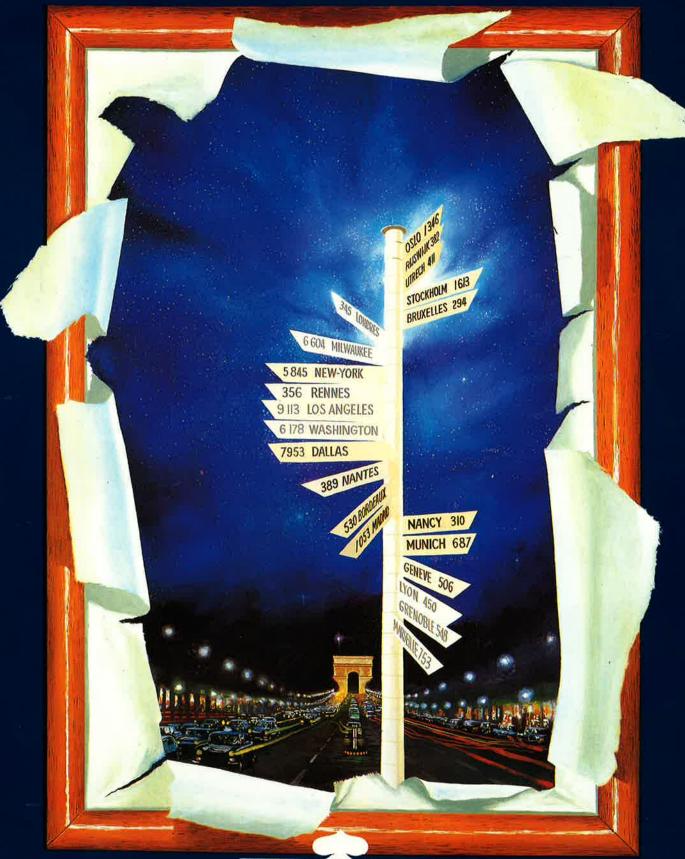
ANNUAL REPORT 1985



CAP GEMINI SOGETI

CAP GEMINI SOGETI 1985 ANNUAL REPORT

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AP GEMINI SOGETI is a group of some twenty DP service companies engaged primarily in professional services: consulting on the use of DP resources; implementation of software enabling government and corporate users to employ these resources; design and implementation of complex DP systems; development and marketing of software packages; assistance to computer operations; training.

Active throughout Europe and the United States, CAP GEMINI SOGETI is one of the world's foremost DP service companies.

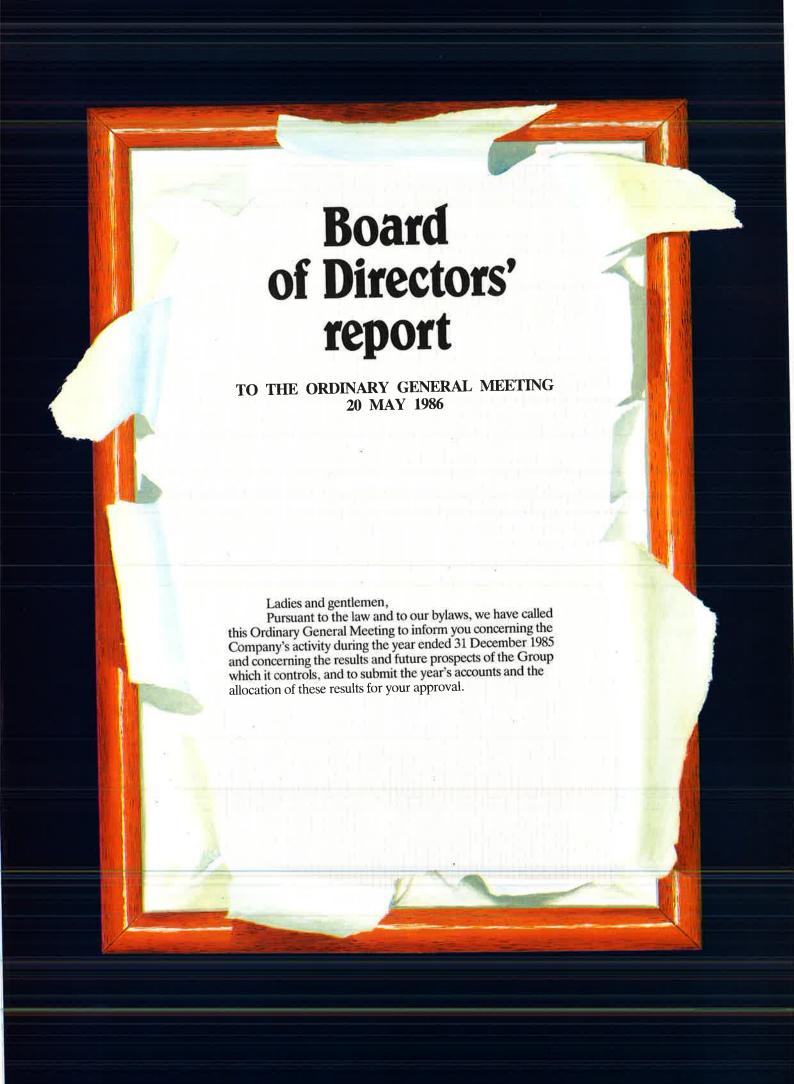
Summary of CAP GEMINI SOGETI consolidated results

(in millions, USD)	1981	1982	1983	1984	1985
CONSOLIDATED REVENUES	91	114	156	201	247
NET INCOME AFTER TAXES	5	6	8	11	15
TOTAL DIVIDENDS PAID	1.2	2.7	2.4	1.8 (2)	4.4
NET PROFITABILITY	5.2 %	5.0 %	5.2 %	5.3 %	6.0 %
NUMBER OF SHARES	442,000	442,000	540,000	652,500	3,262,500 ⁽³⁾
NET INCOME PER SHARE (in USD)	11	13	15	16	4.5

TOTAL NUMBER OF EMPLOYEES as of 31 December 1985	3,577	3,995	3,957 ⁽¹⁾	4,534	5,243
PROFESSIONAL STAFF	3,003	3,345	3,324 (1)	3,832	4,446

⁽¹⁾ After termination of the data entry activity (365 employees) in March 1983.(2) To facilitate restructuring operations, the shareholders decided in March 1985 that the dividend paid would be reduced by one half of the planned

⁽³⁾ This figure of 3,262,500 shares is the result of reducing the par value of 652,500 shares from FF 100 to FF 20 per share.



1985 saw the tenth anniversary of the establishment on 1 January 1975, of the CAP GEMINI SOGETI Group (the parent firm SOGETI having been formed in October 1967), and it was certainly our intent to mark this year with a milestone. As the bottom line for the year is being drawn, however, there is no escaping the conclusion that 1985 merits a number of milestones, and that it will prove to have been a prosperous one for the Group.

The year has been marked by many events and, if a choice among them must be made, at least three have been of very special significance:

1. The years's major event was, of course, our going public on the Paris Stock Exchange. In our preceding Annual Report, we had announced our intention to request admission to the Exchange, explaining the logic of this decision in view of our size, of market demand, of our wish to increase our managers' involvement in our continuing progress. To our way of thinking, however, this step could be taken only on condition that it did not jeopardize the control exercised over the CAP GEMINI SOGETI Group by its manager-shareholders, and thus had to be preceded by a legal restructuring permitting consolidation of 51 % of capital in a controlling company. This restructuring finally took the form of an investment of the totality of the Group's operational activities in a new company established for this purpose in September 1984, with transfer of possession of the corresponding assets and rights taking place on 1 January 1985. This restructuring having been completed, nothing further stood in the way of going public as desired by all associates, and this action was taken in June, following a two-stage procedure drawn up in agreement with Stock Exchange authorities:

• On 7 June, 326,250 shares of the new company CAP GEMINI SOGETI (or 10 % of capital stock) were offered pursuant to the so-called "ordinary" procedure at a unit price of FF 650: purchase orders for nearly 40 million shares – 123 times the number offered – were received that day! Observing that no quotation was possible, the shareholders then decided to issue, five days later, a public offer at FF 875 per share, with funds corresponding to purchase requests being blocked for a three-day period.

 On 12 June, in spite of these extremely restrictive conditions, there was still demand for 10 million shares (representing total blocked funds of nearly nine billion French francs!), and only

one share could be sold for every thirty requested.

The success of this operation (owed primarily to Lazard Frères et Cie and to the Mélendès brokerage firm) continued unabated, as the quoted price per share rose quite steadily from FF 875 on 12 June 1985 to FF 1,388 on 31 December (up 58.6 % in six-and-one-half months) and which, as of the beginning of April 1986, culminated at FF 1,690. It is not for us to say whether or not this price is justified, or whether the favor shown to our stock by the Paris Stock Exchange can be ascribed to some special merit. At most, we can note here that France does not have that many companies which are - as we are - the European leader (and one of the world's leaders) in their profession, which have been growing at an annual rate in excess of 23 % for over a decade, whose net after-tax income has never fallen below 3.5 % since their founding (and has even exceeded 5 % of gross revenue in each of the past six years). And this observation leads us to speak about the second noteworthy event of the past year.

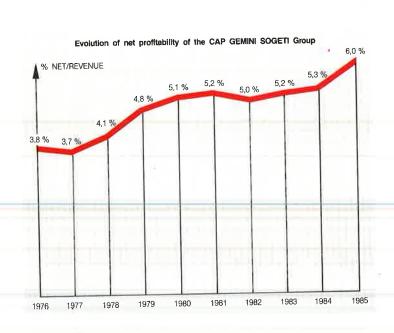


Serge KAMPF,
President and Chairman of the Board of
CAP GEMINI SOGETI S.A.

2. 1985 has closed with net balance-sheet income totalling 6 % of revenue for the year, which in turn shows a 23 % increase over income for the preceding year: these are the best results obtained by the Group since the 1975 merger between CAP, GEMINI and SOGETI. Obtained in the absence of any acquisition during the year, this income and this growth rate are the reflection of a fairly homogeneous overall performance, in which special distinction might perhaps be awarded to the performance of Group Europe (consisting of CAP GEMINI SOGETI's nine non-French European subsidiaries), which will have more than doubled its revenue, nearly tripled its earnings and increased its workforce from 960 to 1,760 in just two years. Noteworthy also is the performance of one of the subsidiaries in which our company is not a majority shareholder, SESA, whose contribution to CAP GEMINI SOGETI's consolidated income rose from FF 5.4 million in 1984 to FF 11.2 million this year (while still representing only slightly over 8 % of total earnings). In any case, the fact of having achieved in 1985 that fateful overall Group percentage of 6 %, which our Plan had projected for no earlier than 1987, now presents us with a fresh challenge and will stimulate us to even greater stringency in the management of our affairs, insofar as it is possible to do better in this regard.

3. The third striking event of 1985 did not take effect until 1 January 1986: this was the acquisition of the Consulting Division of CGA Computer, Inc. and its merger with our subsidiary DASD to form a new entity C.G.A.: an acronym which we now read as CAP GEMINI AMERICA.

This acquisition (preceded, as you might expect, by prolonged negotiations which took up the last four months of 1985) is an important stage in the history of our presence in the United States, which actually dates only from 1981, when DASD was acquired. Now, five years later, we have 1,700 people spread among 26 branches covering the entire nation: this is the volume that we had to achieve in order to count among the front-running DP software service suppliers in the U.S.A., and this acquisition – costing about 31 million dollars – will now enable us to consolidate this position over the upcoming years. C.G.A. should show total 1985 revenue in excess of \$120 million, and we are not excluding examination of the possibility of having our American subsidiary register with the New York Stock Exchange in 1987 or 1988, if the quality of its results will insure a good showing. In point of fact, we are quite aware of the formidable growth lever that the financial market wields in the United States more than elsewhere, as well as of the usefulness - more in that country than elsewhere - of motivating managers by the prospect of one day being able to trade in shares of the company whose growth lies in their hands.



Such are the three events that we wish to set apart in our review of 1985. Many others of lesser importance took place during this year, however, and some of them can be cited here without any special attention to chronological order:

• A traditional event, but one which took on special significance this year: publication of our "Annual Report," the tenth in the series and designed to set the stage for our stock-market entry with its review of "10 Years of Growth." It did its job so well that it attracted the prize for the best 1984 Annual Report (an honor shared with Air Liquide), bestowed by Mr. Bérégovoy, French Minister of Finance.

 The fire which devastated our Financial Services offices in Lyons on 22 March, just as the year was being closed and less than three months before our stock-market entry, forcing our accounting staff to work under extremely uncomfortable conditions for three months during a period of vital importance to our

Group's existence.

• The consolidation of office facilities for the General Management of CAP GEMINI SOGETI and the operational managements of Groups France and Europe in a single headquarters building when, on 2 December, we moved into one of the twelve historic townhouses of "the Marshals of France" which ring the Place de l'Etoile in Paris.

• Purchase of 49.5 % of the capital of our English subsidiary, IAL-Gemini, held since 1979 by International Aeradio Limited, a British Airways subsidiary prior to its purchase by S.T.C. (Standard Telephones and Cables): IAL-Gemini thus became a wholly-owned subsidiary of the CAP GEMINI SOGETI Group, changing its name to C.G.S.-U.K. This is perhaps not an extremely important event in the Group's life, as this subsidiary only employs 100 people and Great Britain is, along with Germany, one of the rare European markets in which CAP GEMINI SOGETI's position is still not very strong. On the other hand, however, one might say that this is also one of the markets where our growth potential is greatest, and this full takeover will give us incentive to pay greater attention to its possibilities.

• The appointment in September 1985 of a Group Secretary General: Michel Berty, who – after having spent four years in the United States to consolidate and develop our first acquisition, DASD (whose revenue rose from \$23.1 million in 1981 to \$52.2 million in 1985) – has returned to Paris to assume this position. As Secretary General, Berty will join Michel Jalabert and Daniel Setbon among the Group President's closest associates within the holding company.

There are probably many other events, great and small – particularly within the Group's operational subsidiaries – deserving of mention here, but we would run the risk of straining the attention of those listening to us today, so our enumeration will be halted at this point as we move to the remarks we must make concerning:

• the 1985 results of CAP GEMINI SOGETI S.A.

 the consolidated results of the Group controlled by the above company,

• and our prospects for the future.



The first photograph of the CAP GEMINI AMERICA management team, taken on the occasion of the kick-off meeting which launched the company. This was the result of the merger, on 1 January 1986, between CAP GEMINI DASD and the Consulting Division of C.G.A. Computer, Inc.

II - 1985 RESULTS OF CAP GEMINI SOGETI S.A.

Obviously these results do not warrant elaborate explanation, since 1985 is this company's first full financial year. We have just recalled the fact that a legal restructuring was carried out in 1984, taking the form of investment of the totality of the Group's operational activities in this new CAP GEMINI SOGETI, established in September 1984. This company's first financial year (actually lasting only slightly longer than three months) was of even less significance inasmuch as, pursuant to the terms of the investment agreement, transfer of possession of assets and rights took place only on 1 January 1985.

The year 1985 closed with total revenue of FF 144 million, of which FF 90 million are operating revenue and FF 54 million are financial revenue. Pre-tax income also totals FF 54 million, i.e., it is identical (differing by FF 181,000 only) to the amount of financial income. Net balance-sheet income after corporation taxes of FF 6.8 million totals FF 47.2 million.

With regard to our company's balance sheet, one point only requires comment: it includes "other reserves" totalling FF 34 million, an amount representing 19 % of total capital stock (FF 177.7 million). These "other reserves" represent the net amount of provisions for foreign investment formed upon acquisition of DATA LOGIC in Norway and DASD in the United States. Both of these acquisitions took advantage of provisions of Art. 39 of the French General Tax Code and resulted in the formation of reserves totalling FF 68 million, entered in our company's accounts – following the partial investment of assets noted above – under two items:

• an "other reserves" item of FF 34 million, reconstituted

 an "other reserves" item of FF 34 million, reconstituted under "liabilities" in our company's balance-sheet by subtraction from the initial investment premium,

• a "provision for risks and losses" in the same amount, corresponding to the corporation tax owed on this reserve for foreign investment (50 % of FF 68 million).

It should be noted that, pursuant to the law, our company had to reintegrate FF 505,386, representing the first pro-rata share of the reserve established for acquisition of DATA LOGIC, in its 1985 results. As a consequence, the reserve for expenses was decreased by an amount equal to 50 % of this FF 505,386, i.e., by FF 252,693, a sum which your Board of Directors proposes to draw from the "other reserves" item for allocation to the "share premiums" item.

After recalling that our company distributed no dividends for financial 1984 (which was, as we noted, its first financial year), the Board of Directors proposes to allocate distributable profit for 1985 which, increased by retained earnings of FF 58,375, totals precisely FF 47,216,700.73 as follows:

With your assent, payment of this dividend could take place on a date to be determined by your Board of Directors.

To conclude this discussion of CAP GEMINI SOGETI S.A., your Board of Directors points out that it presently has no substitute auditors, whereas it should have one substitute auditor for each titular auditor. The Board therefore proposes that you today appoint two substitute auditors, the accounting firms of Mazars and of Cauvin, Angelys, Saint-Pierre, Revifrance (as substitutes for Messrs. Bernard Pugniet and Jacques Bourguignon, respectively) for a term equal to the term of appointment of the titular auditors.

III - 1985 CONSOLIDATED RESULTS OF THE CAP GEMINI SOGETI GROUP

First off, it should probably be recalled that, as of 31 December 1985, our company controlled the entire Group through five wholly-owned subsidiaries, consolidated by total integration:

 CAP SOGETI France, which itself controls all of the CAP SOGETI companies conducting their activity in France

DATA LOGIC, our Norwegian subsidiary,

CAP EUROPE and GEMINI COMPUTER SYSTEMS, the two holding companies which control the other eight subsidiaries doing business in Europe,

 and, finally, CAP GEMINI DASD, our United States subsidiary.

Our company also holds 99 % of S.C.I. Paris Etoile (the company owning the building which houses Group General Management at the Place de l'Etoile, Paris) as well as several minority investments, the most significant being those in two companies consolidated by the equity method:

49.2 % of Groupe Bossard S.A., a holding company which

controls the entirety of the Bossard Group,

 41.9 % of SESÁ S.A., holding company for the SESA Group.

The entirety of these subsidiaries and investments, with the companies that they control, constitute the CAP GEMINI SOGETI Group, whose consolidated accounts have been certified on 28 March 1986 by our company's auditors and by the international auditing firm Coopers and Lybrand. For those unaware of the fact, it might be useful to point out here that our consolidated accounts have been audited and certified in this manner since 1977, proof or our long-standing determination to publish only information which has undergone severe outside scrutiny.

