of three years.

The authorizations given to the Board of Directors in this resolution replace those given in the fourteenth resolution of the Extraordinary Shareholders' Meeting of May 23, 2000.

Tenth resolution

Public issue of convertible debentures with pre-emptive subscription rights

After hearing the report of 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 into shares of the Company at any time or at fixed dates, to 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 debentures not taken up by other shareholders. The debentures may be issued on one or several occasions, provided that the aggregate nominal value of the issue or issues does not exceed € 3 billion.

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 conversion of the debentures.

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

- the amount of each issue and the life of the debentures;

- the issue price of the debentures, their interest rate, which may be fixed or variable, the interest payment dates, the interest entitlement accrual date, the price and method of redemption, with or without a premium, and the conditions of early repayment depending on prevailing market conditions;
- the date or dates on which the debentures may be presented for conversion;
- the basis to be used to adjust the conversion parities 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;
- 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;
- charge the capital increase costs against the related premiums; and
- generally, enter into any and all agreements, take all appropriate steps and carry out all formalities necessary for the issue and servicing of the debentures, as well as for their conversion.

The present authorization is valid for two years.

Eleventh 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 into shares of the Company 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, provided that the aggregate nominal value of the issue or issues does not exceed € 3 billion or the foreign currency equivalent. The General Shareholders' Meeting resolves that the issue price of the debentures and the basis for their conversion into shares shall be determined in such a way that the amount received by the Company for each share will 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 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; and
- the shares to be issued on conversion of the debentures.

If the issue or issues take place in 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 Board of Directors This 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 debenture issue or issues authorized above and to fix the terms and conditions of issue thereof, including:

- the amount and currency of each issue and the life of the debentures;
- the issue price of the debentures, their interest rate, which may be fixed or variable, the interest payment dates, the interest entitlement accrual date, the price and method of redemption, with or without a premium, and the conditions of early repayment depending on prevailing market conditions;
- the date or dates on which the debentures may be presented for conversion;
- the basis to be used to adjust the conversion parities 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;
- 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;
- charge the capital increase costs against the related premiums; and
- generally, enter into any and all agreements, take all appropriate steps and carry out all formalities necessary for the issue and servicing of the debentures, as well as for their conversion.

The present authorization is valid for two years.

Twelfth 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 debentures with equity warrants to 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 debentures not taken up by other shareholders. The debentures with equity warrants may be issued on one or several occasions, provided that the aggregate nominal value of the issue or issues does not exceed € 3 billion.

The aggregate par value of the shares to be subscribed by the holders of equity warrants may not exceed € 400 million, not including any adjustments that may be made.

The present authorization entails the waiver by shareholders, in favour of warrant-holders, of their pre-emptive right to subscribe for the shares to be issued on exercise of these 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 debenture issue or issues authorized above and to fix the terms and conditions of issue thereof, including:

- the amount of each issue and the life of the debentures;
- the issue price of the debentures, their interest rate, which may be fixed or variable, the interest payment dates, the interest entitlement accrual date, the price and method of redemption, with or without a premium, and the conditions of early repayment depending on prevailing market conditions;
- the number of equity warrants to be attached to each debenture;
- the terms and conditions of exercise of the equity warrants and, if appropriate, the buyback 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;
- 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;
- charge the capital increase costs against the related premiums; and
- generally, enter into any and all agreements, take all appropriate steps and carry out all formalities necessary for the issue and service of the debentures, as well as for the exercise of the warrants.

The present authorization is valid for two years.

Thirteenth 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 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, provided that the aggregate nominal value of the issue or issues does not exceed € 3 billion or the foreign currency equivalent.

The aggregate par value of the shares to be subscribed by the holders of equity warrants may not exceed € 400 million, not including any adjustments that may be made.

The present authorization entails the waiver by shareholders, in favour of warrant-holders, of their pre-emptive right to subscribe for the shares to be issued on exercise of these 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 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 in 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 debenture issue or issues authorized above and to fix the terms and conditions of issue thereof, including:

- the amount and currency of each issue and the life of the debentures;
- the issue price of the debentures, their interest rate, which may be fixed or variable, the interest payment dates, the interest entitlement accrual date, the price and method of redemption, with or without a premium, and the conditions of early repayment depending on prevailing market conditions;
- the number of equity warrants to be attached to each debenture;
- the terms and conditions of exercise of the equity warrants and, if appropriate, the buyback 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;
- 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;
- charge the capital increase costs against the related premiums; and
- generally, enter into any and all agreements, take all appropriate steps and carry out all formalities necessary for the issue and service of the debentures, as well as for the exercise of the warrants.

