



# QUARTERLY HIGHLIGHTS

FIRST QUARTER FISCAL 2002 (ENDED JUNE 29, 2001)

## ABOUT CSC

Computer Sciences Corporation, one of the world's leading consulting and information technology (IT) services firms, helps clients in industry and government achieve strategic and operational results through the use of technology. The company's success is based on its culture of working collaboratively with clients to develop innovative technology strategies and solutions that address specific business challenges.

Having guided clients through every major wave of change in information technology since 1959, CSC combines the newest technologies with its capabilities in consulting, systems design and integration, IT and business process outsourcing, applications software, and Web and application hosting to meet the individual needs of global corporations and organizations.

With nearly 68,000 employees in locations worldwide, CSC had revenues of \$10.8 billion for the 12 months ended June 29, 2001.

*Our solid 10.2% revenue growth, delivered in the face of the macro economic environment and turbulent industry conditions, is indicative of the balance and diversity that our global service offerings provide. We are encouraged by the robust nature of the commercial outsourcing and federal opportunity pipelines.*

**Van B. Honeycutt**  
Chairman and Chief Executive Officer  
Computer Sciences Corporation

Revenue growth within CSC's global commercial sector, driven principally by global outsourcing activities, was the primary contributor to top line performance during the quarter. For the first quarter (ended June 29): revenues were \$2.7 billion, a 10.2% increase over fiscal 2001 (up 13% in constant currency); net income was \$47.7 million; earnings per share (diluted) were 28 cents; global commercial revenue was up 17% in constant currency; and major new business awards exceeded \$1.7 billion.

As indicated in May, some of the conditions that impacted the fourth quarter have continued and will continue to impact this year's results. The significant reduction in demand for commercial consulting and systems integration services globally has impacted the entire IT services market. CSC has made the necessary adjustments to its organization, including further capacity modifications. Within this market area, CSC is focusing its activities on larger and longer term projects, which reduces the costs of sale and encourages a more comprehensive and strategic relationship with clients. This focus also will enable the company to take advantage of increasing demand when it occurs. CSC is addressing the profitability of two recent outsourcing engagements, which the company previously indicated were contributing pressure to earnings performance. CSC progress to date is on the path to meaningfully improved performance.

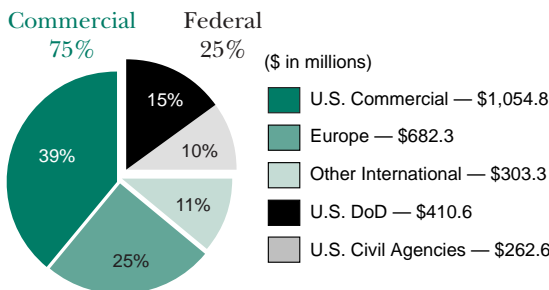
A key tenet of outsourcing is to convert a client's relatively fixed IT costs to become more variable. CSC has experienced some volume pressure on certain lines of service and some delays in projects caused by clients' reduced expenditures due to the economic environment. However, the company also has experienced added scope on some accounts. The company has assumed additional activities and projects to help clients respond to market conditions, thereby strengthening the collaborative partnership between the client and CSC.

Global commercial revenues in the first quarter rose to \$2.0 billion, up 12.4% (approximately 17% in constant currency) from last year's \$1.8 billion. U.S. commercial revenue was \$1.1 billion compared with \$980.8 million last year, up 7.5%. European revenue increased to \$682.3 million, up a strong 19.2% (approximately 28% in constant currency) from last year's \$572.2 million, and non-European international revenue was \$303.3 million, up 15.5% (approximately 27% in constant currency) over the \$262.5 million reported in last year's comparable quarter. The strong revenue growth in Europe was principally caused by outsourcing services, mainly in the United Kingdom and Scandinavia.

CSC's U.S. federal government revenues increased to \$673.2 million from last year's \$647.8 million, up 3.9%. Civil agencies business rose 11.8% to \$262.6 million from \$234.9 million in last year's first quarter, despite the expiration of last year's Census 2000 activities. Continuing growth in CSC's GSA-related activities and IRS modernization work were the principal drivers during the quarter. Revenues from CSC's Department of Defense activities were down slightly to \$410.6 million from last year's \$412.9 million. Increases in revenue from several major engagements, including the U.S. Army's logistics modernization activities, were offset by other engagements winding down.

## 1ST QUARTER FISCAL 2002

Revenues By Major Market



Total - \$2,713.6

## FINANCIAL HIGHLIGHTS

(unaudited)

\$ in millions, except per-share amounts	First Quarter	
	6/29/01	6/30/00
Revenues	\$ 2,713.6	\$ 2,463.3
Net Income	\$ 47.7	\$ 96.0
Diluted Earnings Per Share	\$ 0.28	\$ 0.56

## CSC'S SERVICES ENCOMPASS THREE BROAD AREAS

- **Management Consulting/Professional Services** – Dramatically improve client organizations' operations. Often streamline basic business processes.
- **Systems Integration** – Design, develop and build information technology systems. Combine hardware, software and communications into more productive systems.
- **Outsourcing** – Directly operate clients' information systems. CSC often acquires clients' systems and employees.

