



Provisional First Half 2002 results

William Bitan, CFO



Provisional First Half 2002 results

H1 2002 Results

<i>in M€</i>	2002	2001
Consolidated Revenue	3 733	4 440
Operating Expenses	-3 723	-4 171
Operating Income	10	269
<i>Operating Margin</i>	<i>0,3%</i>	<i>6,1%</i>
Financial Results	-1	9
Other revenue & expenses	-143	-53
Income Before Taxes	-134	225
Taxes	-22	-100
Income after taxes	-156	125
Equity	-1	-1
Minority Interests	1	0
Goodwill and market share amortization	-103	-13
Net Income	-259	111

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Revenue evolution

<i>in M€</i>	Q1	Q2	H1
Revenue 2001 at current rates	2 214	2 226	4 440
Revenue 2001 at constant rates	2 210	2 156	4 366
Revenue 2002 published	1 873	1 860	3 733
<u>Growth</u>			
<u>Year-on-year</u>			
-at current rates	-15,4%	-16,4%	-16%
-at constant rates	-15,3%	-13,7%	-14,5%
<u>Sequential</u>			
-at current rates	-6,6%	-0,6%	-6,1%
-at constant rates	-6,5%	-0,7%	-5,9%

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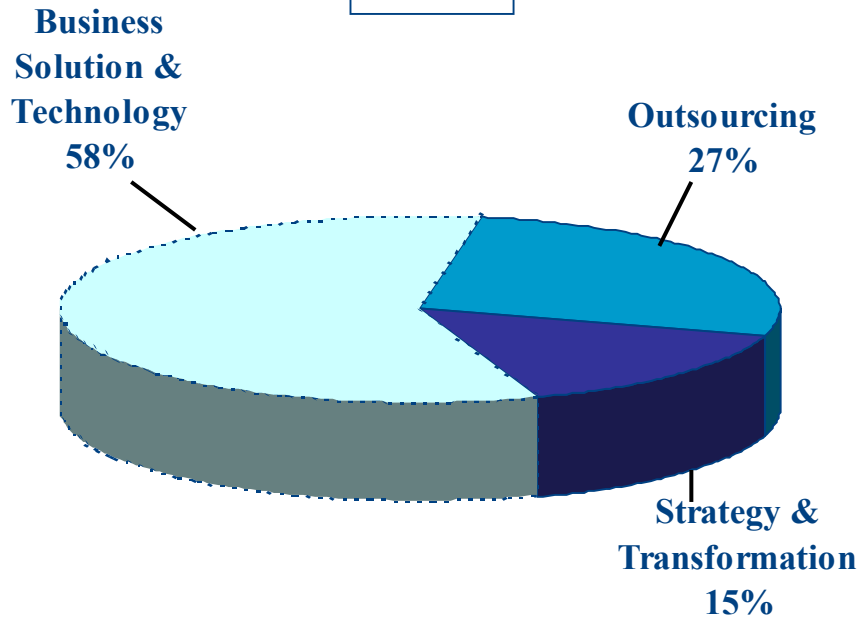
Organic revenue evolution by geography

<i>in M€</i>	H1 2002	% of growth at constant rates and structure H1 2002 / H2 2001
North America	1 215	-8%
Uk & Ireland	629	-5%
Nordic	258	-8%
Benelux	480	-8%
Central Europe	241	6%
France	659	0%
Southern Europe	177	-12%
Asia Pacific	74	-31%
TOTAL	3 733	-5,9%