The present authorization is valid for two years.

Fourteenth 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 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;

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

The present 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.

Fifteenth 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, on one or several occasions, 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 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 in 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;
- 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;
- charge the capital increase costs against the related premiums; and
- generally, enter into any and all agreements, take all appropriate steps and carry out all formalities necessary for the issue and exercise of the warrants.

The present 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.

Sixteenth 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.

The present authorization entails the waiver by the shareholders, in favour 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 Board of Directors within the maximum period allowed by law.

Seventeenth 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.

The present authorization entails the waiver by the shareholders, in favour 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 in 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.

Eighteenth resolution

General ceiling on financial authorizations
The General Shareholders' Meeting resolves, subject to adoption of the eighth resolution, that the total amount of capital increases that may be carried out pursuant to the authorizations given in the tenth, eleventh, twelfth, thirteenth, fourteenth, fifteenth, sixteenth and seventeenth resolutions above will be covered by the blanket authorization given to the Board of Directors in the eighth resolution of this Meeting to increase the capital to a maximum nominal amount of € 1.5 billion.

The authorizations given to the Board of Directors in the tenth, eleventh, twelfth, thirteenth, fourteenth, fifteenth, sixteenth and seventeenth resolutions above replace those given in the fifteenth, sixteenth, seventeenth, eighteenth, nineteenth, twentieth, twenty-first and twenty-second resolutions of the Extraordinary Shareholders' Meeting of May 23, 2000.

Nineteenth 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.

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OTHER INFORMATION FOR REFERENCE DOCUMENT PURPOSES

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 other 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 fulfillment or furtherance of said purposes.

Incorporation details

330 703 844 RCS Paris

APE 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 (and 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. 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 canceled.

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

The bylaws do not provide for any disclosure thresholds other than those provided for by French company law.

The Company has the right to obtain from the share transaction clearing organization details of identifiable holders of bearer shares.

Voting rights

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.

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, 2000, the Company's capital amounted to € 994,444,352, represented by 124,305,544 common shares with a par value of € 8, all fully paid-up.

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

Authorized, unissued capital

The Extraordinary Shareholders' Meetings of April 22, 1999 and May 23, 2000 authorized the Directoire and the Board of Directors respectively, to issue various types of shares and share equivalents (see table below):

Type of securities (1)	Amount (in euros)	Date of authorization	Expiry date
Common shares with PSR	1.5 billion (par value)	05/23/2000	05/23/2005
Common shares paid up by capitalizing retained earnings, income or additional paid-in capital	1.5 billion (par value)	05/23/2000	05/23/2005
Common shares without PSR	1.5 billion (par value)	05/23/2000	05/23/2003
Debentures	800 million	04/22/1999	04/22/2004
Convertible debentures without PSR	3 billion (debentures)	05/23/2000	05/23/2002
Convertible debentures with PSR	3 billion (debentures)	05/23/2000	05/23/2002
Debentures with equity warrants without PSR	3 billion (debentures) 400 million (par value of shares)	05/23/2000	05/23/2002
Debentures with equity warrants with PSR	3 billion (debentures) 400 million (par value of shares)	05/23/2000	05/23/2002
Equity warrants without PSR	400 million (par value of shares)	05/23/2000	05/23/2001
Equity warrants with PSR	400 million (par value of shares)	05/23/2000	05/23/2001
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)	05/23/2000	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)	05/23/2000	Period prescribed by law

(1) Securities issued pursuant to these authorizations may not have the effect of increasing the share capital to more that € 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

Details concerning stock options are provided in note 14-b to the consolidated financial statements.

No other securities are outstanding that are convertible, exercisable, redeemable or otherwise exchangeable for Company shares.