These accounts, approved on 10 April, showed total revenue of FF 2,222,352,000 (including FF 21,282,000 in financial revenue), as compared to FF 1,803,429,000 for the preceding year, for an increase of 23.2 %. Recalling that the Group's consolidated revenue for 1975 - the year of our first Annual Report - was only FF 226 million, we note that it has grown by a factor of 10 in ten years. We already made the same observation last year when comparing revenues between 1984 and 1974: the performance noted last year has thus been reconfirmed this year, and this achievement is all the more praiseworthy as the average inflation rate recorded in the countries where the Group is active has dropped significantly from its levels of past years. In terms of volume - i.e., after eliminating the effects of this inflation - growth is 18.6 %, higher than the average for the past ten years (15.5 %).

It should be noted that France still accounts for slightly over 44 % of this total 1985 revenue, while it is foreseen that, in view of the Group's acquisition on 1 January of the Consulting Division of the former C.G.A., this proportion will amount to only somewhat over one-third by the end of the current year. It should also be noted that, at the suggestion of Coopers and Lybrand, we have changed the somewhat simplistic method previously employed for converting foreign-currency revenue into French francs: this year, instead of using the exchange rate for each currency listed for the last day of the year, we have applied the weighted average annual rate of exchange. As might be expected, the effects of this change in method, combined with important recorded variations in the dollar during the last year, are especially significant for the USA Group results which, when converted into francs, appear to have regressed from one year to the next whereas, when expressed in dollars, they have actually increased.

COMPARATIVE CONSOLIDATED STATEMENT OF INCOME

(in millions of French Francs)	1984	1985	Δ %
TOTAL REVENUE			△ %
OPERATING REVENUE	1,803.4	2,222.4	23.2
	1,790.3	2,201.1	22.9
OPERATING INCOME FINANCIAL INCOME EXCEPTIONAL INCOME	215.1 - 7.4 - 21.3	265.3 - 10.4 - 21.7	23.3 - 40.5
INCOME BEFORE TAXES PROVISION FOR INCOME TAXES	186.4 91.9	233.2 110.9	25.1 20.7
INCOME AFTER TAXES AND BEFORE INCOME FROM AFFILIATED COMPANIES	94.5		
NCOME FROM AFFILIATED COMPANIES:	74.0	122.3	29.4
BOSSARD MINORITY INTERESTS IN NET INCOME NET EFFECT OF RESTRUCTURATION	5.4 - 1.8 - 0.3 - 2	11.3 0,7 - 1.4	109.3
NET INCOME	95.8	132,9	38.6
NET INCOME PER COMMON SHARE (in French Francs)			

In view of this 23.2 % increase in revenue, operating costs have in turn grown by 22.9 %, i.e., slightly less than revenue, leading to a gross operating profit of 12.1 %, as compared to 12 % for the preceding year. Among these costs, we note that:

the "salaries and social charges" item (which alone represents exactly two-thirds of total operating expenses) increased

 transportation and travel expenses increased by 25 % and represent 5.4 % of total expenses and 4.7 % of total income,

• the "purchases and other outside expenses" item grew by nearly 40 % from one year to the next, but is counterbalanced by the strong increase in the "other operating revenues" itemderived primarily from sales of MULTIPRO workshops and program products - which rose from FF 80 million to FF 172 million, for an increase of 116 %,

depreciation charges and provisions rose by 48 %, and this year represent 2.6 % of operating costs and 2.25 % of total

revenue.

Net financial expenses account for only 0.47 % of total revenue: in absolute value, the amount (FF 10,422,000) is actually lower than in 1983 (FF 13,465,000) thanks to the volume of financial income. We have already stated that financial income totals FF 21,282,000 for 1985, but it can still be pointed out that FF 17,820,000 of this amount was earned by Group Europe alone, offering additional proof of its good financial health.

The Group's net income may be evaluated at two levels:

 first, by disregarding the contribution of companies consolidated by the equity method: in this case, the Group's net income totals FF 120,896,000, or 5.4 % of total revenue, a growth of 31 % over the equivalent results for 1984 (FF 92,256,000 and 5.1 % of total revenue),

 by reintegrating the contribution of companies consolidated by the equity method, the Group's share of net income amounts to FF 132,873,000, or precisely 6 % of total revenue, for a growth of 38.6 % over the equivalent results for 1984 (FF 95,836,000 and 5.4 % of total revenue).

Referred to the number of shares representing CAP GEMINI SOGETI S.A.'s share capital, this net profit amounts to FF 40.73 (as against FF 29.38 for the preceding year) per share having a par value of FF 20. The dividend that you have just been requested to distribute to our company's shareholders would thus represent 29.5 % of this consolidated net profit.

Passing next to the CAP GEMINI SOGETI Group's consolidated balance sheet it is seen that the most significant variation is shown by the "fixed assets" item, which rose from FF 83 million to FF 266 million, primarily reflecting the total purchase and remodelling costs for the Place de l'Étoile building. Under "liabilities," the "long-term debt" item showed a symmetrical increase of FF 120 million, rising from FF 150 million to FF 270 million.

The position of the "accounts receivable" item increased by only 17.6% from one year to the next whereas, as we have seen, revenue grew by 23.2 %: this item thus represents only 81 days of revenue, as compared to 85 days at the close of the preceding year (and 90 days at 31 December 1983). Nonetheless, the observed improvement is somewhat less striking than it would appear if decreased by total "advances from customers and invoices issued in advance," which have grown by 43 % from one year to the next: in this case, the growth in "accounts receivable and related accounts" is 21.3 % (compared to the 23.2 % increase in revenue), and the total represents 98 revenue-days, as against 100 days at the close of the preceding year.

Cash in bank totals FF 328 million, an increase of FF 96 million over the close of 1984 and of FF 213 million over the figure for 31 December 1983.

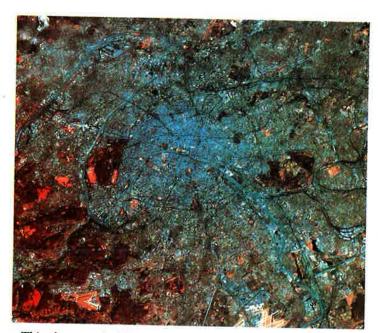
Net income totals FF 416 million before dividends and will amount to FF 377 million after dividends. Net income will then represent 28.7 % of the balance-sheet total (34.6 %, including minority investments and deferred taxes).

The balance-sheet total is FF 1,354,752,000 before dividends for the year, an increase of 34.3 % over the total at 31 December 1984: following payment of the proposed dividend, the figure will be FF 1,315,602,000.

Turning first to the immediate future – that is, financial 1986 – we can say today that it is looking good and that results should match our projection of this January: consolidated revenue (less VAT) in the neighborhood of FF 3 billion – 35 % above the 1985 figure – and net balance-sheet income at least equal to this year's 5.4 %, **disregarding** companies consolidated by the equity method. It may even be observed that current results for the first four months of the year show a slight lead over the overall budget, and there is presently no cause to believe that this budget will not be met.

With regard to subsequent years, we might at least point out that we intend to maintain our strategy of "growth without diversification," and that we are comforted in this by the fact that, for the next five years, the experts foresee a growth rate at least matching its past record for our present and future market.

Although this growth rate results in a complex situation made up of many factors (degree of computerization, evolution of data processing expenses, propensity for subcontracting, employment situation, intensity and rapidity of technological progress, increase in the proportion of heterogeneous systems, etc.), it is noteworthy that this rate has remained virtually constant for many years - hovering at about 20 % annually and that everyone is in agreement that it will remain so for a number of years to come. Now, simply holding on to your place in a market being swept forward at such a pace is already a handsome performance: to assist in measuring it, we need only note that, for a company of CAP GEMINI SOGETI's size (and assuming an average annual personnel turnover of 15 %, a low figure for a software service firm), this means over 7,000 people to be hired and trained beween now and the end of 1989! Another way of measuring the effort to be made: during this same period, CAP GEMINI SOGETI plans to allocate over one billion francs (equivalent to 50 % of last year's total revenue) to a research and development budget which will enable it to acquire the skills needed for improved handling and dissemination of new techniques, particularly those related to



This photograph of Paris was taken from the SPOT observation satellite designed by C.N.E.S., the National Center for Space Studies in France, and completed in conjuntion with Belgian and Swedish associates. CAP GEMINI SOGETI developed a lot of software currently operational in the satellite itself and in the earth stations. To accomplish this work, the Group's teams used the MULTIPRO software engineering workshop, which is the result of fifteen years of research and practical applications in the strategic area of software engineering.

applications development and maintenance (artificial intelligence, software engineering, man-machine communications, and so on). This is a matter of substantial effort whose result will be simply to permit us to keep our place – and perhaps to consolidate it as well – in a booming market whose boundaries no one can clearly predict at this time.

While this strategy of growth and consolidation suffices to keep us – and probably our shareholders – happy, it still does not bar us from making future acquisitions in order to strengthen our position in countries where our marketshare is still inadequate, or in technical "niches" where we believe investments should be made more rapidly than elsewhere. But we have absolutely no intention of going back on our resolution of a decade ago: to be present only on the major markets of the Western world, i.e., Western Europe and the United States. Of course, the world DP business has three poles, and not just two: the third is Japan, and we have no presence there. For the time being, let us say that we are not actively thinking about changing this situation, since there is more than enough for us to do on the two continents where we already have a presence.

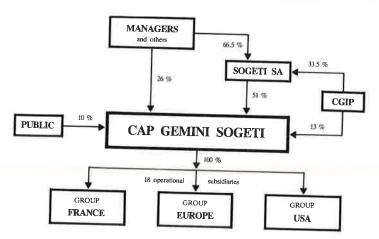
And we also know from experience that, where services are concerned, a great deal of patience, perseverance and steadfastness is needed, and that nothing is done in one day. Within the CAP GEMINI SOGETI Group, for example, it took six or seven years for Group France to become a reality, and it was only recently that Group Europe reached the stage of maturity and self-confidence that is enabling it to achieve its current performance levels. In the United States, absolute priority is now being assigned to making the merger between the DASD and C.G.A. teams a success. We know that this is going to take time, especially since that subtle fusion of allegiance to a national culture and community with membership in an international group must be brought about in the United States just as it has been within the rest of the Group.

Paris, 10 April 1986

Board of Directors of CAF	GEMINI SOGETI S.A.*			
Serge KAMP	PF, Chairman			
Pierre (CELIER			
Michel JA	LABERT			
Michèle	KAMPF			
Bruno ROGER				
Ernest-Antoin	e SEILLIERE			
Daniel S	SETBON			
Statutory auditors	Auditors			
Jacques BOURGUIGNON Bernard PUGNIET	COOPERS & LYBRAND			

^{*} The Board of Directors of the Company SOGETI SA (which controls 51% of the shares of CAP GEMINI SOGETI S.A.) is made up of the same Directors plus:

Messrs. José Bourboulon, Harrie Deckers, Philippe Dreyfus, Jean-B. Renondin, James P. Utterson.

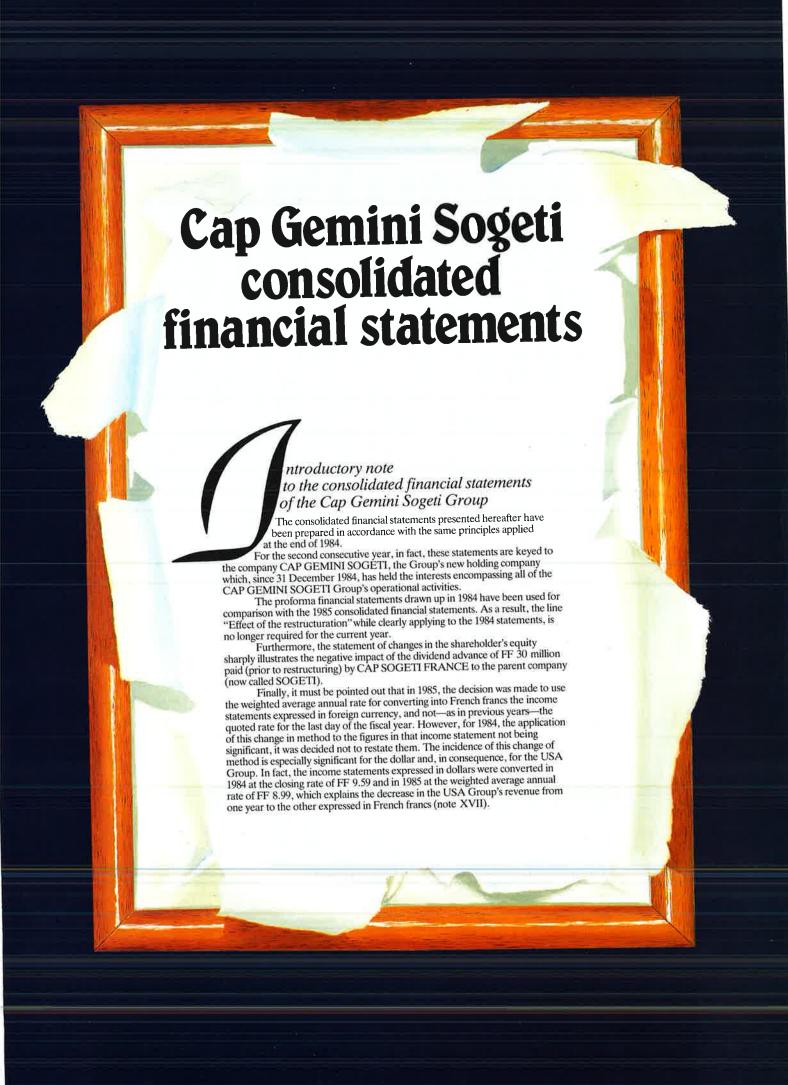


CAP GEMINI SOGETI's shares were introduced on the Second Market of the Paris Stock Exchange on 12 June 1985, through a public offering of 875 francs per share.

The graphs below illustrate the progress of the shares and the volume of transactions from that date to the end of March 1986.

The distribution of CAP GEMINI SOGETI's common stock is outlined in the chart opposite.

CAP GEMINI SOGETI EN BOURSE NUMBER OF TRANSACTIONS Volume of monthly exchanges (in thousands of shares) **EXTREME QUOTATIONS** (highest and lowest monthly quotations) 170 160 150 140 130 1.041 120 1.010 1.041 110 100 90 -80 -70 -60 -50 -40 -30 -20 -JUN * JUL AUG SEPT OCT NOV DEC JAN FEB MAR Non-significant (month of introduction) JUN JUL AUG SEPT OCT NOV DEC JAN FEB MAR COMPARATIVE EVOLUTION OF CAP GEMINI SOGETI'S QUOTED SHARES AND CAC INDEX (using a base of 100 at 12 June 1985) 190 180 CAP GEMINI SOGETI 170 SHARE 160 150 CAC Index 130 120 110 100 90 SEPT OCT



AUDITORS'REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders and Board of Directors of CAP GEMINI SOGETI S.A.

We have examined the consolidated balance sheets of CAP GEMINI SOGETI S.A. and subsidiaries as of December 31, 1985 and 1984 and the related consolidated statements of income, retained earnings and changes in financial position for the year ended December 31, 1985, all expressed in French francs. Our examinations, which were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We did not examine the financial statements of certain subsidiaries which statements represent 17.09% and 27.86% respectively (1984: 12.8% and 23.92%) of the total consolidated assets and income for the year ended December 31, 1985. These statements were examined by other auditors in accordance with generally accepted auditing standards, and whose reports thereon have been furnished to us. Our opinion expressed therein, insofar as it relates to the amounts included for such subsidiaries, is based solely upon the reports of other auditors.

In our opinion, based upon our examination and the reports of other auditors referred to above, the consolidated financial statements referred to above all expressed in French francs, present fairly the consolidated financial position of CAP GEMINI SOGETI S.A. and subsidiaries as of December 31, 1985 and 1984 and the consolidated results of their operations and changes in financial position for the year ended December 31, 1985 (on pages 2 to 19) in conformity with the statements of accounting principles as defined by the International Accounting Standards

Committee (I.A.S.C.) applied on a consistent basis.

Paris, March 28, 1986 Statutory Auditors

J. BOURGUIGNON

B. PUGNIET

Cooper & dy

AUDITORS

COOPERS & LYBRAND

CONSOLIDATED BALANCE SHEETS

(expressed in thousands of USD)

ASSETS	1984	1985
Current assets		
Cash	25,806	36,459
Accounts and notes receivable (note VIII)	46,905	55,168
Other receivables (note IX)	2,964	4,249
Other current assets	2,856	1,390
Deferred income taxes (note X)	694	1,268
8	79,225	98,534
Non-current assets		
Equity investments in affiliates (note V) Unconsolidated investments in	5,676	7,515
affiliates (note VI)	411	294
Other non-current assets (note VII)	612	866
Property, plant and equipment, net of accumulated depreciations of		
(1984: 4,444) (note IV)	9,259	29,634
Goodwill (note III)	14,838	13,073
Other fixed assets (note III)	2,194	780
	32,990	52,162
TOTAL ASSETS	112,215	150,696
Guarantees given by third parties	156	127

LIABILITIES AND SHAREHOLDER'S EQUITY	1984	1985
Current liabilities		
Financial debts (note XIII) Operating debts (note XIV) Other current debts note XV)	2,547 36,872 12,232	5,368 43,243 17,088
	51,651	65,699
Non-current liabilities		
Long-term debt (note XII)	16,671	30,069
Deferred income taxes – Long term (note X)	8,248	8,449
Minority interests	123	177
Shareholder's Equity (note XI) Common stock, 3,262,500 shares		
of FF 20 each	7,258	7,258
Retained earnings	17,604	24,264
Shareholder's equity Net income for the year	24,862	31,522
(1984 proforma)	10,660	14,780
Total shareholder's equity before appropriation of income	35,522	46,302
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	112,215	150,696
Commitments (note XVI)	971	1,947

CONSOLIDATED STATEMENTS OF INCOME for the years ended December 31

(in thousands of USD)

	1984 (profo	rma)	1985	
	Amount	%	Amount	%
Fees from service rendered Sales of developped program software products Other operating revenue	189,328 8,847 969	95.1 0.5 4.4	225,158 19,102 576	92.0 0.2 7.8
TOTAL OPERATING REVENUE (note XVII)	199,144	100.0	244,836	100.0
OPERATING CHARGES	(175,220)	(88.0)	(215,321)	(87.9)
OPERATING CHARGES OPERATING INCOME	23,924	12.0	29,515	12.1
Financial revenues Financial expenses	1,461 (2,287)	0.7 (1.1)	2,367 (3,526)	1.0 (1.5)
FINANCIAL INCOME	(826)	(0.4)	(1,159)	(0.5
Exceptional revenues	189 (2,552)	0.1 (1.3)	674 (3,095)	0.3
Exceptional expenses (note XVIII) EXCEPTIONAL INCOME	(2,363)	(1.2)	(2,421)	(1.0
INCOME BEFORE TAXES AND MINORITY INTERESTS	20,735	10.4	25,935	10.6
PROVISION FOR INCOME TAXES (note XIX) Equity in undistributed earning of affiliates Minority interests in net income	(10,227) 398 (33)	(5.1) 0.2 —	(12,334) 1,332 (153)	0.5 (0.1
NET INCOME OF SOGETI GROUP BEFORE LEGAL RESTRUCTURATION Net effect of the restructuration (note XX)	10,873 (213)	5.5 (0.1)	14,780	6.0
NET INCOME	10,660	5.4	14,780	6.0
NET INCOME PER COMMON SHARE (in USD)	3.27		4.53	
Number of shares	3,262,500		3,262,500	

Notice to reader: For the purpose of the English language version of this report, financial statements included have been translated into US dollars using a uniform rate for 1984 and 1985 of US \$1= FF 8.99. The auditors' report relates only to the French language version of these financial statements expressed in French francs which are included in the company's annual report published in French.

CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION For the years ended December 31,

(in thousands of USD)

SOURCES OF FUNDS	(proforma)	1985
Net cash flow:	11/4/1/2015/5/5/	
 Net income as shown on group CAP GEMINI SOGETI balance-sheet Equity in undistributed earnings of affiliates Minority interest in net income Depreciation of other fixed assets Amortization of goodwill 	10,660 (398) 33 2,301	14,780 (1,333 153 4,449
- Deferred taxes - long-term	725	670
Total net cash flow of Group Cap Gemini Sogeti	1,274	(28
	14,595	18,691
Long-term debt increases (decreases), net of short-term transfers and advanced payments Increase in other non-current liabilities Increase in employee profit sharing fund Effect of currency translation adjustments	(1,270) 463 1,049	12,336 1,012 280
Total sources of funds	1,946	(2,198)
USES OF FUNDS	16,783	30,121
Acquisition of new consolidated companies: - Goodwill		
Addition to property, plant and equipment	57 5,626	1,148
Cash Dividends paid Increase in working capital	5,741	21,911 1,802
	5,359	5,260
Total uses of funds	16,783	30,121
NCREASE IN WORKING CAPITAL CONSISTED OF:		
Accounts and notes receivable		
Cash	7,986	8,263
Other current assets	13,083	10,652
	(6,229)	393
Current liabilities	14,840	19,308
ncrease in working capital	(9,481)	_(14,048)
	5,359	5,260

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

(in thousands of USD)

	Retained earnings
As at December 31, 1983 (proforma – note XX) Cash dividends paid (proforma) Cumulative translation adjustment for the year 1984 (proforma) Net income for the year 1984 as shown on balance sheet (proforma) Cash dividends paid by CAP SOGETI FRANCE	28,657 (2,404 1,946 10,660 (3,337)
As at December 31, 1984	35,522
Cash dividends paid by CAP GEMINI SOGETI Cumulative translation adjustment for the year 1985 Net income for the year 1985 as shown on balance sheet (page 2)	(1,802) (2,198) 14,780
As at December 31, 1985 before appropriation	46,302

The accompanying notes on pages 17 to 20 are an integral part of these financial statements

NOTES TO 1985 CONSOLIDATED FINANCIAL STATEMENTS

(1984 PROFORMA - NOTE XX) (in thousands of USD)

I - ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with current statements of accounting practice issued by the International Accounting Standards Committee (I.A.S.C.).

Consequently, the accounts of each consolidated company (prepared in accordance with the accounting principles and legislation of the related country) are restated to conform with those statements of accounting practice, of which the following is a resume;

a/Consolidation

The consolidated financial statements include the accounts of CAP SOGETI S.A. and all of its majority owned (directly or indirectly) subsidiaries.

Investments in affiliated companies owned 20% to 50%, and in which the group has either an option to acquire a controlling interest or a substantial degree of management influence, are accounted for on the equity basis. The gross value of investments in these companies is consequently adjusted for the group's equity in undistributed earnings subsequent to the acquisition of the related shares and, if necessary, for the amortization of goodwill.

All other investments have been accounted for at cost. All intercompany transactions have been eliminated.

b/Valuation method

■ Effects of inflation

No adjustment has been recorded to take into account the effects of inflation;

■ Foreign currencies translation

Balance sheets and profits and losses of foreign subsidiaries are respectively translated into French francs at the closing rates and at the weighted average rates of exchange of the related years.

Profits and losses on translation are not included in the profit and loss

account but are accumulated in consolidated reserves (note XI).

c/Deferred taxation

Deferred taxation is recorded in the statement of income and the balance sheet for the tax effect of timing differences originating from expenses or revenues recognized for tax purposes in periods different from those in which they enter the statement of income (in France, these items relate principally to provisions for vacation pay, employees profit sharing and foreign investment).

Reserves are established for taxes to be paid upon distribution of certain

foreign earnings.

d/Property, plant and equipment

Property, plant and equipment is stated in the balance sheet at cost.

Depreciation is calculated on the "straight line" method over the estimated useful lives of the assets concerned.

	Depreciation is based on the following asset lives:	-00
•	Building	30 years
	Furniture and fixtures	10 years
•	Equipment	7 years
•	Vehicles	5 years

Fixed assets acquired under long-term lease/purchase contracts are recorded at their market value on the date of the contract and are written-off over their estimated useful lives.

e/Intangible fixed assets

 Developped program software products:

"Other fixed assets" include program software products, either acquired or

"Other fixed assets" include program software products, either acquired or

"Other fixed assets" include program software products. developed by the group, and are stated at cost. In order to be capitalized, expenditures on program software products developped by the group must comply with the following two criteria:

they must give rise to an increase in the economic capacity of the company;

they must constitute marketable assets.

Program software products realized under contracts signed in France with official organizations are amortized over the duration of the contract for the part financement by those organizations. Other program software products are amortized over a period not exceeding 5 years.

■ Goodwill:

Goodwill represents the difference at the date of acquisition between the purchase price of investments in consolidated companies and the group's share of the net assets of the companies concerned and is amortized over a maximum period of 40 years.

f/Research costs

Research costs are written-off to expense in the year incurred.

g/Revenue recognition for long-term contracts

Income on long-term contracts is recognized according to the percentage of completion method. Services relating to fixed price contracts which extend over more than one financial year are valued at their sale price reduced by, for the purposes of conservatism, a variable percentage taking into account the specific characteristics of each contract. Only services rendered but unbilled as of the balance sheet date are included in accounts receivable.

Revenue on time and materials contracts is credited to income as and when the work is incurred.

II - STRUCTURES MODIFICATIONS OCCURED IN 1985

On December 4, 1985, C.G.S. SOFTWARE (the former C.G.S. U.K.) acquired 49.5% of C.G.S.U.K. (the former IAL GEMINI U.K.) and C.G.S.MICRO (the former IAL GEMINI MICROCOMPUTERS) increasing its control in these companies from 50.5% to 100%.

III - INTANGIBLE FIXED ASSETS

a/Goodwill

As at December 31, (in thousands of USD)	1984	1985
Gross value Amortization	17,409 (2,571)	15,960 (2,887)
Net value	14,838	13,073

The increase in the net value of the goodwill is partly attributable to the acquisition of the 49.5% of the shares in C.G.S. U.K. and CAP GEMINI SOGETI MICROCOMPUTERS and partly to the translation effect of the goodwill related to foreign companies (note XI).

b/Other fixed assets (programme software products)

2,194	780
(2,026)	(3,144)
4 220	3,924
1984	1985
	4,220 (2,026)

IV - PROPERTY, PLANT AND EQUIPMENT

As at December 31, (in thousands of USD)	1984	1985
Land Buildings Furniture and equipment Fixtures	245 3,304 7,234 2,920	1,636 15,713 8,887 7,767
Gross amount Depreciation	13,703 (4,444)	34,003 (4,369)
Net amount	9,259	29,634

V - EQUITY INVESTMENTS IN AFFILIATES
As at December 31, 1984 and 1985, the investments accounted for by the equity method include two investments in companies where CAP GEMÍNI SOGETI S.A. owns more than 20%:

•	• Group BOSSARD	40.2	0%
•	• SESÂ	41 0	0%
	The principal financial data relating to the BOSSARD and SESA	**********	70

as follows:

	Grou BOSSA		Grou SES.	
(In thousands of USD)	1984*	1985	1984	1985
Revenue	33,415	36,278	78,788	96,142
Net income	(394)	183	2,418	3,726
Net equity of CAP GEMINI SOGETI	(202)	81	600	1,251

(*) unaudited figures

VI - UNCONSOLIDATED INVESTMENTS IN AFFILIATES These include:

Less amortization Total		(5)
degree of management influence) Investments with less than 20% effective	132 279	60 239
a controlling interest nor a substantial		
Investments ranging from 20% to 50% (with neither an option to acquire		χ.
As at December 31, (in thousands of USD)	1984	1985

VII - OTHER NON CURRENT ASSETS

As at December 31, (in thousands of USD)	1984	1985
• Loans	165	337
• Other	447	529
Total	612	866

VIII - ACCOUNTS AND NOTES RECEIVABLE

As at December 31, (in thousands of USD)	1984	1985
Accounts receivable	48,222	57,822
 Invoices to be issued 	6.641	8,745
 Advances, billed advance 	(7,958)	(11,399)
Total	46,905	55,168

IX - OTHER RECEIVABLES

1984	1985
572	768
	2,191
1,078	1,290
2,964	4,249
	572 1,314 1,078

X - DEFERRED INCOME TAXES

a/Assets

Current deferred income taxes arise principally from timing differences incurred between expenses recorded in the accounting records and subsequent deductions permitted for income tax purposes, in future periods (provisions for vacation pay, employee profit sharing, etc.).

As at December 31, (in thousands of USD)	1984	1985
Short-term net	694	1,268

b/Liabilities

As at December 31, the majority of deferred income credits relate to the following (in thousands of USD):

Total long-term	8,248	8,449
• Other	221	381
operations in USA	4,245	4,314
Restatements following merging	3,782	3,754
foreign investment)	3,782	2 754
 Taxation reserves (provision for 		
	1984	1985

XI - SHAREHOLDER'S EQUITY

As at December 31, 1985, shareholder's equity consists of the following:

In thousands of USD		
Issued share capital of CAP GEMINI SOGETI S.A. (3,262,500 shares par value 20 French francs, authorized and issued) Retained earnings of CAP GEMINI SOGETI S.A. non distributable portion distributable portion, after tax deduction distributable portion	726 2,750 6	7,258 3,482
Subtotal Group CAP GEMINI SOGETI equity in earnings of subsidiaries subsequent to their acquisition (including the translation adjustments)	3,482	20,782
Total		31,522

XII - LONG-TERM DEBT

These include:

16,671	30.069
1,226	1,277
4,566	5,577
10,879	23,215
2,080	673
8,799	22,542
1984	1985
	2,080 10,879 4,566 1,226

Long-term debt includes loans owed by Group companies which are all denominated in the domestic currencies. As at December 31, 1985 the average rate of interest is 10.45% (1984: 10.95%). Of loans totalling 23,215 thousand USD (1984: 10,879 thousand USD), 13,013 thousand USD (1984: 7,603 thousand USD) relate to notes renewable quarterly. These funds can therefore be drawn upon in accordance with individual company needs.

As at December 31, the redemtpion dates of these loans are the following (in thousands of USD):

,		
Years	1984	1985
	2,956	-
1986	4,542	5,021
1987	610	4,111
1988	557	3,348
1989	562	3,198
1990	651	2,531
1991		5,006
Subsequent years	1,001	
Total long-term portion	10,879	23,215
	2,117	4,821
Total short-term portion	The second secon	

On balances due at December 31, 1985, no loans are guaranteed. At December 31, 1984, amount due on loans guaranteed was 500,000 French francs.

XIII - FINANCIAL DEBTS

1 . D L 21 (in thousands of USD)	1984	1985
As at December 31, (in thousands of USD) Short-term loans Notes payable to banks Other	2,117 418 12	4,821 545 2
Total	2,547	5,368

XIV - OPERATING DEBTS

As at December 31, (in thousands of USD)	1984	1985
	10,015	12,424
Accounts payableEmployees	11,677	12,395
Taxes	8,740	10,678
• Other	6,440	7,746
	36,872	43,243
Total		

XV - OTHER CURRENT DEBTS

As at December 31, (in thousands of USD)	1984	1985
Income taxes	4,578	6,836 10,252
• Other	7,654	17.088
Total	12,232	17,000

XVI - COMMITMENTS AND GUARANTEES GIVEN

t of the Lagran	1984	1985
As at December 31, (in thousands of USD)	56	
 Commitment on loans(note XII) 	330	334
 Discounted notes, unmatured 	-	1,613
Other	585	
Total	971	1,947
Guarantees given to the company or its subsidiaries	156	78
(on loans)		49
• Other	156	127
Total	156	127

XVII - OPERATING REVENUE AND FINANCIAL REVENUE (VAT EXCLUDED)

As at December 31, (in thousands of USD)	1984	1985
Group FRANCE	83,183	105,739
Group EUROPE	59,303 53,348	83,399 51,340
Group U.S. A.* Group Development	3,310	4,358
Total operating revenue	199,144	244,836
Financial revenue	1,461	2,367
Total revenue (taxes excluded)	200,605	247,203

^{*} Decrease resulting from translation rates (see Introductory Note).

XVIII - EXCEPTIONAL EXPENSES

• Other Total	2,552	3,095
Employee profit sharing reserve	1,932 620	2,154 941
(in thousands of USD)	1984	
	1004	1985

XIX - PROVISION FOR INCOME TAXES

a/Effect of income taxes

1004	1985
1984	1903
10,647	13,362
(1,600) 1,180	(549) (479)
10,227	12,334
	(1,600) 1,180

b/Consolidation of taxable income Effective January 1, 1985, CAP GEMINI SOGETI S.A. and French subsidiaries in which its holds at least 95% interest are able to benefit from

Article 209 sexies of the C.G.I. for a three-year-period.

This approval provides within certain limits the consolidation of taxable income of the various entities.

c/Tax losses

As at December 31, (in thousands of USD)	1984	1985
As at December 31, (in moustants of edgy) Temporary tax loss carryforwards Indefinite tax loss carryforwards	640 361	248 296
Total tax loss carryforwards	1,001	544
Potential tax savings (at 50%)	500	272

Because of its uncertain future realization, this tax receivable is only recorded when corresponding tax loss carryforwards are effectively offset against taxable profits.

As at December 31, 1985, the expiring date of these tax loss carryforwards is the following:

Year	Amount (in thousands of USD)
1987	248
1701	

d/Effective rate of income tax

In 1985, the effective rate of income tax is 47.6% (1984: 49.2%). The benefit from the combination of taxable income (note XX b) has allowed the group to offset the tax losses of certain French subsidiaries. The difference between the effective rate and the normal French rate is due primarily to the use of loss carryforwards of foreign subsidiaries, secondly to the application of the provision of a 1983 French law favoring research by French companies, and thirdly to the varying tax rates of foreign subsidiaries.

XX - EFFECT OF THE RESTRUCTURATION

As at December 31, 1984, the total value of SOGETI S.A. investments had been transferred to CAP GEMINI SOGETI S.A., a wholly owned subsidiary of SOGETI S.A. incorporated on September 17, 1984. The effect of this restructuration had been to transfer all operational and profitable capabilities of SOGETI S.A. subsidiaries to CAP GEMINI SOGETI S.A., SOGETI S.A. had kept financial resources pecessary for its own continuing operations and had kept financial resources necessary for its own continuing operations and related revenues.

As a result of these operations, proforma consolidated financial statements of the Group CAP GEMINI SOGETI had been presented by retroactively of the Group CAP GEMINI SOGETI had been presented by retroactively replacing the financial statement information of the new company CAP GEMINI SOGETI S.A. with that of SOGETI S.A. for the year ended December 31, 1984. The proforma consolidated statement of income, statement of retained earnings and statements of changes in financial position of the Groupe CAP GEMINI SOGETI for the year ended December 31, 1984 had been presented by restating the audited statements of income of the Group SOGETI to take into account the financial effects of the legal restructuration.

The 1984 proforma consolidated statements of income had been presented after deduction of the interest charges at a 12% rate on the advances of 3.546

after deduction of the interest charges at a 12% rate on the advances of 3,546 thousands of USD made by SOGETIS.A.; this resulted in a net effect after taxes of 213 thousands of USD.

XXI - AFTER YEAR END EVENTS

On January 7, 1986, the company entered into an agreement by which CAP GEMINI DASD acquired the consulting division of CGA COMPUTER INC. The main financial data related to this acquisition are:

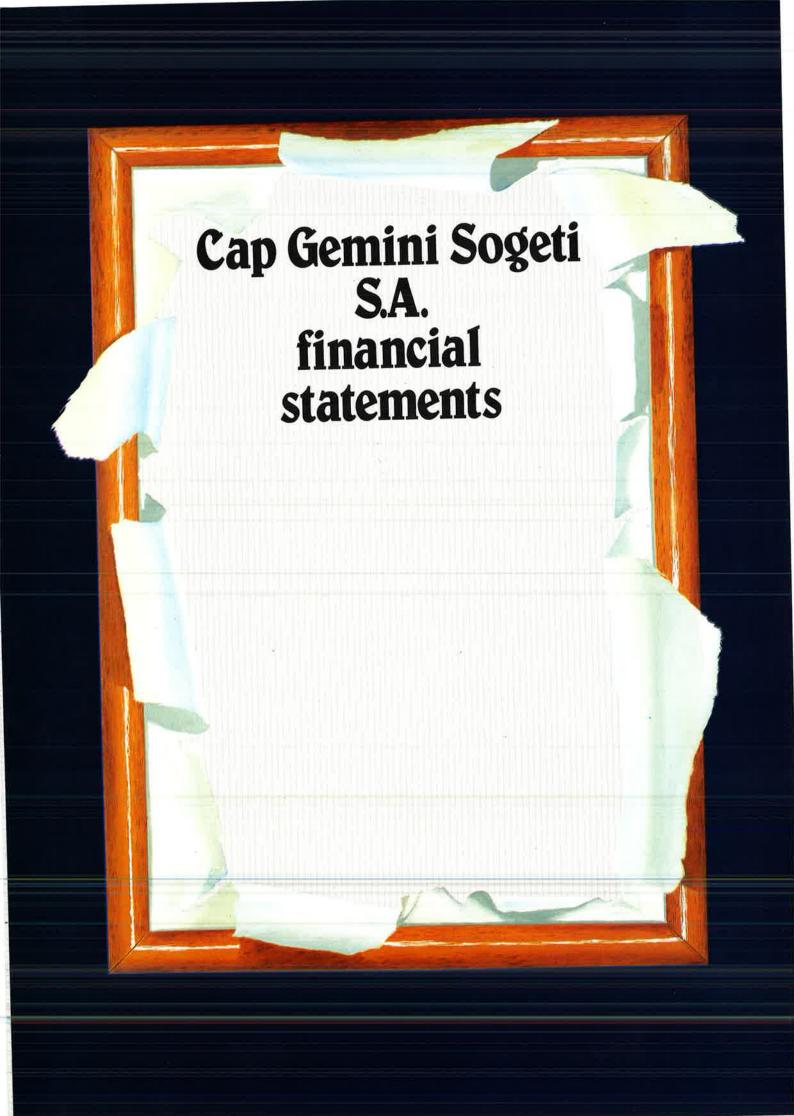
For the years ended	04-30-85	04-30-86 (estimated)
Total operating revenue	4,770	6,066
Income before central costs	609	811

Since then, the U.S. operating companies are subsidiaries of the U.S. holding company denominated CAP GEMINI HOLDING, which is a 100% subsidiary of CAP GEMINI SOGETI. At the same time, CAP GEMINI DASD changed its name to CAP GEMINI AMERICA.