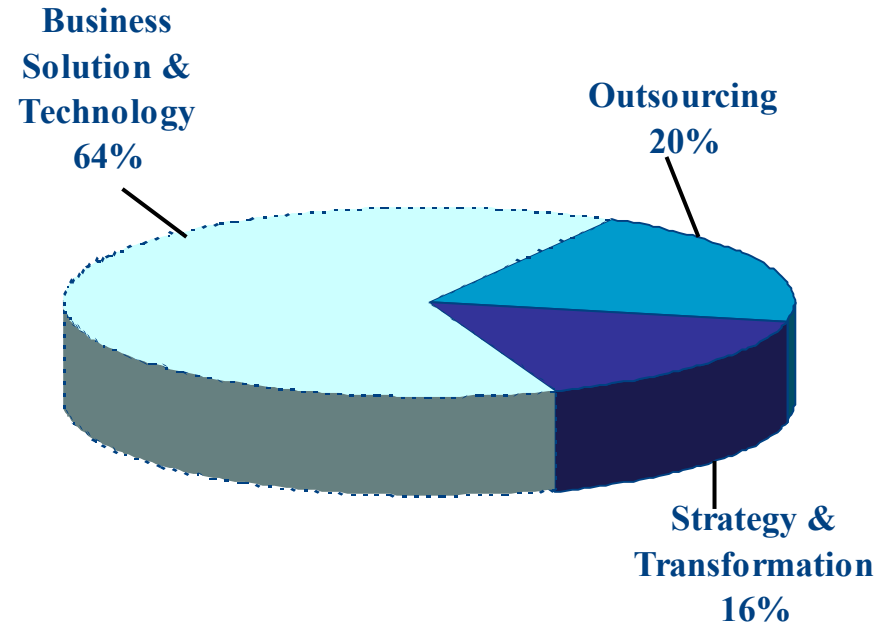
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H1 Revenue split by Line of Business