If shareholders at the Extraordinary General Meeting of May 16, 2001, 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 (1)	Amount (in euros)	Date of authorization	Expiry date
Common shares with PSR	€ 1.5 billion (par value)	05/16/2001	05/16/2006
Common shares paid up by capitalizing dretained 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)	05/16/2001	05/16/2002
Equity warrants with PSR	€ 400 million (par value of shares)	05/16/2001	05/16/2002
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)	05/16/2001	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)	05/16/2001	Period prescribed by law

(1) Securities issued pursuant to these authorizations may not have the effect of increasing the share capital to more that € 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

Details concerning stock options are provided in note 14-b to the consolidated financial statements.

No other securities are outstanding that are convertible, exercisable, redeemable or otherwise exchangeable for Company shares.

Changes in capital

(in €)	Number of shares	Share capital	Additional paid-in capital
As of January 1, 1996	***53,073,228***	***323,638,458***	***525,047,103***
Issuance of shares:			
- in connection with the merger with Sogeti and Skip	7,106,993	43,338,164	162,356,192
Issuance of shares for cash:			
- shares issued upon exercise of stock options	176,374	1,075,522	2,814,352
- shares issued upon conversion of debentures	30	183	1,776
- shares issued upon exercise of warrants	41	250	1,967
As of December 31, 1996	***60,356,666***	***368,052,577***	***690,221,391***
Issuance of shares for cash:			
- shares issued upon exercise of stock options	842,043	5,134,745	14,211,730
- shares issued upon conversion of debentures	168	1,024	10,104
As of December 31, 1997	***61,198,877***	***373,188,346***	***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 business	42,737,107	41,896,856	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***

Current ownership structure

The current ownership structure is presented on page 12. 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 business which was completed on May 23, 2000, 208,370 Cap Gemini shares had been returned to the Company as of March 31, 2001 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.

At December 31, 2000, Ernst & Young US LLP held 6.2% of the Company's capital but only 4.9% of voting rights due to a delay in informing the Company that its interest was in excess of the 5% disclosure threshold.

As of December 31, 2000, there were 1,483 holders of registered shares.

No shareholder other than CGIP, Ernst & Young US LLP and Mr Serge Kampf has notified the Company of the acquisition of an interest in excess of 5% of the Company's capital, corresponding to the first disclosure threshold provided by French company law. The Company's bylaws do not contain any provisions requiring disclosure of interests of less than 5%.

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

In March 1998 the Company issued 6,823,741 new shares with pre-emptive subscription rights at an issue price of FRF 550 (€ 83.85). The information memorandum for this share issuance was approved by the Commission des Opérations de Bourse on March 18, 1998 (no. 98-185).

In July 1998, CGIP sold just over 3% of its interest in Cap Gemini.

In July 1999, CGIP launched a simplified public offer to exchange the Cap Gemini shares held in its portfolio for CGIP shares. Following this transaction, CGIP still held over 20% of the Company's capital.

In August 1999, the company issued 7,304,001 new shares in exchange for the Cap Gemini NV shares tendered to the offer made by Cap Gemini in June 1999 for all the Cap Gemini NV shares not already held by the Company. The share issue was described in an information memorandum approved by the Commission des Opérations de Bourse on June 24, 1999 under *visa* no. 99-876.

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

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

Ownership structure at December 31, 1998, 1999 and 2000

	CGIP	S. Kampf	Public & Managers	Ernst & Young US LLP
December 31, 1998	26%	14%	60%	–
December 31, 1999	20% (1)	12% (1)	68%	–
December 31, 2000	12.7% (2)	5.2% (2)(3)	75.9%	6.2%

(1) After the August 1999 share issue in connection with the tender offer for minority interest in Cap Gemini N.V.
(2) After the two share capital increases regarding Ernst & Young (May) and CISCO (November).
(3) After the sale in January 2000 (at the price agreed in January 1996) of around 2,000,000 shares to 200 managers of the Group.

At december 31, 2000, the company held 192,538 shares returned by the ex-partners of Ernst & Young Consulting who left the Group.

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 no. 201C0384. 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.

Board and managing directors

The Board of Directors

The eleven members of the Board of Directors were elected by the Ordinary Shareholders' Meeting of May 23, 2000 for a period of six years.