## RECENT ENGAGEMENTS INCLUDE:

- **Children's Hospital Los Angeles (CHLA)** – CHLA has selected CSC to develop its information systems capabilities, enabling it to take advantage of emerging technology. CSC will manage CHLA's business and clinical information systems. CSC's plan will help reduce CHLA's operating costs while substantially improving the quality of IT services delivered.
- **Schroders** – Schroders, a leading independent asset management company, has selected CSC for an IT outsourcing contract that will help Schroders' achieve its strategy to focus on the core skills of investment performance and client service. As part of the agreement, CSC will manage infrastructure and applications services.
- **National Security Agency (NSA)** – A CSC-led joint venture, the Eagle Alliance, has been awarded the Groundbreaker contract by the NSA. The Eagle Alliance and its subcontractor companies will provide secure and non-secure telephony and network services, distributed computing services, and enterprise and security management of the non-mission information technology infrastructure at NSA headquarters and surrounding offices.
- **Saint Vincent Catholic Medical Centers of New York (SVCMC)** – SVCMC, one of the largest Catholic healthcare systems in the Northeast, has agreed to outsource to CSC the development of its information systems capabilities, enabling it to take advantage of emerging technology. CSC will manage SVCMC's business and clinical information systems.
- **U.S. Navy** – CSC has been selected by the U.S. Navy as one of twenty-one vendors to provide professional support services for the Naval Sea Systems Command (NAVSEA) and its affiliated directorates, program executive offices, and field activities. Under the scope of the contract, CSC will provide engineering, logistics, program management and financial management services to support NAVSEA through all phases of ship and weapon systems life cycles.

## INVESTMENT DATA

NYSE: CSC

Recent Closing Price: 38.30 (8/20/01)

52-Week Range: 28.99 – 81.44

Shares Outstanding: 169.5 million

Registered Shareholders: 9,385

Institutional Ownership: 75%

Average Daily Trading Volume:

1st Quarter FY 2002 – 1,270,622

Market Cap: \$6.5 billion

## RESEARCH COVERAGE

A.G. Edwards (Greg Gieber)

Banc of America (Prakash Parthasarathy)

Bear, Stearns (Jim Kissane)

Bernstein (Rod Bourgeois)

CIBC World Markets (John Schneller)

CS First Boston (Mark Wolfenberger)

Deutsche Banc Alex. Brown

(Mark D'Annolfo)

Goldman Sachs (Greg Gould)

J.P. Morgan Securities (Bob St. Jean)

Legg Mason (William Loomis)

Lehman Brothers (Karl Keirstead)

Merrill Lynch (Steve McClellan)

Morgan Stanley DW (David Togut)

SG Cowen & Co. (Moshe Katri)

Salomon Smith Barney (Pat Burton)

Standard & Poor's (Jonathan Rudy)

Thomas Weisel (David Grossman)

UBS Warburg (Adam Frisch)

Value Line (George Niemond)

Wit SoundView (Gary Helmig)

## SHAREHOLDER SERVICES

For more information regarding CSC:

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- **Website** – [www.csc.com](http://www.csc.com)

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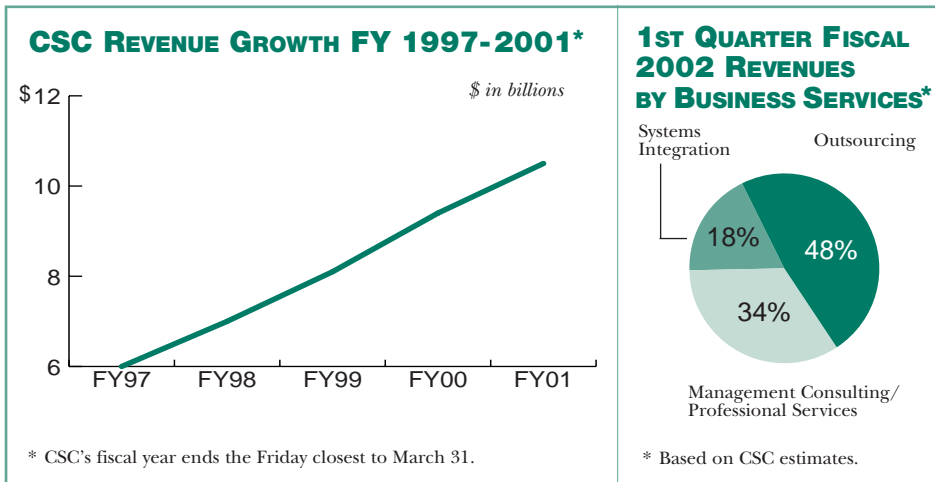
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All statements in this document that do not directly and exclusively relate to historical facts constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements represent the Company's intentions, plans, expectations and beliefs, and are subject to risks, uncertainties and other factors, many of which are outside the Company's control. These factors could cause actual results to differ materially from such forward-looking statements. For a description of these factors, see the section titled "Forward-Looking Statements" in the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended June 29, 2001.