H1 2002



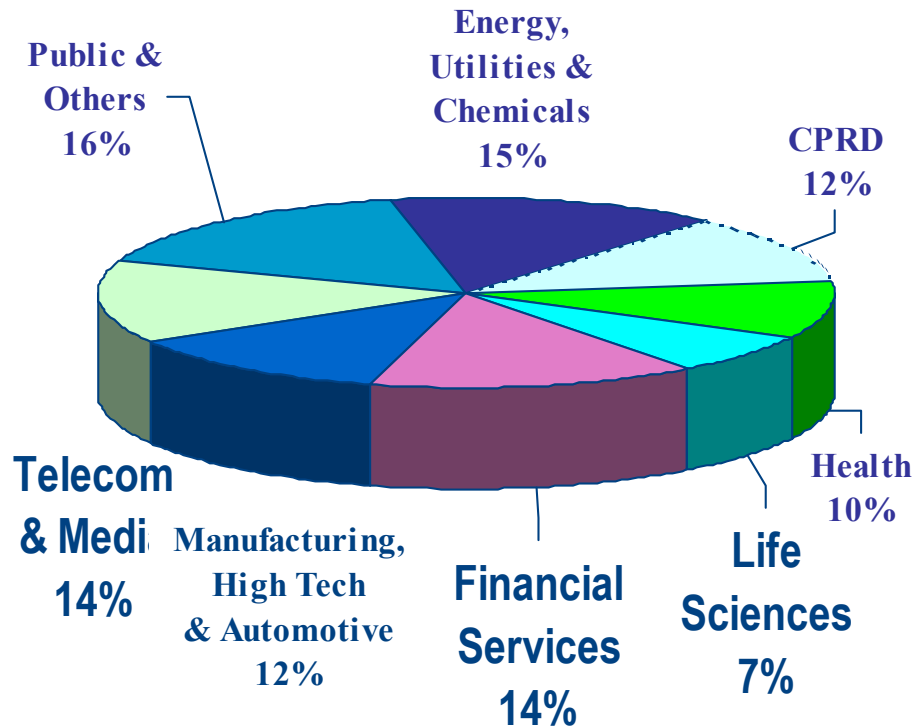
H1 2001



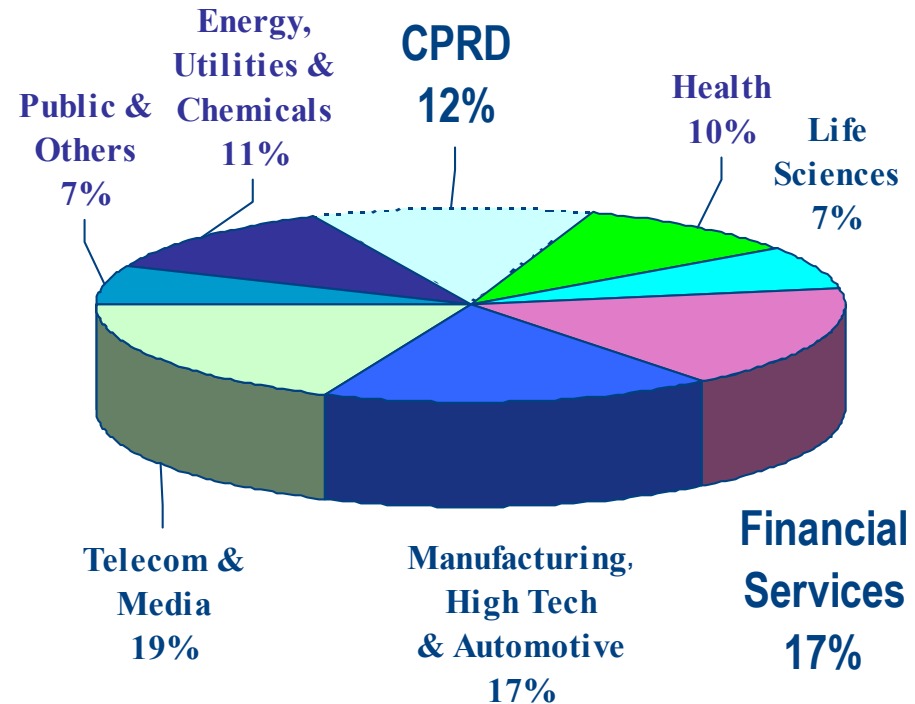
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H1 Revenue split by Sectors

H1 2002



H1 2001



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Bookings by Line of Business

In M€	H1 2002	%	H2 2001	%
Outsourcing	2 295	42%	1 181	27%
Project & Consulting	3 149	58%	3 130	73%
CGEY	5 444	100%	4 311	100%

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H1 Group Headcount evolution

Total Group	Number of people
Headcount as of January 1, 2002	57 760
Recruits	1 920
Acquisitions/Big Deals, disposals and other movements	1 726
Layoffs	-2 357
Leavers	-3 552
Headcount as of June 30, 2002	55 497

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2002 Capacity adjustment analysis

Number of persons notified and booked in P&L			Costs 2002 (in M€)			Effective departures		
H1	H2	FY	H1	H2	FY	H1	Beyond	Total

H1 2002 PLANS
February capacity adjustment
June 27 capacity adjustment
Other measures
TOTAL

937	66	1 003	39	5	44
1 568	932	2 500	72	51	123
n/a	n/a	n/a	11	22	33
2 505	998	3 503	122	78	200