- Serge Kampf
  appointed as Executive Chairman
  by the Board of Directors on May 23, 2000.
- Ernest-Antoine Seillière
  appointed as Vice-Chairman by the Board of Directors on May 23, 2000.
  Chairman and Chief Executive Officer of Compagnie Générale d'Industrie et de Participations (CGIP)
- Christian Blanc
  Chairman of Merril Lynch France
- Paul Hermelin
  appointed as Group Managing Director by the Board of Directors on May 23, 2000.
- Pierre Hessler
  appointed as Group Managing Director by the Board of Directors on May 23, 2000.
- Michel Jalabert
- Ruud van Ommeren
  Chairman of the Supervisory Board of Cap Gemini NV
- Terry Ozan
  appointed as Group Managing Director by the Board of Directors on May 23, 2000.
- Bruno Roger
  member of the Executive Committee of Lazard and Senior Manager of Lazard Paris
- Geoff Unwin
  appointed as Chief Executive Officer by the Board of Directors on May 23, 2000.
- Guy de Wouters
  member of the Executive Committee of CGIP

The Board of Directors was set up on May 23, 2000 and met four times in the last eight months of 2000. Six Board meetings are planned for 2001.

Non-voting directors (“Censeurs”)

The Ordinary Shareholders’ Meeting of May 23, 2000 also elected two non-voting directors for a period of six years:

- Chris van Breugel
- Phil Laskawy
  Chairman and Chief Executive Officer of Ernst & Young LLP and Ernst & Young US LLP.

Committees

The Board of Directors has created three specialized committees and a Group Management Committee.

The three specialized committees

- **Strategy and Investments Committee** (five members)
  Chairman: Ernest-Antoine Seillière
  Members: Christian Blanc, Chris van Breugel, Terry Ozan, Geoff Unwin
- **Audit Committee** (four members)
  Chairman: Bruno Roger
  Members: Pierre Hessler, Michel Jalabert, Guy de Wouters
- **Selection and Compensation Committee** (four members)
  Chairman: Serge Kampf
  Members: Paul Hermelin, Phil Laskawy, Ruud van Ommeren

Group Management Committee (nine members)

Chairman of the Group Management Committee: Geoff Unwin, Chief Executive Officer
Members: Paul Hermelin, Chief Operating Officer
Pierre Hessler, Group Executive Vice-President
Terry Ozan, Group Executive Vice-President in charge of North American operations
Berend Brix, Group Vice-President, in charge of “Global Sector Units”
Hubert Giraud, Group Vice-President, in charge of Risk Management and Opportunities
Mark Hauser, Group Vice-President , in charge of Professions, Offerings and Marketing
Frédéric Lemoine, Group Vice-President in charge of Finance
Dale Wartluft, Group Vice-President, in charge of certain key accounts

Directors’ interests

Compensation of Managing Directors

The total compensation paid to the Company’s five managing directors in 2000 is analyzed as follows (gross amounts):

(in euros)	Fixed part	Variable part (*)	Total gross compensation
Serge Kampf Executive Chairman	347,584	141,046	488,630
Geoff Unwin Chief Executive Officer	576,000	366,048	942,048 (1)
Paul Hermelin Chief Operating Officer	365,878	232,515	598,393
Pierre Hessler Group Executive Vice-President	484,788	219,467	704,255
Terry Ozan (31/52 weeks) Group Executive Vice-President	1,011,157	252,789	1,263,946 (2)

(*) paid in April 2001. (1) 1 euro = 0,625 pound sterling. (2) 1 euro = 0,93 US dollar.

Half of the variable portion of these managing directors’ compensation is based on the Group’s performance (growth, operating income) and half on the attainment of personal objectives. In relation to Mr Terry Ozan (and more generally the Ernst & Young managers), an interim system of compensation has been set up, according to which, for 2000, the “normal” amount (referred to as the theoretical amount) of variable compensation has been fixed at 20% of total compensation.

Compensation of Directors and Non-voting Directors

The total fees paid to the members of the Board of Directors and non-voting directors in 2000 amounted to € 347,200. This amount includes compensation for their duties as members of three committees of the Board of Directors.

Stock options (note 14-b page 43)

At December 31, 2000, four of the eleven members of the Board of Directors – Serge Kampf does not currently hold, and has never been granted any stock options – held a total of 326,354 stock options, representing 4.3% of the total number of options outstanding at that date (7,487,783).