XXII - AFFILIATED COMPANIES

1. Consolidated companies	9
Subsidiaries of CAP GEMINI SOGETI	
CAP SOGETI FRANCE CAP FURDER	. 10
CAI LUROFE	
DATA LOGIC (Norway)	10
DATA LOGIC (Norway) GEMINI COMPUTER SYSTEMS (United States) SCI PARIS ETOIL F	10
SCI PARIS ETOILE	10
Subsidiary again again	9
Subsidiaries of CAP SOGETI FRANCE	
CAP SOGETI EXPLOITATION (France)	10
CAP SOGETI TERTIAIRE INFORMATION INDUSTRIE CONSTRU	100
INFORMATION INDUSTRIE CONSEIL	100
Joint subsidiary of CAP GEMINI SOGETI and CAP EUROPE S.A. CAP GEMINI SWITZERLAND Subsidiaries of CAP EUROPE CAP GEMINI BELGIUM	
CAP GEMINI REDI IN	100
CAP GEMINI BERLIN CAP GEMINI BRA (Sweden)	100
CAP GEMINI SPAIN	100
CAP GEMINI SPAIN	100
STATE THON INDUSTRY CONSULTANTS (Switzerland)	_70
Subsidiaries of GEMINI COMPLITER SYSTEMS	_
CAP GEMINI GERMANY	100
JOS SOFT WARE (UK)	100
	100
	100
ANDATA (Netherlands)	100
	100
Subsidiaries of CAP GEMINI DASD CAP GEMINI SOFTWARE PRODUCTS	100
SKOUL SEIKIDELLIS	100
	80
. Investments accounted for on the equity basis	_
GROUP BOSSARD'S A and subsidiaries	
ESA and subsidiaries	49 42

common stock of 100,000 US dollars.



CAP GEMINI SOGETI SA BALANCE SHEET at 31 December 1985 (expressed in French francs)

ASSETS	1984	1985
CURRENT ASSETS		
Cash		
Accounts and notes receivable	15,442,950	28,266,75
Other receivables	1,781,712	1,300,59
Affiliated Companies	3,403,869	2,941,24
Other current assets	3,391,198	187,787,66
Unrealized exchange loss	4,951,349	3,103,520
		316,000
	28,971,078	223,715,786
NON-CURRENT ASSETS		
Other investments		
Consolidated investments in affiliates	2,282,535	2,311,115
Other non-current assets	176,832,566	183,599,326
Property, plant and equipment, net	21,481,698	16,310,500
of accumulated depreciation	15 454 000	
ntangible assets	15,474,394	16,426,384
	13,072,500	13,072,500
	229,143,693	231,719,825
TOTAL ASSETS		
	258,114,771	455,435,611

LIABILITIES AND SHAREHOLDER'S EQUITY	1984	1985
CURRENT LIABILITIES Financial debts Operating debts Other current debts Unrealized exchange gain	36,641,800 9,242,486 46,680,110 992,000	117,153,025 8,946,987 117,536,091 19,500
Officialized exchange game	93,556,396	243,655,603
NON-CURRENT LIABILITIES Provisions for risks and charges	34,000,000	34,063,307
SHAREHOLDER'S EQUITY Common stock, authorized and issued Retained earnings Foreign investment tax provision Shareholder's equity Net income for the year Total shareholder's equity before appropriation of income	65,250,000 31,250,000 34,000,000 130,500,000 58,375 130,558,375	65,250,000 31,308,375 34,000,000 130,558,375 47,158,320
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	258,114,771	455,435,61

CAP GEMINI SOGETI S.A. STATEMENT OF INCOME for the years ended December 31

	101 the years ended Decem	idel 31
(expressed in French Francs)	1984	1985
Fees from services rendered - France Other operating revenue - Export	220,000	53,874,520 26,041,970 10,208,256
Total operating revenue	220,000	90,124,746
Operating charges	103,250	52,361,556
OPERATING INCOME	116,750	37,763,190
Financial revenues Financial expenses		53,917,134 31,582,404
FINANCIAL INCOME		16,334,730
Exceptional revenues Exceptional expenses		2,377,189 2,532,876
EXCEPTIONAL INCOME		(155,687)
NCOME BEFORE TAXES	116,750	53,942,233
PROVISION FOR INCOME TAXES	58,375	6,783,907
TET INCOME	58,375	47,158,326

NOTE TO BALANCE SHEET AT 31 DECEMBER 1985

1 - ACCOUNTING POLICIES

The accounts have been prepared in accordance with generally accepted accouting principles, applied on a prudent basis. In particular have been respected the principles of:

Going concern,

Consistency of application of accouting methods,

Matching of revenues and related expenditures.

The financial statements are presented in accordance with locally accepted

The basic method applied to value the items recorded in the accounts is the historical cost method.

The major methods used are the following:

Property, plant and equipment

Property, plant and equipment are valued at their historical cost (purchase price + related expenses).

All property, plant and equipment having been merged as of December 31, 1984, no depreciation has been recorded during fiscal year 1984.

Investments, other fixed costs, marketable securities

The gross value consists of purchase price, excluding related expenses.

Receivables

Receivables are shown for their stated value. A provision for depreciation is recorded when their realizable value is below their value in the bxxxks.

Foreign investment tax provision

This provision represents a fiscal incentive in that, if set up in the books, the deduction is allowed for tax purposes.

Foreign currency transactions
Liabilities, receivables, cash in foreign currency are shown in the balance sheet for their equivalent French francs value converted at year end closing rate. The difference is shown as "Unrealized exchange gains or losses".

Comparison of accounting periods
As at December 31, 1984, a legal restructuring took place, whereby all operational activities of CAP GEMINI SOGETI (now called SOGETI) were merged into the company (formely called CAP SOGETI) created for that purpose in September 1984. Therefore the first fiscal year of the company is unrepresentative.

2 - NON CURRENT ASSETS

	Gross value at beginning of year	Additions	Disposals	Gross value at year end
INTANGIBLE ASSETS • Patents, trademarks • Others	13,072,500	460,000	460,000	13,072,500
	13,072,500	460,000	460,000	13,072,500
PROPERTY, PLANT AND EQUIPMENT Land Buildings Fixtures Vehicules Office furniture and equipment	2,207,083 8,431,765 1,752,223 164,790 2,918,534	112,306 4,356,759 4,469,065	722,300 430,332 1,152,632	2,207,083 8,431,765 1,142,229 164,790 6,844,961 18,790,828
INVESTMENTS AND OTHER NON CURRENT ASSETS Consolidated in affiliates Other investments Loans Deposits	176,832,566 2,282,535 21,439,000 42,698 200,596,799	6,766,760 28,580 19,500 6,814,840	5,148,000 42,698 5,190,698	183,599,326 2,311,115 16,310,500 202,220,941
TOTAL NON CURRENT ASSETS	229,143,694	11,743,905	6,803,330	234,084,269

3 - DEPRECIATION

	Balance at beginning of year	Charge for fiscal year	Deprecia- tion re-fixed assets sold	Balance at at year end
INTANGIBLES ASSETS Other		460,000	460,000	
		460,000	460,000	
PROPERTY, PLANT AND EQUIPMENT Buildings Fixtures Vehicules Office furniture and equipment		397,560 604,041 51,499 1,654,179	203,235	397,560 400,806 51,499 1,514,579
		2,707,279	342,835	2,364,444

4 - PROVISIONS IN BALANCE SHEET

a) FOREIGN INVESTMENT TAX PROVISION	34,000,000
b) PROVISION FOR RISKS AND CHARGES	
 Provision for exchange risk on loan granted to a foreign 	
subsidiary	316,000,00
 Provision for charges related to deterred tax (article 39 octies 	
of General Tax Code)	33,747,307
	34,063,307

5 - STATEMENT OF MATURITY DATES OF ACCOUNTS RECEIVABLE AND DEBTS AT YEAR-END

	RECEIVABLES	Gross Amounts	Less than one year	Over one year
ACCO	UNTED FOR IN FIXED ASSETS			
	Group	9,010,500	3,024,000	5,986,500
Loans	Non Group	7,300,000	7,300,000	
ACCOU	NTED FOR IN CURRENT ASSETS			
Other receivables (customers)		1,300,594	1,300,594	
Personnel		388,200	388,200	
Chan	Value added tax	2,027,169	2,027,169	
State	Other taxes	525,872	525,872	
Group (intercompany account	ts)	187,787,669	187,787,669	
Other receivables		2,639,048	2,639,048	
Prepayments		464,478	464,478	
TOTAL		211,443,531	205,457,031	5,986,500

	DEBTS	Gross Amounts	Less than one year	Over one year
Borrowings and debts to financial	institutions over 2 years initially	115,850,000	30,200,000	85,650,000
Interest on borrowings and debts	to financial institutions	1,303,025	1,303,025	
Suppliers		5,046,188	5,046,188	
Personnel		2,243,715	2,243,715	
Social insurance and related accou	nts	836,842	836,842	
	Value added tax	237,590	237,590	
State	• Other taxes	582,651	582,651	
Group (Intercompany accounts)		88,595,220	88,595,220	
Fiscal Debts and other debts		28,940,871	28,940,871	
TOTAL		243,636,103	157,986,103	85,650,000

6 - ITEMS RELATED TO SEVERAL LINES OF THE BALANCE SHEET

Amounts concerning	Intercompanies	Companies in which CGS has an investment
Investments	183,599,326	
Loans	3,024,000	5,986,500
Other financial assets		2,311,115
Other current assets		39,047
Intercompany Accounts		
Debit	187,787,668	
Credit	88,595,220	
Other receivables		941,721

7 - ACCRUALS

Accrued amounts included in the following balance sheet lines		
Borrowings and debts to financial institutions	1,303,025.06	
Suppliers	190,000.00	
Social and fiscal debts	2,341,651.00	
TOTAL	3,834,676.06	

8 - PREPAYMENTS

	Amounts
Current charges	100,415.19
Financial charges on borrowings	364,063.27
TOTAL	464,478.46

9 - COMMITMENTS

GUARANTIES GIVEN TO		
Crédit National on behalf Cap Sogeti France		FF 15,000,000.00
Société Lyonnaise de Banque on behalf Cap Sogeti France		FF 15,000,000.00
Indosuez on behalf Cap Sogeti Systèmes on behalf Cap Sogeti Logiciel	FF 5,500,000.00 FF 4,500,000.00	FF 10,000,000.00
Indosuez on behalf Cap Gemini Luxembourg on behalf Cap Gemini Luxembourg		USD 200,000.00 FB 7,000,000.00

AUDITOR'S REPORTS AUDITORS' GENERAL REPORT

AUDITOR'S SPECIAL REPORT

Dear sir (Madame),

Dear Sir (Madame),

In accordance with our mandats to conduct your annual audit, we are pleased to enclose herewith our General Report, along with related documentation and specific information required by law, relative to the period January 1 to December 31, 1985.

I - Opinion on the annual audits

We have conducted these audits in accordance with standard auditing practices.

On the basis of our findings, we certify that the yearly financial statements attached to this report are in order and are an accurate reflection of the results of operations during the year under review, as well as of the financial situation and shareholding in the company at the end of said period.

II - Verifications and specific information

It is not our intention to offer opinions or observations on the veracity or the concurrence with the yearly audits of the information provided in the Board of Directors report and in the documents addressed to the stockholders concerning the financial situation and the yearly statements.

Grenoble, April 14, 1986

Bernard PUGNIET

Jac

M -

Jacques BOURGUIGNON

Statutory Auditors

We are pleased to enclose herewith our report on the agreements relative to article 101 of the law of July 24, 1966, in other words those bearing directly or

indirectly on your company and its Directors or General Managers.

Your Board of Directors has not informed us that any agreements of this

kind have been executed during the term under review.

Within the context of operations dealing with a group's internal relations, your Company has concluded agreements with some subsidiaries of which it retains the total authorized capital.

These agreements consist mainly of royalties for granting tradmark licenses, operational assistance, real estate rentals, reciprocal financial collaboration and steps taken to assure the most efficient use of the Group's finances.

Under normal conditions, these agreements are not affected by the procedure concerning prior approval and we cite them here simply for informational purposes.

Grenoble, April 14, 1986

Bernard PUGNIET

Jacques BOURGUIGNON

Statutory Auditors

INFORMATION ON SUBSIDIARIES AND INVESTM

(art. 247 and 295 of the French companies' act.)

COMPANIES OR GROUPS

- A. Detailed information on investments exceeding 1 % of the share capital of the company required to publish accounts.
- 1. Subsidiaries (50 % at least of the share capital owned by the company):

CAP SOGETI FRANCE CAP EUROPE GEMINI INC CAP GEMINI DASD DATA LOGIC

2. - Participations (10 % to 50 % of the share capital owned by the company):

CAP GEMINI SUISSE BOSSARD

- B. Global information on other subsidiaries and investments.
- 1. Subsidiaries excluded from paragraph A:
 - a) French subsidiaries (together)
 - b) Foreign subsidiaries (together)
- Investments excluded from paragraph A:
 - a) In French companies (together)
 - b) In foreign companies (together)

RESULTS OF THE COMPANY DURING THE LAST 5 YEARS

HEADINGS	1984	1985
I Share capital at year-end a. Share capital b. Number of existing ordinary shares c. Number of existing priority shares (priority on dividends. No voting right) d. Maximum number of future shares to create d1. Through conversion of bonds d2. Through use of subscription rights	65,250,000 652,500	65,250,000 3,262,500
II Operations and results of the current year a. Total operating revenue	220,000 116,750 58,375 58,375	90,124,746 144,041,880 57,425,512 6,783,907 47,158,326 39,150,000
III Net income per share a. Net income after taxes, but before depreciation and provisions b. Net income after taxes, depreciation and provisions c. Dividend allocated to each share (net)	0.09 0.09	15.52 14.45 12.00
IV Personnel a. Average headcount of employees during the current year b. Amount of paid salaries during the current year c. Amount of paid social charges (Social insurance, pension plans, etc.)	-	42 13,414,239 4,096,207

TS

Share Capital	Reserves	Percentage of capital owned	Value of shares at year-end	Loans and advances to be reimbursed	Guaranties given	Revenue in current year	Results of current year	Dividends received during current year	
50,000,000 Flux 66,224;468 USD 45,892 USD 13,500,100 NOK 100,000 SFR 5,334,000 10,000,000	5,223,178 Flux 42,684,490 USD 1,783,515 USD (2,096,149) NOK 10,913,812 SFR 6,231,495 4,492,383	99.99 99.98 100.00 100.00 100.00 45.00 49.17	50,000,000 15,990,499 11,266,185 80,880,929 5,524,149 5,022,826 8,138,000 14,900	USD 400,000	30,000,000	48,871,931 Flux 30,726,585 USD 788,777 USD 52,246,368 NOK 65,027,886 SFR 24,415,927 13,918,011	42,036,382 Flux 27,524,415 USD 444,272 USD 817,976 NOK 406,928 SFR 2,060,951 (5,737,842)	45,671,931 Flux 24,011,552 USD 652,000	

PROPOSED RESOLUTIONS TO BE PRESENTED TO THE ORDINARY GENERAL MEETING OF 20 MAY 1986

First resolution

The Ordinary General Meeting, after hearing:

• the Board of Directors report on the activity and the situation of the Company during the fiscal year ended 31 December 1985 and the accounts for this period,

• and the general report prepared by the Statutory Auditors in carrying out their functions during said period, gives its overall approval to these accounts, and particularly the balance sheet, the statement of income and the related notes, for the period ended 31 December 1985, as they were presented, as well as the operations represented by these statements or summaries thereof in these reports.

As a result, the Ordinary General Meeting gives full and unqualified approval to the Board of Directors for its management during the 1985 fiscal year.

Second resolution

After hearing the special report of the Statutory Auditors, the Ordinary General Meeting states that during the 1985 fiscal year, no agreement has intervened or been executed within the framework of articles 101 and 103 of the law of 24 July 1966.

Third resolution

After hearing the Board of Directors report, the Ordinary General Meeting decides to withdraw a sum of FF 252,693 from "Other reserves" and transfer it to "Share premiums."

Fourth resolution

The Ordinary General Meeting approves the proposals of the Board of Directors relating to the transfer of distributable income for the fiscal year, which amounts to:

	for a total of	FE	47 216 700 73
•	retained earnings	FF	58,375.00
•	1985 net income for the period	\mathbf{FF}	

It further decides to assign said distributable income as follows:

• as dividends, a sum of		
FF 12 per share, or	FF	39,150,000.00
 as retained earnings, the remaining 		
amount of	FF	8,066,700.73

for the same total of FF 47,216,700.73

Fifth resolution

As a result of the preceding resolution – and after stating the existence of the distributable amounts – the Ordinary General Meeting decides that an amount of FF 12 (twelve French francs), taken out of the net income to be allocated for the fiscal year ended 31 December 1985, will be distributed to each of the 3,262,500 shares of common stock. A tax credit (corresponding to tax already paid) of FF 6 per share will be attached to this dividend, which will be paid on a date to be determined by the Board of Directors.

By application of article 243 A of the General Tax Code, the Ordinary General Meeting states that no dividend has been distributed for fiscal 1984, which was the Company's first fiscal year.

Sixth resolution

The Ordinary General Meeting agrees to appoint the accounting firm Mazars on the one hand, and Cauvin, Angleys, Saint-Pierre, Revi-France, on the other hand, as substitutes for the titular Statutory Auditors, Messrs. Bernard PUGNIET and Jacques BOURGUIGNON respectively, for the same period of their mandate, i.e., until the Ordinary General Meeting that will express an opinion on the accounts of the fiscal year 1989.