924	79	1 003
676	1 824	2 500
n/a	n/a	n/a
1 600	1 903	3 503

Q4 2001 PLAN
2002 departures related to Q4 2001 Plan

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757	113	870
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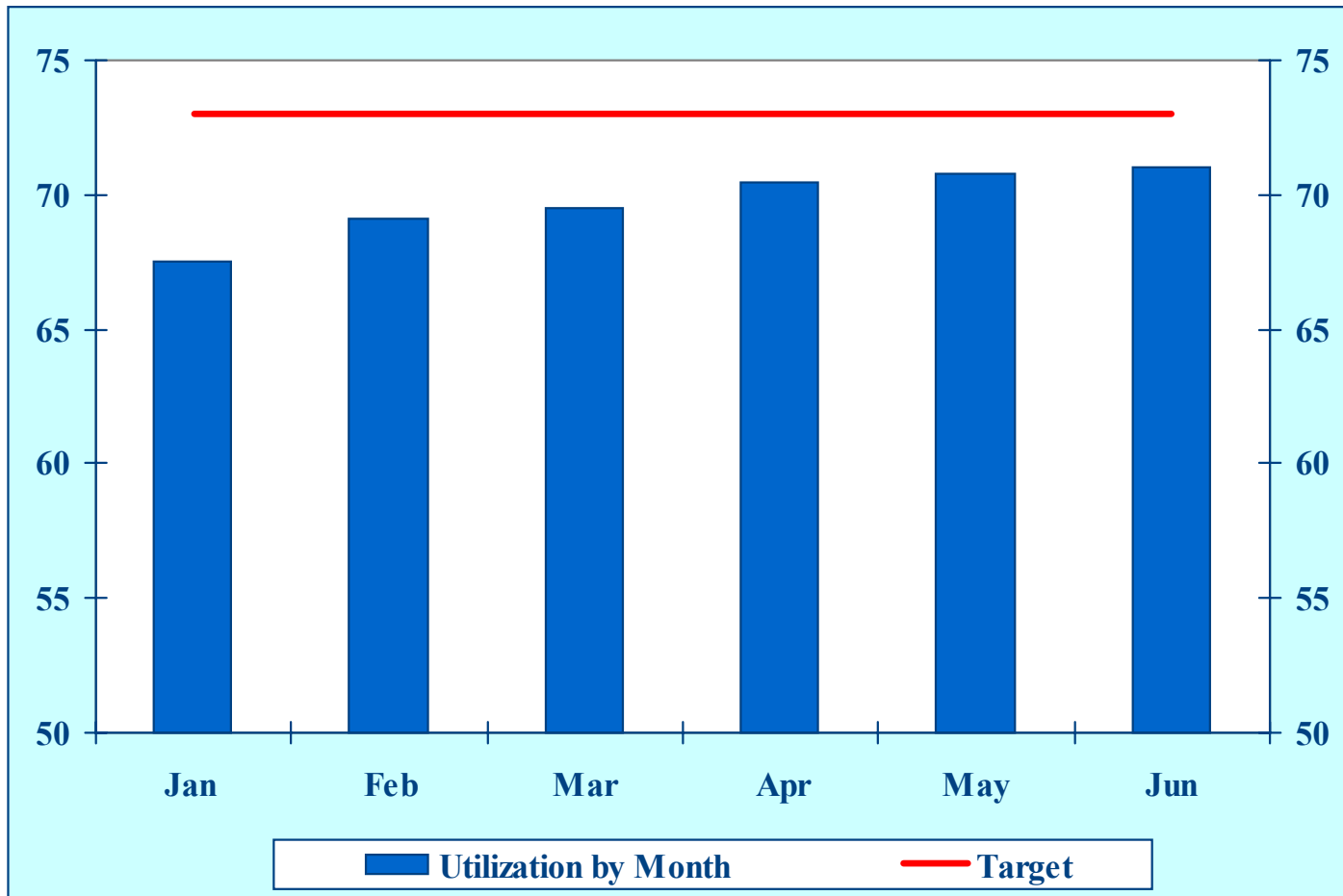
TOTAL

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2 357	2 016	4 373
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Utilization: monthly evolution



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Revenue & operating income by Geography

<i>in M€</i>	Revenue	Operating income	Operating margin
North America	1215	4	0,3%
UK & Ireland	629	-13	-2,1%
Nordic	258	0	0,0%
Benelux	480	24	5,0%
Central Europe	241	-5	-2,1%
France	659	34	5,2%
Southern Europe	177	-18	-10,2%
Asia Pacific	74	-16	-21,6%
TOTAL	3733	10	0,3%

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Goodwill and market share amortization

in M€	<u>Goodwill and market share amortization</u>
Goodwill amortization	18
Market share amortization	85
Total	<u>103</u>

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Cash evolution (net debt method)

in M€	H1 2002	H1 2001
Net debt opening	698	849
Operating cash flow	(*) -261	-60
Capital expenditure (net)	-107	-91
Investment	-11	-233
Capital increases (stock options)	13	21
Dividends paid	-50	-150
Translation & other	-35	26
Net debt closing	247	362

(*) of which approximately 100 M€ related to restructuring costs



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Paul Hermelin, CFO



H1 - 2002 major wins

* We continue to win important business for marquee clients ...