	Options granted under the Third Plan	Options granted under the Fourth Plan	Total
Paul Hermelin	18,540	70,000	88,540
Pierre Hessler	29,664	50,000	79,664
Michel Jalabert	9,270	0	9,270
Geoff Unwin	98,880	50,000	148,880
Total	***156,354***	***170,000***	***326,354***

Agreements involving directors and officers

As of December 31, 2000, no specific agreements had been entered into other than those mentioned in the Statutory Auditors' reports. No material agreements have been signed since that date.

Loans or guarantees given to directors or officers 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: Details concerning stock options are provided in note 14-b to the consolidated financial statements.

Person responsible for the reference document

Serge Kampf, Executive Chairman

Person responsible for the audit of the accounts

Statutory Auditors

- CONSTANTIN ASSOCIES
  26, rue de Marignan, 75008 PARIS,
  represented by J.F. Serval and L. Levesque
  First appointed at the Ordinary Shareholders' Meeting of May 16, 1990.
  Current term: expiring at the close of the Ordinary Shareholders' Meeting to be called to approve the 2001 financial statements.
- 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 2001 financial statements.

Substitute Auditors

- Mr Jean-Claude Sauce
  114, rue Marius Aufan, 92300 LEVALLOIS-PERRET,
  Substitute for CONSTANTIN ASSOCIES
  Term renewed by the Ordinary Shareholders' Meeting of May 24, 1996.
  Term expiring at the close of the Ordinary Shareholders' Meeting to be called to approve the 2001 financial statements.

- Mr Pierre-Bernard ANGLADE
  32, rue Guersant, 75017 PARIS,
  Substitute for COOPERS & LYBRAND AUDIT,
  appointed at the Ordinary Shareholders' Meeting of May 24, 1996.
  Term expiring at the close of the Ordinary Shareholders' Meeting to be called to approve the 2001 financial statements.

Person responsible for information

Frédéric LEMOINE
Group Vice-President in charge of Finance
11, rue de Tilsitt, 75017 Paris
Tel: +33 (1) 47.54.50.00

2001 Provisional Financial calendar

Quarterly revenue announcements:
– 1st quarter 2001 (January to March): May 3, 2001
– 2nd quarter 2001 (April to June): August 10, 2001
– 3rd quarter 2001 (July to September): November 14, 2001
– 4th quarter 2001 (October to December): February 15, 2002

2001 first half results: date to be announced.

Statement by the person responsible for the reference document

"To the best of my knowledge, the information contained in this reference document 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"

Serge Kampf
Executive Chairman

Statement by the auditors

In our capacity as statutory auditors of Cap Gemini SA 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 this "reference document".

This "reference document" is the responsibility of Serge Kampf, Executive Chairman of Cap Gemini SA. Our responsibility is to express an opinion on the fairness of the information about the financial position and the accounts contained in this "reference document".

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 "reference document" 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.

We also audited the financial statements of the Company and the Group for the years ended December 31, 1999 and 1998, as approved by the Directoire, and for the year ended December 31, 2000, 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 and observations, except for our report on the consolidated financial statements for the year ended December 31, 2000 which contained the following observation:

- Notes 3 and 19 to the consolidated financial statements describe the accounting and tax treatment of the acquisition of the Ernst & Young's consulting businesses.

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

Paris, May 9, 2001

The Statutory Auditors
Members of the Regional Company of Paris

CONSTANTIN ASSOCIES

Jean-François Serval - Laurent Lévesque

COOPERS & LYBRAND AUDIT
Member of PricewaterhouseCoopers
Bernard Rascle

COB

In application of regulation COB 98-01/95-01, the Commission des Opérations de Bourse registered this "reference document" on May 9, 2001 under no. R.01-179. This "reference document" 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. This "reference document" has been prepared by the issuer and is the responsibility of the persons whose signatures appear herein. This "reference document" 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

(COB rule no. 98-01)

The annual report has been registered as a Reference Document with the Commission des Opérations de Bourse. The following checklist shows the different sections required to be included in a Reference Document in application of the 98-01 instruction and the numbers of the pages on which the corresponding information is presented.

Cap Gemini Ernst & Young / Finance Department
Execution: Gutenberg on line