Seventh resolution

The Ordinary General Meeting gives complete power to the bearer thereof to distribute a copy or an extract of the minutes of these deliberations, with the purpose of completing all legal formalities relative to registering and making public said deliberations.

Cap Gemini Sogeti in 1985 ITS BUSINESS ITS ORGANIZATION at 1 April 1986 ITS PROFESSIONALS

DP service and consulting company, CAP GEMINI SOGETI specializes in "professional services." Its business consists of providing professional software services that may be grouped under three major headings: consulting and technical assistance, software and systems development, design and implementation of software products.

CONSULTING AND TECHNICAL ASSISTANCE

In this type of activity, CAP GEMINI SOGETI's principal functions are to:

- offer advice or carry out studies; draw up master plans; generate specifications; consult on methodology; design and implementation a quality-control plan; advise on the choice of equipment, software packages, or new technologies; audit operations; define organizational procedures for a DP center, etc.
- assist its customers in the use of products (such as database management systems, 4th generation languages), or in new technologies such as expert systems, videotex, smart card, CAD/CAM (design and manufacture by computer), etc.

 perform adaptations, modifications and dedicated developments on program products used (or to be acquired) by customers, on their behalf

- study the features and the procedures that will guarantee the security of the systems (physical protection of the facility, safeguarding the files, degrees of access to information, coding the data to be sent, restoring the use of DP centers in case of accidental interruption)
- organize and provide technical training within the client companies
- offer technical assistance in design and operations
- assume full responsibility for the running of a DP center
- analyze staff requirements and select appropriate candidates.

SOFTWARE AND SYSTEMS DEVELOPMENT

This type of service concerns the production of "goods" which, although intangible, are nevertheless real assets, used by the client companies over the course of several years. For CAP GEMINI SOGETI this involves:

- manufacturing basic software: specifying software functions and interfacing them with existing systems; defining portability and performance criteria, code writing and debugging, testing, editing of documentation, etc.
- implementing applications software: analysis of customer needs, definition of functional specifications, organization of the implementing team, project management, dedicated system analysis, program writing and debugging, drafting of documentation, user training, software installation and acceptance.
- acting as prime contractor for large projects, handling negotiations with the customer, consultation with subcontractors, project management, technical coordination, definition of system architecture, software development and debugging, hardware and software integration, system acceptance, subsequent system maintenance, etc.
- maintaining DP applications.
- translating software for its "conversion" or "migration" to other systems.

SOFTWARE PRODUCT DESIGN AND IMPLEMENTATION

The CAP GEMINI SOGETI product line covers application products designed to provide the most economical solutions possible to user requirements, as well as program products and tools acting to automate the process of computerization of applications:

- among our application products, we note the Standard Application Modules (SAM) covering all the major areas of management, the MULTITEL videotex processor systems, the range of MULTI 11 electronic directories for business applications, or still further, the MULTITRIEVE system, a free-text data retrieval package
- development aids include MULTIPRO software engineering and a range of conversion tools.
- in the program products field, CAP GEMINI SOGETI's job is to:
- design, develop and document the Group's program products;
- sell, install and start up these products, train personnel in their use;
- perform necessary adaptations, preventive maintenance and troubleshooting on request.

CAP GEMINI SOGETI: GENERAL ORGANIZATION

AP GEMINI SOGETT's overall structure is a traditional one: an executive staff and operational groups. This organization, meeting a straightforward concern for efficiency,

has been inspired by four guiding principles:

 insure substantial operational decentralization by means of highly autonomous "branches." Branches are brought together to form companies or regions. These in turn are grouped into three operational groups: France, Europe and the USA, exercising geographic responsibilities. A full presentation of the organization and activity of each group is given on pages 35 to 37;

 maintain overall cohesion and insure the Group's efficiency through a shared technical, commercial and financial policy, taking care that its structures are continuously adapted to this policy and to the prevailing situation, and staffing the Group's holding companies with small executive teams, thoroughly

familiar with operational realities;

 insure matching of the Group's services and products to market demand, by analyzing information on market trends and by setting up structures capable of meeting new customer requirements, as well as through substantial R&D investment in all areas that promise to encourage the short and mediumterm growth of computer service activities;

 support CAP GEMINI SOGETI's development on the major international markets, both through reinforcement of its European and North American presence in the form of wholly-

owned subsidiaries and through direct exports.

verall coordination is provided by two steering bodies:

• The Executive Committee, which, at bimonthly intervals, brings the Group's principal executives together with Serge KAMPF, Chairman of the holding company; prepares the major decisions affecting all Group subsidiaries, and defines CAP GEMINI SOGETI's main strategic guidelines.

 The General Management Committee is made up of the managers of the large operational units, and advises on general guidelines as well as on important technical and commercial issues of concern to the entire Group; it convenes on the average of twice a year.

ecause of the broad decentralization that exists within the operational units, the services of the holding company are relatively restricted. They consist of:

 Financial Services, responsible for balancing the Group's finances, centralizing the results, setting up consolidated accounts, cash management, internal audits, the whole of the

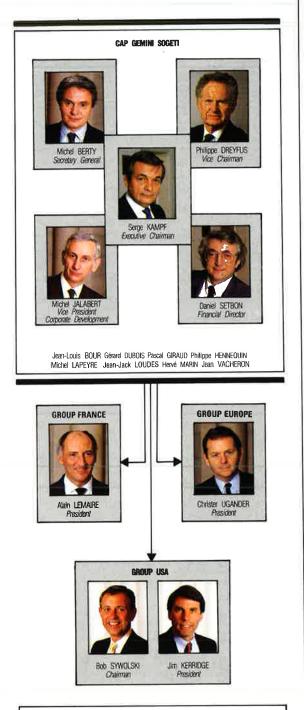
legal function, etc.;

 Corporate Development, which, apart from the normal development responsibilities, assures the coordination between the Group and those companies in which there is no majority participation. (A more detailed view of the work of this Group may be found on the following page.);

 Communications is responsible for internal and external communications for the Group, as well as for its procedures

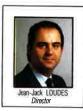
and data processing systems;

• General Services is involved mainly with real estate holdings, retirement insurance plans, benefit coverage, etc.





The Executive Committee of CAP GEMINI SOGETI consists of 8 members
Sealed from left to right:
Daniel SETBON, Alain EMAIRE, Jim KERRIDGE, Michael BERTY, Michael JALABERT
Standing from left to right:
Chrisler UGANDER, Bob SYWOLSKI, Serge KAMPE





orporate Development, in very close liaison with the Executive Committe, is charged with four essential functions:

 strategic planning which, based on the range of information related to the evolution of the market and technological trends,

consists of defining the medium-term strategic guidelines of the Group and of elaborating its Development Plan;

 The development of new activities, based on the identification and recognition of the most significant new technologies: it is in this area that Corporate Development is responsible for CAP SOGETI INSTRUMENTS, a company specializing in software engineering products;

 developing existing markets or opening up new ones: in this function, Corporate Development is responsible for identifying possible acquisitions, negotiating, as well as organizing the exportation of the Group's products and services;

 cooperation between CAP GEMINI SOGETI and companies in which the Group is not a majority shareholder, such as the BOSSARD Group and SESA.

CAP SOGETI INSTRUMENTS (Paris)

Michel JALABERT Chairman



Eric LUTAUD

Bruno PERRIN Director Technical Development

Jean-Loup PERRIN Vice President Sales

Bryan AUSTIN

Sales Manager USA CAP GEMINI SOFTWARE PRODUCTS INC. (Dallas)

CAP SOGETI INSTRUMENTS works to design, develop and distribute the Group's software engineering products, the most important of which is the MULTIPRO software

engineering workshop. As of 31 December, 1985, CAP GEMINI SOGETI had installed or had on order 1,200

MULTIPRO work stations in 35 workshops in France and abroad, notably in several of the world's largest banks.

MULTIPRO is, of course, used by the Group in the implementation of its major projects.

Headquartered in Dallas, CAP GEMINI **SOGETI SOFTWARE** PRODUCTS is responsible for marketing MULTIPRO in the United States.

Main minority shareholdings:

Jean-René FOURTOU

GROUPE BOSSARD: 49 % SESA (Société d'Etudes des systèmes d'Automation): 42 % Jacques ARNOULD

Jean-Pierre AUZIMOUR

BOSSARD CONSULTANTS

Michel FIEVET

Daniel MARTET Chairman, FRANCE 1

André SACHS Deputy General Manager

Georges GOURY Administrative and Financial Manager

1985 consolidated revenue: FF 864 million

1985 consolidated revenue: FF 326 million

GROUP FRANCE

ith a workforce of more than 2,600, Group FRANCE is composed of seven operational subsidiaries. Their activity is coordinated by CAP SOGETI OPERATIONS, which provides them with support in the marketing, technical and human resources management areas.

hree of these subsidiaries operate in Paris and its environs and each concentrates on a given economic sector:

 CAP SOGETI LOGICIEL handles government business and related industries

 CAP SOGETI INDUSTRIE covers all manufacturing-related business

CAP SOGETI TERTIAIRE, as its name indicates, deals with the service sector: banks, insurance companies, distribution, transportation, tourism, etc.

he fourth of these companies, CAP SOGETI SYSTEMES, consolidates Group FRANCE's 14 branches located outside Paris and surrounding areas.

he other three companies operate throughout France:

 CAP SOGETI EXPLOITATION performs all services related to the management, operation and automation of DP centers in France and in French-speaking Switzerland

 CAP SOGETI FORMATION is in charge of the activities of the "Collège Informatique," as well as intra- and inter-company training programs. Its SELECTION department handles the recruitment of software professionals and managers for companies of all sizes

 CAP SOGETI INNOVATION consolidates an important part of the CAP GEMINI SOGETI Group's research activities, which are concentrated essentially in the areas of software engineering, artificial intelligence and manmachine communication.





ançois DUBOURG eneral Manager



Edouard BAZEILLE * Deputy General Manager



Jean-Paul FIGER * Deputy General Manager





José BOURBOULON General Secretary



Jacques de COMBRET Hurnan Resources Manager

Leading operations support managers

José BREVAL Claude CHIABRANDO Claude-Pierre DENIAUD

Claude DRAY Claude DRAY
Francis DROUIN
Christian GALLIN
Christine GOAVEC
Yves GUILLAUME
Dominique ILLIEN
Jacques MASSON
Paul OLCESE
Frank O'MEARA
Jean SAINT-HUBERT
André WOGONIAK André WORONIAK

Videography Technical Support Technical Support Quality Support and Methods Micro-center Videography Military Communications Special projects Controller Special projects Quality Control Human resources Communications Quality

Legend:

AF AFM MSSM TDSM

Administration and Finance Administrative and Financial Manager Marketing and Sales Support Manager Development and Technical Support Manager

* Member, Steering Committee

GROUP FRANCE OPERATING COMPANIES (7)

CAP SOGETI LOGICIEL



Alain LEMAIRE

Group, France

Alexandre HAEFFNER



Jean BISSELICHES Deputy General Manager

Frédéric PLACES Alain SARRAZIN Jacques FÉLIX

MSSM

Branches

Branch Managers

- Information Technology Jacques TIXERANT
 Public Corporations Jean ROCHET
 Government Agencies Charles-Henry LIMOUSIN
 Military
 Jean-Marie BARRE

CAP SOCETI INDUSTRIF



ran-Philippe GAILLARD Chairman



Gilbert ELOIRE Deputy General Manager

Geneviève MICELI Claude FORSANS Eric PIAT

MSSM TDSM

Branches

Branch Managers

- Mech. & Elec. Enq., Constr. Alain WILBOIS
 Chemicals & Food Industries Jean-Pierre FOI
 Petrol & Aerospace Industries Denis SERGEN
 Computer Manuf, & Eng. Firms Bruno CHAPUIS
 Automated

- Process Control
- Jean-Pierre FOUSSIER
 - Denis SERGENT
 - Bruno CHAPUIS
 - Alexandre LEVY

CAP SOGETI TERTIAIRE



vé JAHAN Chairman



Martine BIGE Christian CHEVALLIER Christian DOEHR

AFM MSSM TDSM

Branches

- Insurance
- Banking 1 Banking 2 Private services
 - Bernard SARRAZIN
- Public services

Bernard LEUBA Jean-Michel ROY Jean-Louis PRADELS

Branch Managers

Jean-Luc CHATFALL

CAP SOGETI SYSTEMES



Jacques BERTHELOT





Robert DUNAND Deputy General Manage

Jean-Noël GORGE MSSM Léon LEVY BENCHETON TDSM Jean-Mail PONTHUS Manag

Branchs Managers Branches

- Bordeaux Charles-Henri LIMOUSIN

- Soriocaux Charies-Henri LiMOUSIN
 Grenoble Patric BARBEROUSSE
 Lille Marcel de TAEVERNIER
 Lyons ISM Christian SOUCHON
 Lyons (SS Jean-Pierre REY
 Marseilles Paul CHAFFARD
 Monipellier Francis MORRA

- Branches MulhouseNancy

 - Nancy Nantes Orléans Rennes Rennes
 Rouen
 Toulouse
- Raymond PAWLOWSKI Bernard REGNAULT Bertrand de TROGOFF Jean-Michel PARMENTIER Joseph HURTUT Philippe de BEAUCHAMP Jean-Loup BOUDINEAU
- Branchs Manager

- - Branch 5 Branch 6

Thierry GAUTHIER Jacques AUGER François NEANT

AFM MSSM activy TDSM

Branches Branch Managers

- Branch 1 Branch 2 Branch 3 Branch 4

- - Gérard JAMAIS

CAP SOGETI EXPLOITATION



Chairman



GEORGES COHEN Deputy General Manager

- Dominique DUFLO Jacques AUGER
- Luc-François SALVADOR Jean-Marc BY
- Jean-Pierre POUTEAU
- Branch for French speaking Switzerland Training center Claude BUGEY Alain LE BRETON

CAP SOGETI FORMATION Jean-François DUBOURG Chairman



Cornel SIMIU Deputy General Manager

Departments Managers

- College informatique Cornel SIMIU
- Selection Training
- Any BOULADE Jacques CHEMLA

CAP SOGETI INNOVATION Jean-Paul FIGER Chairman



Deputy General Manage Maurice SCHLUMBERGER Chief, Grenoble Research Center

** Rémi DONNEAUD having decided to retire as of 30June, will be replaced by Jean-François DUBOURG starting 1 July, 1986

GROUP EUROPE

roup EUROPE is composed of those CAP GEMINI SOGETI companies operating in European countries other than France. It employs a total workforce of more than 1,800 and includes nine companies situated in eight countries: Belgium, German Federal Republic, the Netherlands (two companies), Norway, Spain, Sweden, Switzerland, and the United Kingdom.

Each of the Group EUROPE companies provides CAP GEMINI SOGETI's full range of services, adapting them to specific local demands. Furthermore, within different countries, individual companies have developed specialized areas of expertise: for example, the Command and Control systems in England; S.D.M., the methodology for project completion in the Netherlands; etc.

Owing to its policy of transferring expertise at the Group level, each company is in a position to acquire a variety of skills and to develop its own national market.

In two areas in particular, the operational companies benefit from the assistance of European Support Centers: the one in Munich specializes in conversions and works in close collaboration with the USA Group; the other, in Paris, is devoted to Videotex technology and applications.



Christer UGANDER *



Jean RONCERAY Vice President Administration



Paul HOFMANN * Business Development

* Members of the Group Europe Management Committee



Harry KOELLIKER Director of Finance

GERMANY	CAP GEMINI DEUTSCHLAND
Branches	Branch Managers





		Werner BRODT General Manager
--	--	---------------------------------

BELGIUM	CAP GEMINI BELGIUM
Branches	Branch Managers
Brussels 1 Public Sector and Finance Brussels 2 Private Sector Antwerp	Aimé d'HELFT Jean PEETERS Robert MALOMGRE



 Madrid Philippe DANGLADE



Jean MILAN General Manager

Philippe DANGLADE

UNITED KINGDOM	CGS UK	
Branches	Branch Managers	Г
North Information systems Public Services	Gerald PLIMBLEY Jeff ENGLAND, acting Brian HARRIS	

HORWAY Arne OEN Svein WEINHOLDT

MATHISEN

Branches

Oslo Bergen

Stavanger

Development



Jeff FNGLAND

DATA LOGIC	
Deputy General Manager Technical Development Manager Business Development Manager	
Branch Managers	Kaï MARTHINSEN
Tellef LANDSVERK Arne OEN Per HETLAND Kaï MARTHINSEN, (acting)	General Manager

THE NETHERLANDS. CAP GEMINI NEDERLAND

Deputy General Manager Deputy General Rob STARREVELD Jan PIETERMAN Personnel Manager

Branches

Rotterdam ArnsterdamUtrecht 1

Utrecht 2Training



THE NETHERLANDS	PANDATA
Ton KNOTSCHKE	Deputy General Manager
Piet ADRIAANSE	Business Development
	Manager

Branches Branch Managers

Industry Ton CASPERS
Government Eric PLANTE
Trade/Services Peter BUISMAN
Training Guido van SPALL
Organization and
Data Processing Wim van de GEIJN



SWEDEN	CAP GEMINI BRA
Lars Olof NORELL	Deputy General
	Manager
Leif BJORDELL	Business
	Development
	Manager
Stefan OLOFSSON	
	Development
	Manager
Lars LARSSON	Training Manager

Branches

SouthNorth

Finance Public Sector



SWITZERLAND	CAP GEMINI SUISSE				
Branches	Branch Managers				
Basel Bern	Fritz WOODTLI Walier WEISS				

Lars OLSSON
Berndt OSMUND
Lars SUNDBERG

Victor GANI Alain MARECHAL Lausanne Zurich 1 Finance Erwin ESTERMANN and ServicesZurich 2

Industry Arthur HOLENWEG



Werner ZÜLLIG General Manage

Main Support Functions

Jean-Claude AMIEL Meinard DONKER de MARILLAC Klaus FEKETE Jean PRADES

Director Videotex Support

Director of Communications Director Conversion Support Director Technical Development

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GROUP USA

■ AP GEMINI AMERICA, created on 1 January 1986, controls the Group's activities in the United States. It results from the merger of CAP GEMINI DASD and the Consulting Division of CGA COMPUTER INC., acquired on that date by the CAP GEMINI SOGETI Group.

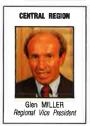
The initial effect of this merger has been to double the workforce of the USA Group, which means that CAP GEMINI AMERICA began 1986 with a staff of almost 1,700. Organized into eight regions, the new company is represented throughout the United States by 26 branches located in 22 major American cities. Among the foremost companies in its profession, CAP GEMINI AMERICA, in certain cities such as New York and Chicago, occupies a position of major importance.