Project & Consulting

The Nieman Marcus Group

Implementation of Oracle Financial,
Procurement and property management
applications

Daimler Chrysler

Development of a new system to track
Product line profitability

Royal Dutch Shell

Customer contact centre to support 20,000
Retail sites across the US

ABN AMRO

ERP for investment banking

Ford Motor Company

Preferred provider agreement

Outsourcing

Nasdaq Europe

5-year AM deal

Lloyds TSB

3 year AM/IM deal

BHP Ltd (Australia)

5- year IM/BPM

Clarian Health Partners

Transformational outsourcing including care
management process re-design

H1 - 2002 Strong segments

* We continue to develop and deliver innovative solutions

CRM

Extending leadership through pre-configured solutions

Fast Pharma

pre-configured (Siebel) process objects

Loyalty Factory

outsourced marketing campaigns based on Teradata platform

Integrated Distributed Delivery

combination of onshore/offshore development processes

Supply Chain

The(*) recognized market leader

- Adaptive Supply Chain Strategies (thought leadership)
- Significant revenue from sourcing and e-procurement (50% of SCM mix)
- Global agreement with Sun Microsystems for Supply Chain in a "box"

(*) IDC 2002 report

ERP

Continued success with major alliance partners

- Oracle ebusiness Suite /e-government
- E3 diagnostic for optimization and enterprise extension
- Delivery excellence via use of ADCs and development factories (Toulouse, Mumbai)

H1 - 2002 Strong verticals

* We continue to shift our mix toward key sectors

Energy, Utilities and Chemical

Deregulation drives IT outsourcing and customer management

Key clients

Hydro One

Vivendi Water

OPG

Life Sciences

Increasingly sophisticated buyers (doctors & patients) require new go-to-market processes

Key Clients

Syngenta

Johnson & Johnson

Aventis

Public and Others

Governments agenda everywhere is to “modernize” operations to deliver Connected citizens services

Key Clients

French Ministry of Finance

Scottish Executive

UK Ministry of Defence/Fuels Group

BUILDING A STRONGER GROUP

Key challenges ahead for CGE&Y

In a market remaining very competitive, we need to :

- 1. Keep adjusting our cost base while investing in innovative solutions**
- 2. Further enhance sales efficiency and coverage**
- 3. Accelerate industrialisation/delivery optimisation**

***while reshaping the Group for
a leaner and more efficient business model***

BUILDING A STRONGER GROUP

How do we reduce the cost base?

Adjustment measures

- **Capacity adjustments**
3,500 launched in H1
- **3,000 staff redirected to fees generation**
- **Rationalize**
 - **sourcing**
 - **office space**
 - **operate data centers**

Structural changes

- **Reshaping the pyramid**
25% in top layers
- **Reducing the overhead**
25% of lay offs in support staff
- **Indirect (non billable) positions reduced by 1/3**
- **Optimize support functions**

BUILDING A STRONGER GROUP

How do we enhance sales efficiency and coverage?

Immediate actions

- **«Must-win » program**
Closely manage top 50 pursuits to improve overall win rate
- **Technology Direct**
Targeting the CIO agenda
- **Shift resources towards dynamic market segments**

Structural changes

- **Cross-region mobilisation to help close and deliver deals**
- **More sales channels for a better market coverage**
- **More flexibility through a new business model aligned by major service lines**

Our ambition : gain market share

BUILDING A STRONGER GROUP

How do we accelerate industrialisation?

1. Accelerate alignment of architect and project managers' skills and capabilities to our standardised processes & methodologies



Easier adoption of center use

**2. Making centers an integral part of our project lifecycle
Showcase centers, ASE's, ADC's, AMSC's.**

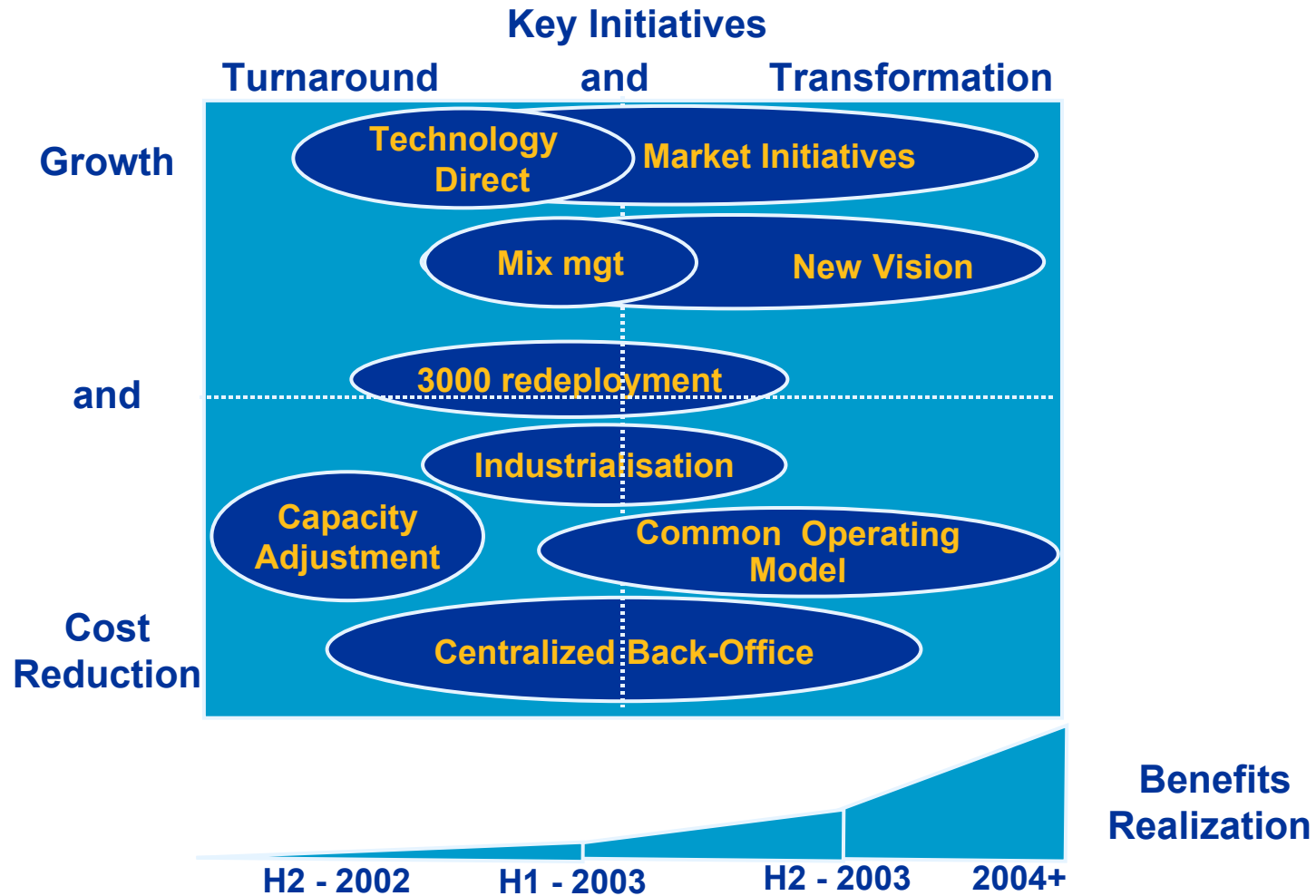
**3. Shifting more and more delivery on projects to ADC's
on shore, near shore and off shore**

DELIVER FASTER, BETTER, CHEAPER

We will manage a portfolio of cost savings and revenue growth initiatives

The Leap! Program: our way forward

Leadership, Expansion, Alignment, Productivity & Portfolio





CONCLUSION