As is the case with CAP GEMINI SOGETI's two other operational groups, the USA Group specializes in the field of DP professional services: consulting and technical support, systems engineering, design of software products and associated support services. In addition, it has developed significant activity in the conversion field: its know-how, its range of translators and methodological tools give it a leading place in this market.

Moreover, within the framework of its policy of innovation, of developing new services and providing users with new skills, CAP GEMINI AMERICA has acquired a singular expertise in the fields of data base, large project management, videography, and of DP security systems.

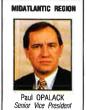


Branch	Branch	
	Manager	



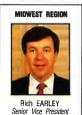
Bill FLANNERY Paul OPALACK, Baltimore Washington, DC acling Jeff BROWNSTEIN Richmond Philadelphia W Philadelphia B Ed JANECZKO Ken PULLIAM

Branches

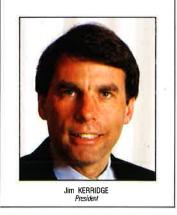


James WOODWARD Susan LARSON Chicago St-Louis Jon JENSEN

Branches



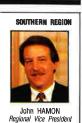
Steve LANDSMAN Regional Vice Preside



Branches	Branch Managers
Milwaukee	Jim WALKER
Minneapolis	Kerry BAHNICK



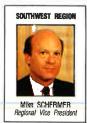
Branches	Branch Managers
Atlanta	John HAMON,
Jacksonville	acting Bill DIXON
Orlando Tampa	Doug BERRYHILL Steve SWANSON



Branch Managers Branches NJ AT&T NJ Commercial NY 1 NY 2 NY 3



Branch Managers Branches Mike SCHERMER Dallas acting Dave BALLERING Houston



Tom PATTI Exceculive Vice President

Main Support Functions:

Jack GOODSITT
Susan JORDAN
John PINK
Pruce POSNER
Dan 3C! IROCDER
Dim ZELLER

Dan SC! ROUSE
DIM ZELLER

Legal Counsel
VP Human Resources
VP Administration
Controller
Ontroller
VP Conversions Sales



Françis BEHH VP International Sales

Branches Branch Managers

K.C. JANULAITIS Steve COFFMAN, Los Angeles San Francisco acting La velle UAY Portland



Steve COFFMAN Regional Vice President

THE GROUP'S PROFESSIONALS

AP GEMINI SOGETI's greatest resource is its people: they represent the Group's most fundamental asset, a very precious asset, even though it is one that will not be found on any of the financial statements in this annual report. In 1985, new talents, new experiences, new motivations have flourished among the professional staff of CAP GEMINI SOGETI as a result of the fine work they have done.

As of December 1985, the Group's workforce numbered 5,243, or 16 % greater than at the close of the previous year. Apart from the Holdings, this workforce reached a total of 5,190 professionals (cf. graph n° 1).

700 new positions for technicians and engineers have thus been created and added to the total, of which nearly 500 alone are in Group Europe. At the end of the year, the workforce was 1,765 for Europe, 2,582 in France and 843 in the USA prior to the entry of the Consulting Division of CGA Computer into the Group

(cf. graph n° 2).

A young company, CAP GEMINI SOGETI has a workforce whose average age has remained almost constant for the past several years (29.6 at 31 December, 1985).

A company of highly educated professionals, CAP GEMINI SOGETI has moved in this direction because it is more determined than ever to come to grips with increasingly complex problems: about 60 % of its technicians have received post-graduate degrees from top colleges and universities in Europe and the United States.

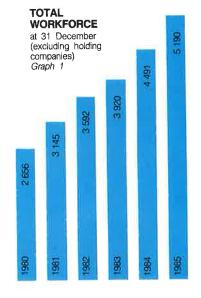
A company with strong technical standards, CAP GEMINI SOGETI is witnessing the proportion of its engineers – evaluated according to standardized criteria within the Group – greatly surpassing half its total workforce.

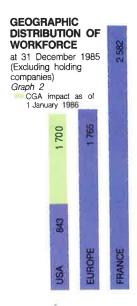
A company in which the average skills of its personnel are increasing rapidly, CAP GEMINI SOGETI rewards its professionals. This year, 707

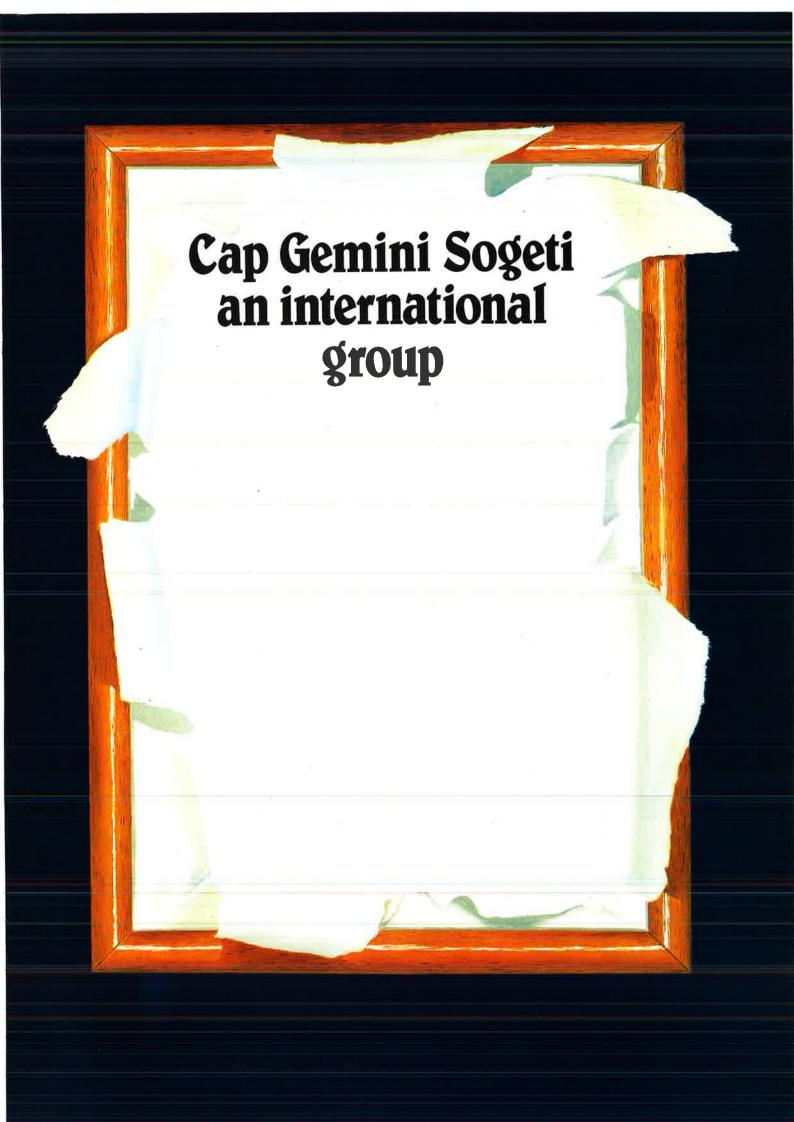
French and 310 Europeans were promoted to higher levels. As all the technicians know, it is not a question of advancement based on seniority nor of rewards being automatically bestowed. Twice a year, a committee convenes and carefully examines the proposals for promotion submitted to them for review. The members of this panel recognize that the range of knowledge and responsibility is progressing because the projects entrusted to CAP GEMINI SOGETI are increasing in complexity and size. As much as this represents increasing benefits for the consultants, it also constitutes substantial opportunities and growth potential for them.

A company that opens career paths to its employees, CAP GEMINI SOGETI may be proud of its achievements in this area, for which there is mounting and substantial evidence. In 1985, for example, nine engineers and sales representatives were promoted to branch managers. However, even more can be accomplished. The Group has such an enormous need for high caliber men and women to insure its progress, that it is often difficult when the question arises of allocating the positions of technicians, sales representatives or managers. The selection of people with the strongest potential at every level becomes a task for the entire executive body, and those with a good sense of their own personal capabilities, those who ask to be given more and greater responsibilities, often have the greatest chance for advancement.

A company that offers equal professional opportunities to men and women, CAP GEMINI SOGETI has always operated in areas where working conditions are compatible with custom and legislation. A level of 30 % of women in the total workforce has now been reached in Sweden, the US and in three French companies (TERTIAIRE, SYSTEMES and FORMATION). Current developments indicate that this trend will continue in the coming years.







n the day of its founding – 1 January 1975 – CAP GEMINI SOGETI was already international in scope, as it was born of the merger of:

• the SOGETI Group, established by Serge Kampf in Grenoble in 1967, with a strong presence not only in France's Rhone-Alps region and in Paris, but in Geneva and Zurich as well,

• CAP, which had formed a number of European subsidiaries consolidated within a holding company, CAP Europe,

• and GEMINI, founded by American investors in 1968 and already operational in five of the leading European nations.

This early multinational span was thus not a matter of chance, but the result of a considered strategic option on the part of CAP GEMINI SOGETI's founders. This approach alone was able to reconcile the four basic concepts underlying the fundamental system of values defined by Serge Kampf for the SOGETI Group and adopted from the outset by his new partners:

determination to expand,

safeguarding of complete independence through profitability,

concentration on a single sector of activity: software service,

risk distribution through internationalization.

As a rule, a corporation spreads its risks by means of diversification. But CAP GEMINI SOGETI had decided to adhere exclusively to its chosen trade in order to be able to do it better. Internationalization of its activities remained the only way to insure growth unfettered by domestic economic constraints or monetary somersaults, and to help the Group better maintain its independence.

As of 1976, then, Group Europe set out to consolidate a number of subsidiary company presidents of highly diverse nationalities and backgrounds into a genuine team. While putting this unit together, Group Europe was also expanding its network of subsidiaries derived from the three components of CAP GEMINI SOGETI, bolstered by the Norwegian firm DATA LOGIC, acquired in 1980.

THE GROUP IS RESIDENT IN THE FOLLOWING CITIES, LISTED BY YEAR OF FIRST INSTALLATION

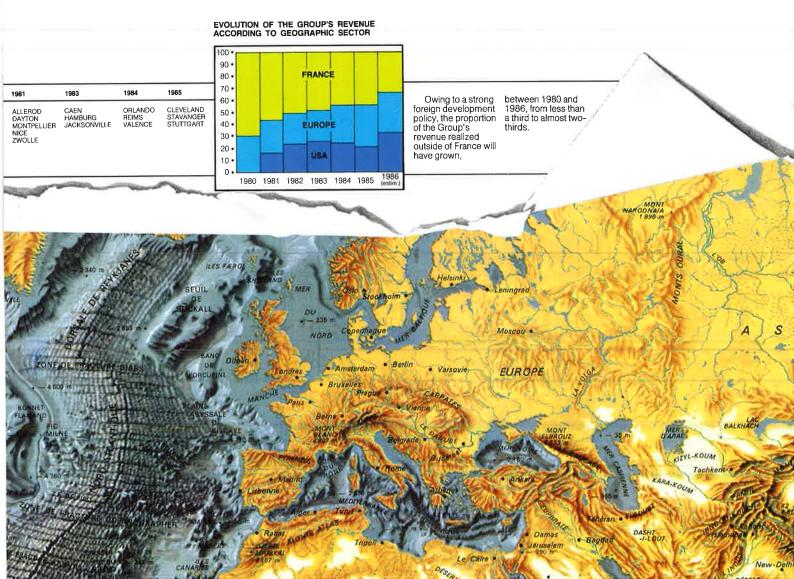
	1962	1967	1968	1969	1970	1971	1973	1974	1975	1976	1977	1978	1979	1000
	PARIS	BRUSSELS GRENOBLE LONDON	CRANFORD GENEVA LYON	BORDEAUX DUSSELDORF ULLE UTRECHT.	MANCHESTER RIJSWIJK ZURICH	MARSEILLE	BASEL KARLSKOGA NANCY STOCKHOLM TOULOUSE	MILWAUKEE NEW YORK	ANTWERP CHICAGO GOTEBORG ORLEANS	AMSTERDAM HELSINKI HOUSTON MUNICH NANTES RENNES ROUEN	DALLAS LAUSANNE PHILADELPHIA SUNDSVALL TAMPA	ATLANTA BALTIMORE BERNE LOS ANGELES MINNEAPOLIS EDISON SAN FRANCISCO SEATTLE WASHINGTON	MADRID MULHOUSE RICHMOND ZOETERMEER	BERGEN DENVER EINDHOVEN LIEGE OSLO PORTLAND ST.LOUIS SKIEN TRONDHEIM
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In 1978, the Group joined forces with some of the former Gemini managers who wished to return home, establishing its first American bridgehead with the Washington-based CAP GEMINI, Inc. The Group then decided to reinforce its presence in the United States by outside expansion. The result: acquisition of DASD in 1981 and, a year later, of another company which contributed two more locations – one in New York, the other in New Jersey – to the DASD network.

Finally, on 1 January 1986, the USA Group acquired the Consulting Division of CGA Computer Inc. Having thus doubled in size, the USA Group is now at work under the name "CGA": CAP GEMINI AMERICA.

The distribution of CAP GEMINI SOGETI's revenue has now achieved its desired equilibrium: one-third in the USA, one-third in France and one-third in the other eight European countries covered by the Group. Naturally, the Group itself gains in stability from this situation. But it also provides the Group's customers with an added guarantee of quality of service rendered. In fact, international scope – allied with far-reaching operational decentralization – strengthens the ties of partnership at all levels: local, regional, national and international. Users are given access to a wide variety of technologically advanced skills. The Group's employees share a community of professional standards which make communication possible despite differences of language and custom. This is how CAP GEMINI SOGETI's international scope reinforces the shared assets of all of the Group's companies: a branch-based operational organization, a single management language, a unified system for measurement of performance levels and employee motivation.

An attentive partner, a community of professional standards, an international culture: these are the titles heading the three sections that follow, which will serve to demonstrate and highlight CAP GEMINI SOGETI's truly international character.



An attentive partner



egardless of nationality or sector of activity, modern businesses concerned with rationalizing their management view the development of their information systems as a matter of major strategic importance.

The stakes of computerization are first and foremost economic ones, of course: the enhanced productivity that it brings to all levels justifies hardware and – above all – software investments, which place a heavy burden on corporate budgets (it is estimated that an average management application for a company numbering several hundred people costs in the neighborhood of a half-million dollars). But these stakes are also human and "organizational" ones: implementation of a new system overturns established customs and habits and requires a number of basic accompanying measures (user training, documentation, definition of procedures, etc.). And, if it is to survive and prosper, it requires attentive stewardship by the specialists charged with its maintenance and development.

The major service companies are routinely participating in the computerization of all sectors of activity. In turn, users are deriving many advantages from "delegating"* their tasks: heightened specialization and technical sophistication, flexibility in growth, more rapid application of technical advancements, greater ease in fostering acceptance of changes in structure and methods, speedy implementation of new systems, channeling of investments into productive areas, protection vis-à-vis

hardware suppliers, and so on.

The choice of a software service firm is as important a matter as the selection of a trusted associate; and choosing a "partner" in a field as vital and as sensitive as the use of computer resources is not always an easy task. From the user's standpoint, the basic qualities of this partner must include honesty, independence, skill and stability.

Those who place their confidence in CAP GEMINI SOGETI can count on relations based on continuity, fidelity and mutual esteem. One glance at a list of the Group's major customers is convincing evidence of this: of the 30 largest, 25 have been regularly renewing their contracts over the past five years or longer, while 17 have been clients for over ten years.

Moreover, the fact that CAP GEMINI SOGETI's capital is controlled by its founder and its managers, and that its shares are listed on the Paris Stock Exchange, are the best guarantees of independence – of judgment and action – vis-à-vis any outside force, whether industrial, political or financial. This independence is one of the Group's fundamental principles, because it believes that a service company cannot be a true "partner" if the objectivity of its recommendations and its choices is subject to the slightest doubt.

Finally, regardless of size or activity, the customer is certain to find CAP GEMINI SOGETI an accessible partner: solid, because the Group is profitable and in full expansion; capable, thanks to its wealth of varied experience; and able to tackle the client's problems at the appropriate level – local, national or international.

^{(*) &}quot;Delegation" occurs when one company turns over execution of a task that it could have done itself to another company. This passes through every nuance of assistance and cooperation, from conventional subcontracting to outright concession.

ocal branch for every customer

Every DP development represents a unique case. Every requirement is special, even if a number of solutions might be available to meet it. Why? Beyond the collection of program lines making up its form, a software product is the

reflection of a user department's specific management rules. In this sense, it has a cultural dimension, it is part of a company's heritage, it embodies that company's know-how. You don't manage the staff of a hospital like that of a laundry; you don't run a Napa Valley winery like one in Burgundy or on the Rhine; you don't carry out the same marketing policy in a multinational and a small business concern. As a result, it is often wishful thinking to want to automate a company function with an off-the-shelf software package lacking even the slightest adaptation. A specific demand can be satisfied only by the offer of equally specific service.

A service firm worthy of the name is thus duty-bound to remain alert to its customer's genuine needs. It must stay in constant touch with the realities governing the daily life of the sectors of activity in which it works. To succeed in this, it must set up local operational units forming so many points of contact with its customers.



This is why CAP GEMINI SOGETI has chosen to make the branch the common denominator of its organization. The Group's hundred-branch network guarantees genuine proximity to the overwhelming majority of users in Western Europe and the USA.

The branch manager is no deskbound paper-shuffler. He is a field person, thoroughly acquainted with every one of his customers, able to grasp problems within their local contexts and to deal with them in terms of their specific features. Like every member of his team, he is totally familiar with the sector covered by his branch, because often that is where he came from. He knows its customs, its working

methods, its cultural and economic particularities.

The branch is responsible for its own marketing strategy and the selection of its employees. Enjoying a broad measure of operational autonomy, it is capable of adapting itself flawlessly to field conditions. Master of his resources, the branch manager is given complete latitude to make necessary decisions and to sketch out quickly initial solutions to the concrete problems he encounters. This results in a climate of confidence surrounding the relationship that evolves with the customer, thus fostering a moral commitment to shared success.



omegrown company for every country

Along with local traits varying from one region of a country to another, there are national characteristics bound up with a country's customs and patterns of behavior, as well as with the diverse aspects – labor, business, tax, etc. – of its legal system.

French financial reporting, for example, is subject to legal requirements (including a compulsory schedule of accounts) only very slightly compatible with American or Spanish practice. The Swiss banking system differs radically from its English counterpart. Which explains why, in each country, CAP GEMINI SOGETI's employees are nationals whose familiarity with that country's existing rules and standards is sharpened by extensive professional experience covering a wide range of applications.

Nobody can claim to be able to do everything in the same way everywhere. But this does not mean that you cannot expand specific developments, implemented for customers in a given sector of activity, for application on a nationwide scale. For example: Group France companies are successfully making use of semi-products called SAMs (Standard Application Modules), which they have developed themselves and which they adapt to specific situations as they arise.

In this way, CAP GEMINI SOGETI can respond effectively both to the requirements of large, nationwide customers who want uniformity in the computerization of their many local units and those of small businesses faced with solving a purely local or regional problem. And all this under the best possible economic conditions.

Thanks to the Group's stature, moreover, it is automatically informed of the great majority of requirements arising spontaneously in the marketplace. It is in a position to reply to most invitations for bids issued by government, business and industry, whether alone, in association with hardware vendors or in cooperation with selected colleagues.



houses, at navy NEDERLAND, both bases and in about for the pre-study and twenty ships. The purchasing, supply and stock-handling of these items will soon be controlled real time by a system, which the navy entrusted to CAP GEMINI

the system develop ment CAP GEMINI NEDERLAND is also involved in the implementation of this

logistic system, which runs partially on a ship-based computer.



On the occasion of the inauguration of the new PANDATA offices in Rijswijk, Ge-neral Manager Aad UIJTTENBROEK offered free training courses for the first welve teachers to be instructed in data processing as part of a national education

project in which 5,000 school graduates will be trained annually The gift was symbolically presented to the Dutch Minister of Education and Science, Drs W.G. Deetman, who offi-cially opened PAN-DATA's new headquarters

CAP GEMINI SOGETI has thus been selected for participation in many projects at the national level, such as TELECOM 1 in France, the CAFA public financial system in the Netherlands, development of specifications for DP equipment for the United States' embassies and consulates, etc. One of the most eloquent examples in this respect is the Electronic Directory in France. And once this particular skill in information technology had been acquired, it was reusable in other

similar projects, as in Norway, for instance.

company in this region - NORDCAP -

which has already selected and given DP which they are connected by a data

But this transfer of know-how from one country to another never takes place in the form of individual, localized operations: it is not a matter of dispatching teams of foreigners onsite to assume fleeting responsibility for a project and then sending them home once their assignment is completed. As a matter of principle, projects are always handled by local personnel, using and assimilating a specific skill acquired elsewhere and transmitted by consultants temporarily assigned to the implementing team. This enables the national team to take over subsequent onsite activities required for successful project advancement.

In every country where CAP GEMINI SOGETI is present, it also maintains national-level relations with corporations and organizations involved in all aspects of data processing: hardware vendors, industry associations, standardization organizations and bodies, government agencies on all levels, etc. In this way, CAP GEMINI SOGETI managers and experts contribute to the life of the national community. They bring the advice and the experience of a large service company known for the number and variety of its achievements, its mastery of data processing techniques and its familiarity with the real and changing needs of the market.



ruly international group

With a volume of business activity now equally divided among the United States, France and eight other European countries, CAP GEMINI SOGETI is today the world's only software services company of truly international dimensions.

The Group speaks eight different languages and is operational in ten countries, which alone account for over 80% of the world's DP service market. This network was not set up haphazardly: for CAP GEMINI SOGETI, it is not a matter of having a foot in every door, but rather of being able – wherever it has a presence – to perform meaningful work in accordance with its principles of professional ethics and profitability. This, incidentally, is why the Group has resolved not to enter markets influenced

by a political, economic or cultural environment differing extensively from its own.

Obviously, this international presence makes the Group a favored partner for customers that are themselves multinational in character. Computer vendors, for example, appreciate the fact that a service firm is capable of drawing up software specifications valid for every country in Europe. In a broader context, large international firms prefer to communicate – when the question arises of drafting the DP master plan for their headquarters, as one example – with a partner on their own footing. Other customers install pilot applications at selected sites, with an aim toward their subsequent dissemination among all their subsidiaries. And some small businesses discover that CAP GEMINI SOGETI is a partner capable of giving their export activity a boost by setting up a given DP application in several target countries.



Its size and network make CAP GEMINI SOGETI especially well prepared for effective participation in large international projects. For example, nine bids issued by the Group for the European Economic Community's "Esprit" program were accepted. A case in point is Project 5.1, for the development of a standardized architecture for CIM (Computer-Integrated Manufacturing) systems. The Group is prime contractor and leads a team representing a number of Europe's industrial giants (Aérospatiale, Compagnie Générale d'Electricité, Volkswagen, etc.) and its leading computer manufacturers (IBM, Bull, Siemens, Philips, etc.). This project, representing a workload estimated at 116 man-years, is under the responsibility of CAP GEMINI SOGETI's Belgian subsidiary.

All in all, CAP GEMINI SOGETI's international presence is a 100-branch network flying a single flag from Paris to Bergen, from Dallas to Madrid, from Grenoble to Milwaukee, from Zurich to London. It took the Group nearly twenty years of steadfast effort to build up this network. It was necessary to maintain a firm hand on a strategy that was at once aggressive and prudent; it was necessary to hire. train, motivate and integrate experts and managers; it was necessary to acquire management skills capable of functioning within most of the prevailing Western legal systems. The Group's forces can be mobilized in as many places and in as many technologies as a client organization may wish. CAP GEMINI SOGETI is the ideal partner for solving any problem involving the use of data processing, from the most routine application to the most ambitious project.



in eight countries: Belgium, the Federal Republic of Germany,

Group:

nuing exchanges of information.

A community of professional standards



community of professional standards is unquestionably a prerequisite for the exchange of services between the subsidiaries of a software service company such as CAP GEMINI SOGETI. It is often necessary to put together due to the multiplicity of users or the range of countries concerned by a project, or

simply due to the actual nationalities of the best experts needed for a given job.

In teams like this, required professional capability primarily consists of in-depth expertise in several technical fields, a taste for innovation and a job well done, the ability to communicate and to listen. It is expressed in the ability - after the need or the problem has been fully grasped and analyzed - to provide the customer with useful advice, to work together with him in building a solution on the basis of existing technical materials and of comparable situations encountered in the past, to come up with and implement fresh ideas alongside of tried-and-true solutions.

To develop and sustain this genuine art of DP consulting and engineering within its teams, CAP GEMINI SOGETI makes every effort to detect the corresponding human faculties of analysis and dialogue from the very recruiting phase of the hiring process. Employees' subsequent professional growth is encouraged by training in the field and by teamwork in stimulating surroundings. Personal worth is sustained and enriched not only by the Group's arsenal of tools and methods and by the frequent exchanges of ideas between experts, but by the accumulated know-how of the Group's managers and

supervisors as well.

multinational teams,

In this regard, it might be mentioned that Group Europe has established a "code of professional standards" in its subsidiaries, accompanying a set of methods and tools designed to insure homogeneity in the quality of services rendered within these companies. The same purpose is served by a continuing training program, given in the form of technical courses on languages, project management methods, etc., at a cost which varies - depending on country and company - from 3% to 9% (and sometimes even 10%) of the total wage bill. And, finally, this is the reason for which technical seminars, branch meetings, "Rencontres" at the company and operational-group level are systematically scheduled throughout the year.

It happens that the professional and technical level of expertise which meets these standards also responds to the most pressing wishes of computer resource users. What are these users looking for in

their service supplier?

an international reservoir of skills at a high level of availability,

an international-scale technical standing guaranteeing easy access to the most advanced technologies, regardless of their country of origin,

international access to references gained from meaningful experience in all application

areas and in all DP techniques.

nternational reservoir of skills

Only a handful of service companies are in a position to offer an international reservoir of skills showing both a genuine character of universality and the size to match.

The growing complexity of DP systems and the frequent necessity of combining techniques and applications of different types explain the customer's need to access a complete spectrum of skills, from the most routine to the most sophisticated (and the most rare), whether involving familiarity with proliferating hardware products and operating systems, experience in communications network

implementation, or merely full mastery of a given application field.

The variety of skills and the diversity of experience accumulated by CAP GEMINI SOGETI which has successfully completed nearly 25,000 projects during the past ten years - are the customer's guarantee that one of the Group companies has already implemented the solution he is looking for or the technique he wants to use. When a major auto manufacturer, for example, asks CAP SOGETI INDUSTRIE to implement a production-line monitoring application making use of German hardware still unknown in France, the project manager can call on a counterpart in CAP GEMINI DEUTSCHLAND who has already implemented jobs on this computer type and its corresponding communications systems.

The customer is also entitled to expect his partner to offer availability of resources, which presupposes the ability to mobilize immediately the technical and human resources required for completion of a sometimes-vital project within extremely narrow deadlines. When government deregulation of the American telephone system obliged AT&T to install - in record time - a system capable of managing its telephone equipment and sending out four million bills monthly, AT&T found that CAP GEMINI AMERICA was a partner able to muster the supplementary "strike force" it needed.



But it's not enough to know that CAP GEMINI SOGETI today employs over six thousand professionals to understand how the Group constitutes a true international reservoir of skills. The following points must also be emphasized:

 CAP GEMINI SOGETI's operational capability is evenly distributed among three operational Groups (France, Europe, USA), with about two thousand experts at work in each. Moreover, CAP GEMINI SOGETI has a significant presence in virtually all of the Western world's leading economic

regions.

• "skill centers" are set up as soon as an application field or technique offers a development opportunity shared by multiple companies or countries. Due to its international potential, for example, the Group's "videotex" skill, originating in a domestic French project (the Electronic Directory) has been disseminated throughout the Group. The Group has likewise developed world-scale expertise in the conversion field.

 company managers and senior engineers in the various countries take an active part in Group life. They meet regularly to provide one another with information, to discuss their shared concerns and to decide on steps for strengthening both their solidarity and their capabilities. The most distinguished join the "Experts' Club," whose members can tackle problems on very short notice - whether in France, in

Europe or in the USA – in any of the thirty skill fields that they cover together.

Thanks to this global capability, to this organization and to the frequent meetings and working sessions held between CAP GEMINI SOGETI's consultants, faster and more appropriate solutions can be found for many problems, since exchanges of information, documentation and methods take place very rapidly, despite differences in spoken language.



nternational technical standing

For a large DP service company, maintenance of an internationally-acknowledged technical standing is a major requirement, incidentally enabling it to attract and hold on to the best professionals available. This is why CAP GEMINI SOGETI annually earmarks about 5% of its total revenue for research and development, on a par with the average ploughback by computer manufacturers.

This effort for innovation is carried out at all levels: of actual projects, of the operational companies and of the Group as a whole. On a day-to-day basis, it is embodied in the work of the 6,000 professionals making up the Group's workforce today, as well as within pilot projects where new technologies are hammered out. In the field of financial applications, for example, CAP SOGETI LOGICIEL cooperated with the French General Telecommunications Directorate during 1985 to develop software able to identify "smart card" bearers, to handle prepayments and telepayments, and to encipher transmitted data. In the same vein, the Group's English subsidiary is taking part in the Holmes Project, initiated by the Home Office to develop specifications for a new command and control systems architecture.

A systematic effort for innovation and development is also being conducted at the operational company level. These units have developed internationally-recognized expertise in the fields of computer-integrated production (Sweden), data communications networks (France), conversions (Germany, USA), large government applications (the Netherlands), and so on.

On the overall Group level, a specialized subsidiary – CAP SOGETI INNOVATION – coordinates applied research activities in strategic software-related areas. The company operates in liaison with major research bodies and in cooperation with the Group's operational units, in the



framework of large programs or international projects. In the software engineering field, for example, its activities are divided between applications development tools and project management tools on the one hand, and basic technologies - the indispensable substrata of future applications - on the other: relational data bases, concurrent programming, UNIX operating system, ADA programming language, etc. CAP SOGETI INSTRUMENTS integrates the results of this research into its products, particularly its MULTIPRO software engineering workshop.

Another example: to enhance man-machine communications, CAP SOGETI INNOVATION is working on natural-language and multimedia-dialogue interfaces, while developing tools such as text,

graphics, image and sound editors, including the MULTIGRAPH graphic editor.

to environmental conditions such as

We might also point to artificial intelligence, acknowledged as one of the Group's major channels for technological development. This involves not only expert systems - a wide variety of applications of which are developed by the Group - but also the inclusion of knowledge processing techniques in software design and production, as with CAP GEMINI SOGETI's EXPERT method.

Well beyond these operations, CAP GEMINI SOGETI's policy of technological advancement is routed through a continuing reinforcement of its internal links and through a highly flexible structure of employee interaction, facilitating the transfer of skills in the form of co-production, training,

information, exchanges of experts, tools and products.

Techniques in the software field are converging and enriching one another. By organizing synergism between its companies, CAP GEMINI SOGETI is taking advantage of upstream research results and downstream market requirements to maintain its internationally-acknowledged technical



derations.

nternational access to references

The quality of a DP solution does not depend solely on the technical level of its constituent software. It is also conditioned by the architecture which governs the way in which these components are combined, and by the ensemble's adaptation to specific requirements placed upon it. While access to CAP GEMINI SOGETI's international skill reservoir follows an internal approach, the customer might be legitimately interested in outside references, that is, testimonials furnished by the service company's other clients. These enable the customer to assess the real-life functioning of an application that he would like to implement (specifications, performance levels, etc.), verify the feasibility of one of his projects, or even evaluate his own DP resources – in terms of hardware, organization or results – by comparing them to those of a similar operation.

And what better proof of its capabilities can a service firm offer than a positive reference in a field similar to the one with which the customer is concerned? Doubt might persist if this reference is isolated or lacking in scope; but if conditions of size and management quality are both met, it is probable that past experience will have generated adequate know-how to insure a satisfactory level of productivity in

software implementation and solid realism in its recommendations.

But if a garment manufacturer in Western France is to solve a problem involving optimization of fabric cutting thanks to similar work performed in Manchester or Brussels, or if a London underwriter is to benefit from knowledge acquired in his field by CAP GEMINI SOGETI experts in Switzerland or the Netherlands, the basic information involved has to be collated, documented, updated and accessible.

A number of approaches have been established within CAP GEMINI SOGETI for this purpose,



including:

• the ARC system: a database of Group references giving a detailed description of each reference, accompanied by a set of reports and commentaries concerning project implementation,

• monographs, classified by sector of activity or technique, presenting the Group's approach and its main references,

• descriptions of applications, including both functional specifications and actual implementation solutions.

All of these tools create a solid basis for access to references, enabling a Milwaukee sales representative or a Toulouse project manager to track down those implementations best matching a problem to be solved, whether involving the installation of a process control system in a Wisconsin transmission plant or the complete computerization of a family business in the Périgord.

Every CAP GEMINI SOGETI branch – and, thus every Group customer – has access to an exceptional collection of international references, within the framework of complete confidentiality

of client applications.

Reference volume (25,000 projects catalogued during the past ten years), variety and distribution (by sector of economic activity, by type of service performed, by hardware type, etc.) demonstrate CAP GEMINI SOGETI's ability to implement any project type, from the smallest to the largest, as well as its unswerving determination to meet its commitments in terms of performance levels, deadlines, cost and operating security.



An international culture



he computer is sometimes compared with man; for some people, the latter should be a model for the former. Nonetheless, we must bow before the evidence: genetics teaches us that every living being is unique, whereas nothing resembles a computer so much as another computer. Their components are identical, their functions are identical. They have neither personality nor nationality.

In contrast, genetic and environmental diversity lead to a wide variety of behavior in man. A study conducted by a Dutch scholar, Prof. Geert Hofstede – a synopsis of which is given in the following pages – shows just how considerable cultural differences are from one country to another. It also shows how these differences are expressed in business life: after reading it, one is less astonished that DP applications are so dissimilar from country to country and that, once installed and operating, they are virtually "unique." As the essential task of service firms is to make computers – those "universal" tools – effective, it is easier to understand why their fundamental concern lies in the attention paid to human factors, as well as why these companies generally experience great difficulty in operating outside their countries of origin.

While a team of people sharing a single culture, accustomed to working together and mastering the techniques of data processing can gradually evolve into a software service company, this remains a far cry from the formation of an international group. And for a group to be in a position to provide meaningful, high-quality services in a number of countries, it must be cemented by something which, while allowing differences to be expressed, is strong enough to safeguard team effectiveness, the ability to work together and mutual esteem. Insofar as CAP GEMINI SOGETI is concerned, this "other uniting

factor" shared by all of the Group's companies consists of:

• a unified operational organization, based on the branch,

• a unified management language, tailor-made for the Group's activity,

• a unified performance measurement system.

The principles behind these characteristics of CAP GEMINI SOGETI have remained unchanged over the past twenty years, but their form and expression have adapted to the various cultures "integrated" into the Group with passing time.

ational culture and management

Geert HOFSTEDE, Professor of organizational anthropology at the University of Limburg in

The Netherlands, spent nearly ten years on a study aimed at measuring the influence of national culture on human motivation, leadership and corporate structure.

In this study, embodied in a book entitled "Culture's Consequence" (Sage Publications Inc., Beverly Hills, CA 1980, 1984), culture is defined as "the collective mental programming of people belonging to an environment": individual culture is thus excluded from the study.

HOFSTEDE has tried to define criteria permitting a clear differentiation between national cultures. These are the four that he proposes:

 hierarchic distance, indicating the ability to accept the fact that power in organizations (such as corporations) is not equally distributed among its members. The extremities of the axis measuring the distance from power can be characterized by designating them "egalitarianism" (small distance) and "hierarchization" (large distance).

 control over uncertainty, measuring both the level of anxiety in the face of ambiguous or doubtful situations and the desire for factors of security, such as job stability, strict rules of conduct, belief in absolute truths, etc. We might name the ends of this axis "risk" (little control) and "security" (great control).

• individualism and gregariousness, opposing a) a loose social framework in which people are assumed to be fully responsible for themselves, against b) a tight social framework in which people count on the "parent" group to look after them, in exchange for which the group receives their total loyalty.

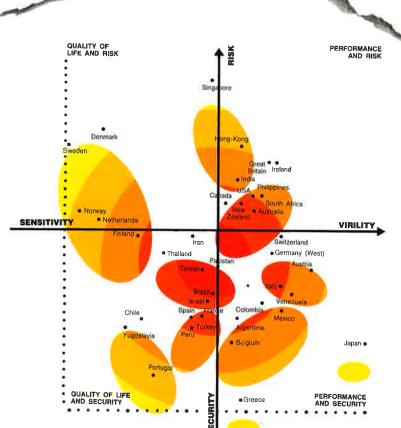
• virility, which represents – symbolically, of course – values such as possession, strength, performance, whereas "sensitivity" stands for consideration for others and for the quality of life (Note that the author uses the terms "masculinity" and "feminity" to characterize these two extremes.)

MOTIVATION

If you try to give a schematic picture of types of motivation as a function of cultural traits, one result is a diagram with the two criteria "risk/security" and "virility/sensibility."

All of the Anglo-Saxon countries (including the USA) are situated in the upper right-hand corner, whereas the Scandinavian coun-

tries are in the upper left-hand corner, along with Holland. This would seem to indicate that, while accepting a given level of risk in their situation, the inhabitants of the Anglo-Saxon countries are relatively motivat-ed by achievement and performance, whereas the Scandinavians are more highly motivated by the quality of work.. and of life.



ORGANIZATION

From this standpoint, it can be said that the hierarchic distance axis gives a picture of a culture's taste for centralization or decentralization of deci sion-making, while the 'security/risk" axis can be used to esti mate the need for form ulation or non-formulation of decisions. It is interesting to note that the USA and Holland hover rather closely to the midpoint of each of these axes, a sign of great

These criteria were used as a basis for a statistical study involving the analysis of 116,000 questionnaires answered in 72 different countries. Each "national culture" was awarded a set of grades allowing it to be situated on each of the four axes. The following table thus shows how certain of the countries in which we are interested were placed in accordance with each criterion.

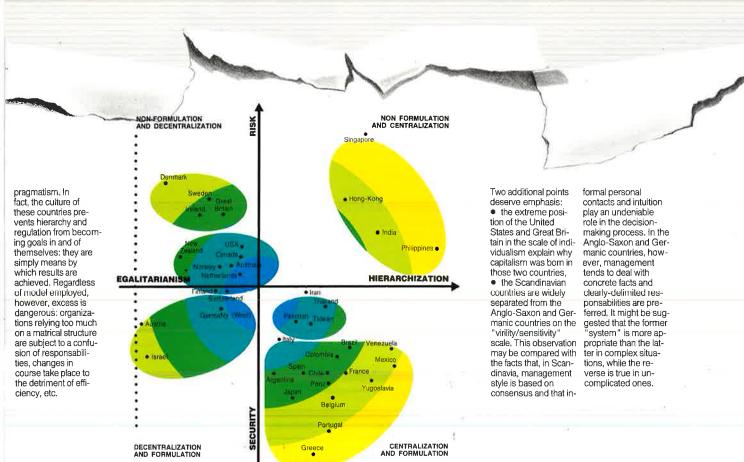
EGALITARIANISM		RISK		GREGARIOUSNESS		SENSITIVITY	
AUSTRIA	13	SINGAPORE	8	VENEZUELA	14	SWEDEN	7
NORWAY	30	SWEDEN	30	SPAIN	53	NORWAY	10
SWEDEN	31	UK	36	GERMANY	66	HOLLAND	21
UK	31	USA	43	NORWAY	68	SPAIN	40
GERMANY	35	NORWAY	51	SWITZERLAND	69	FRANCE	41
SWITZERLAND	35	HOLLAND	52	FRANCE	70	BELGIUM	52
HOLLAND	36	SWITZERLAND	59	SWEDEN	72	USA	61
USA	39	GERMANY	63	BELGIUM	76	GERMANY	62
SPAIN	58	SPAIN	85	HOLLAND	81	UK	66
BELGIUM	62	FRANCE	85	UK	89	SWITZERLAND	70
FRANCE	69	BELGIUM	94				
PHILIPPINES	90	GREECE	110	USA	91	JAPAN	97
HIERARCHIZATION		SECURITY		INDIVIDUALISM		VIRILITY	

The data in this table (noting the names of countries having obtained extreme scores) yields quite a bit of interesting information, such as the fact that Switzerland and Germany consistently have very close – if not equal – ratings. It also enables the reader to draw certain conclusions by criterion. For example, those related to the phenomenon of "leardership" for which the

"hierarchic distance" criterion is obviously the most meaningful. In an initial approximation, we might say that countries with a small "hierarchic distance" (the Scandinavian, Germanic and Anglo-Saxon countries) like to have initiative taken by "subordinates" - the term "industrial democracy" has been mentioned – whereas the Latin countries evidently show a preference for leadership by an individual. In this regard, the particularly high score given to France for this criterion is striking. In fact, 'management by objectives" systems, which represent a compromise between the two extremes, originated in the United States, a country whose culture is situated roughly level with the European average on the "hierarchic distance" scale. As it happens, in those international companies where "management by objectives" not needed for second reference is properly applied, this system adapts itself to the surrounding national culture of its own accord.

Tables have been drawn up, centered on the intersecting axes of two criteria, to indicate the combined influence of multiple, culturally-determined criteria on working behaviors. This procedure makes it possible to delimit, in each case, four zones representative of a homogeneous set of characteristics and behaviors.

Among the many lessons drawn from an examination using this procedure, we might note here two which deal with motivation and organization.



unified, branch-based operational organization

The basic link of CAP GEMINI SOGETI's organization, the branch, is virtually the cornerstone of the Group's organization: it forms the basic cell of its organization and takes on the bulk of its vital functions.

All in all, the CAP GEMINI SOGETI Group has about 100 branches (35 in France, 26 in the USA and 37 in the other major Western European countries). Each branch covers a well-defined geographic or economic territory, a unit within which the branch manager is tasked with keeping up with developments in the local DP market and is empowered to provide his customers with service adapted to their specific requirements.

Responsible for his resources and his results, the branch manager carries out his marketing operations, supervises project implementation, manages his personnel and vouches for the technical quality of work performed. He answers to his company president (or, in the United States, his regional

manager) for the proper performance of these tasks.

The great variety of cultural and economic environments in which the Group's branches are situated is matched by a certain diversity in the way in which branch functions are exercised. Each of the Group's units has had reason to pay special attention to problems that it found more pressing than others, and to develop appropriate techniques for solving them. The relevant information was passed on to the other units of the Group, which were thus able to benefit from this experience, either by drawing inspiration from successful solutions or by adopting fully-developed techniques outright.

What are just a few of these initiatives?

• in Sweden, new professionals are welcomed by each branch manager in a ceremony which follows a carefully-formulated ritual. The resulting level of integration of newcomers into the CAP GEMINI BRA



team is so high that this welcoming function has become a priority task for branch managers in a number of the Group's other units.

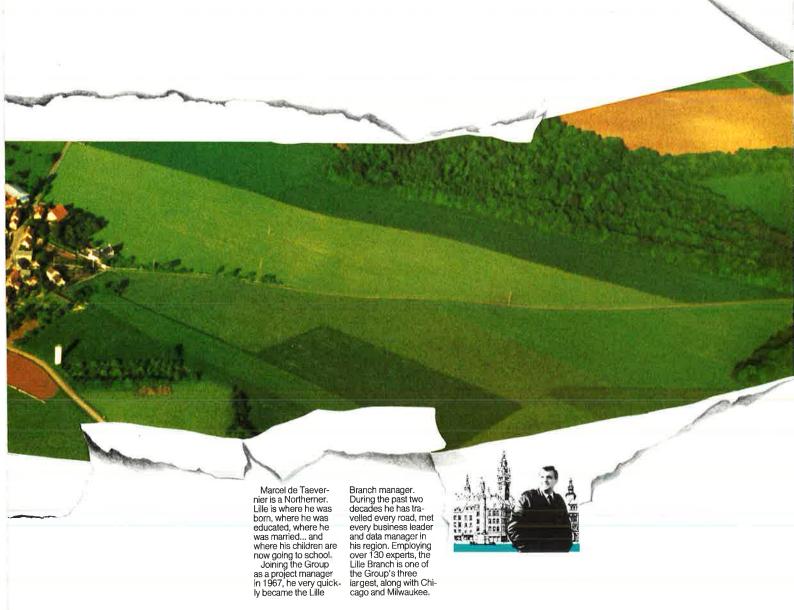
• recruiting would seem to pose the most problems in the USA (doubtless due to the extreme individualism characteristic of American society). One method developed by the Group's American branches is the use of professional "recruiters": the very existence of this function, the selection and training of recruiters, the measurement of their effectiveness, etc., are all undergoing attentive scrutiny by CAP GEMINI SOGETI's European companies, some of which are getting ready to apply the corresponding methodologies, after suitable modification.

 in France and the Netherlands, highly-detailed and highly-documented project management methodologies have been developed and used for some years now during complex-project implementation. The use of these methodologies has been gradually extended to the other companies and, by decentralizing the branch's technical functions at the level of one or more "project managers,"

has yielded an excellent overall level of project management.

Moreover, support from the Group assures the branch of genuine operational flexibility, through the capability of rapidly mobilizing unusual or sizeable resources when required. In the case of very large projects, for example, a number of branches – or even companies – can be called into action. In this case, solutions are worked out and operations are scheduled and supervised at the higher overall level.

Thus reinforced, this "branch" concept enables the CAP GEMINI SOGETI Group companies to grow naturally, placing the greatest possible limitations on the risk of distortion between market demand and proposed or available offer. It also enables the Group to maintain continuing contact with the DP users in every Western country, to measure the evolution of their real needs and correspondingly to orient the Group's medium-term developmental effort.



unified management language

CAP GEMINI SOGETI's branch managers enjoy a broad measure of autonomy with regard to the way in which they conduct their business, and particularly in their marketing activity and personnel management. On the other hand, they are obliged to express their results in accordance with a uniform set of parameters and a uniform cost-accounting method. The Group's structural unity and its adoption of a unified management language make it possible to measure results and consolidate them more easily at the Group level; it also provides managers with the means of drawing meaningful comparisons between different units. Operational leaders thus speak the same "language" during working meetings, each having an accurate understanding of the meaning of each parameter. Dialogue is simplified and its effectiveness greatly enhanced, whether in the context of company Management Committee meetings, "Operations Committee" meetings (weekly meetings of operational managers to review the status of current business), sessions of the Group's General Management Committee (made up of the presidents and general managers of all CAP GEMINI SOGETI's major operational units), or mere discussions between two branch managers. During all of these exchanges, problems and prospects are expressed in unambiguous management terms, using a vocabulary which - regardless of language - represents identical concepts and is employed by each individual to denote the specific economic reality of his sector of activity, his region or his country. Application of this model to all the Group's subsidiaries has made it possible to give a quantified picture of the major dissimilarities in their manner of performing the same job. There are three reasons behind this disparity:



To achieve a genuine decentralization of responsibilites among some 100 branches and twenty odd companies, without jeopardizing the overall cohesion of the Group; to maintain effective communications between 74 cities worldwide, sometimes when time differences of ten or twelve hours are involved; none of this can be accomplished without a system able to insure a simple and speedy transfer of information.

This is why CAP GEMINI SOGETI has set up a worldwide electronic mail network permitting instant exchange of messages, documents and files. Every branch is equipped with micro-computers with which it:

a) processes its own technical, marketing and accounting data,

c) communicates with other units in a great variety of ways. An ambitious program has already been set up for perfecting this tool, which will ultimately include facilities for facsimile and image processing. With the approach of the 1990s.

the target would b for fully-interactive communications between all units within the Group. • differing sectors of activity do not always have the same requirements: for example, it is obvious that demand for large turnkey systems is greater in the territories of branches tasked with serving large government agencies than in others,

• for a given sector of activity, there are significant differences in cost structures from one country to another (e.g., time spent in selling services, time devoted to documenting project results, etc.). There may also be significant discrepancies in the ratio between the sale price and the cost of the "engineer-hour" work unit, and so on. In France and the UK, for example, companies are more willing to seek outside services than in Germany or Austria, where this practice is less routine. Another example: whereas the market is just beginning to take shape in Spain and Portugal, a single very large federal project in the United States involves spending equivalent to an average European country's entire annual demand for software services!

• depending on their personalities, their origins or the relative strength of their market position, Group managers might favor one type of service over another, or concentrate their effort on a specific function, such as security or quality control.

An understanding of these many "models" and the working methods that they reflect acts to demonstrate that certain practices can be greatly enhanced or transformed. It even occurs that something considered impossible in one place proves to be routine practice elsewhere, and perfectly reproducible after slight adaptation. Our plurality of cultures, of circumstances and experience thus becomes a source of progress and mutual enrichment.



unified performance measurement system

Team spirit and cohesiveness are part of both the history and the value system of CAP GEMINI SOGETI. But mutual assistance and collective effort cannot replace necessary individual effort, whether from each employee or from each operational unit. With "management by objectives" practiced at all levels, the Group has acquired the means for day-to-day measurement of each individual's performance levels vis-à-vis preset targets.

• to begin with, at the project level: the branch manager holds regular situation reviews with his experts during worksite or branch meetings; he analyzes weekly reports submitted by each of his professionals, as well as end-of-project evaluations. A career interview, held at least once yearly, enables decisions to be made concerning each professional's career growth, on the basis of clear and objective arguments discussed with the individual.

Acceptance of this performance measurement system is one of the prerequisites for entry into the Group. It allows each person to maintain the qualities essential to an employee in a DP service company: sense of initiative, professional awareness, discretion, respect for the customer firm's procedures, team spirit and steadfastness.

• next, at the branch level, where overall performance is evaluated within the framework of a "Three-Year Plan," which defines goals not only in terms of growth and market share, but also at the level of workforce skill or type of projects to be implemented. Performance referred to the accounting year is

EVOLUTION OF THE NET PROFIT AFTER TAXES

1976 1982 1983 1984 1985 1977 1978 1979 1980 1981 10.8 21.9 43.0 51,5 72.3 95.8 133.0 trates the evoluti CAP GEMINI SO intinuity and the gularity of the net profit aft from 1976 to 19

expressed monthly in the form of results shown in the branch's income statement. Branch managers having exceeded their year's goal by more than ten percent are honored by membership in the "110% Club."

• finally, at the level of the operational companies and of the Group as a whole, the same overall performances are assessed within the context of the "Five-Year Plan" (or medium-term plan), which is updated annually. This updating looks not only at actual performances, but also factors such as new technological trends, labor market developments, foreseeable changes in demand in each country, updated plans submitted by the branches, etc. Financial performances are measured each month and compared to the budget using the same formula as that employed at the branch level.

A significant proportion of each manager's remuneration depends on his personal performance and that of his unit, both measured against the jointly-established target (generally the budget, at the branch, company, operational group or overall CAP GEMINI SOGETI levels). Here, too, acceptance of this measuring and motivating system, shared by all of the Group's units, is a precondition for acceptance into CAP GEMINI SOGETI and for promotion to positions of operational responsibility.



vitations! This year, 34 "winners" will as-

semble in Bermuda.

since each year the

competition earn a trip

to a well-known resort

winners In this

healthy competition

al groups, Thirty-six branch

among the operation-

The cultural differences between countries – even when as close as those of Europe and the United States – are nonetheless quite substantial and constitute a lasting challenge for all international organizations. They have the choice between adapting their methods and management styles to a variety of local cultures or, inversely, adapting their local managers to their methods and management styles. In this field, as in very many others, there is no universally-applicable formula, rule or theory. The strong components of motivation are and remain enthusiasm for work, success and affection for people.

Born in France, but deriving over half of its revenue abroad for the past three years, having a meaningful presence throughout Western Europe and the United States, the CAP GEMINI SOGETI Group has demonstrated itself to be a truly international organization. And this without losing any of its

fundamental nature as the DP user's local partner, regardless of his size or field of activity.

As of the beginning of 1986, and following its recent acquisition in the United States, the Group numbers over 6,000 professionals spread among seventeen major operational companies. Each of these companies provides consulting to its customers, lays the groundwork for their decisionmaking, assists them in making their choices, designs and implements their DP applications (which it can subsequently adapt, update, and transport from one machine or one country to another). A system for organized information exchange and significant investment in design and research keep this professional force at an international-class technical level.

A service company, CAP GEMINI SOGETI has had to create stronger and better bonds between its operational units than any industrial group. In terms of what they deliver to their customers, the Group's professionals have nothing in common except computers. All the rest is the fruit of their

intellectual effort.

onclusion

Paradoxically, these bonds must act to cement the Group's branches and companies while permitting the expression of national character and even regional traits. We have seen that the strong components of motivation are work, which is increasingly enjoyed as it grows more demanding and absorbing, sustained success expressed in growth and profitability, and cohesive, ambitious teams. Added to these are factors of unity which have been toughened by the test of differences and which touch upon the Group's operational structure, management language and performance measurement.

Looking to the future, one can predict without great risk of error that multinational and international projects are going to expand and proliferate: reasons for this are not lacking, and range from deregulation necessitated by technical progress, the development of telecommunications techniques, to the worldwide scope of certain sectors of activity such as telephony, television and banking

services.

These trends will lead to a parallel worldwide expansion of the software service market, whereas today no service company in this field – with the exception of CAP GEMINI SOGETI – is deriving a significant proportion of its revenue from outside its country of origin. From this standpoint, the CAP GEMINI SOGETI Group is holding the best cards for the future, thanks to its truly international dimensions, its strict management practices and an organization in direct contact with the market's needs





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	Caen		38005 GRENOBLE Cedex	33 76 44 82 01
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		14, boulevard de l'Europe	68100 MULHOUSE	33 89 45 10 60
	Mulhouse		54000 NANCY	33 83 51 43 96
	Nancy	25/29, rue de Saurupt 12, rue Gaëtan Rondeau	44000 NANTES	33 40 47 80 23
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	Nice		45000 ORLÉANS	33 38 53 86 50
	Orléans	33/35, avenue de Paris	51100 REIMS	33 26 47 38 38
	Reims	Résidence Lundy, 6, rue Andrieux	35200 RENNES	33 99 51 95 99
	Rennes	107, avenue de Crimée	76100 ROUEN	33 35 63 50 45
	Rouen	Pl. de la Verrerie Centre Régional St-Sever Immeuble Le Montmorency	70100 110 0 == 1	
		Avenue Félix Louat - ZACE	60300 SENLIS	33 44 06 60 71
	Senlis	1, Ch. du Pigeonnier de la Cépière	31100 TOULOUSE	33 61 40 51 58
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		Hamburg	Kanalstrasse 44	2000 HAMBURG 76	49 (40) 227 09 54
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	SE SEMINI Nederland	Utrecht	Bernadottelaan 11	3527 GA UTRECHT	31 (30) 91 02 46
	PANDATA	Rotterdam	Westwaarts 12	2711 AC ZOETERMEER	31 (79) 51 41 61
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		Geldrop	Laan Der Vierheemskinderen 7	5664 TH GELDROP	31 (40) 85 77 85
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CORWAI	DATA LUGIC	Oslo	Rosenkrantzgt. 16	0160 OSLO 1	47 (2) 42 07 60
		Bergen	Lars Hillesgt 30	5000 BERGEN	47 (5) 31 11 17
		Trondheim	Kjøpmannsgt. 8	7000 TRONDHEIM	47 (7) 53 37 65
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