



## PRESS RELEASE

Paris, 31 August 2009

### Results of GFI Informatique Group for the first half of 2009

- Good resistance at revenue level, down only 2.9% to €367 million
- Operating profit on ordinary activities of €11 million, equivalent to a 3% operating margin
- Net debt contained and sharp improvement in working capital

Paris, 31 August 2009

GFI Informatique is publishing its first-half accounts, which were approved on 31 August by the Board of Directors under the chairmanship of Vincent Rouaix.

Key Figures (€m)	First half 2009	First half 2008	Variation
Revenue	367.0	377.9	-2,9%
Operating profit on ordinary activities	11.0	22.5	-51,1%
As a % of revenue	3.0%	6.0%	
(Loss) profit attributable to equity holders of the parent	(11.0)	10.5	/
Shareholders' equity attributable to equity holders of the parent	207.5	229.5	-9,6%
Net debt	109.0	109.6	-0,5%
Net cash from operating activities	16.2	2.6	

#### Statement by Vincent Rouaix, Chairman and Chief Executive Officer of GFI Informatique, concerning the results for the six months ended 30 June 2009:

"What with the first half being a period of transition that bore the imprint of the economic crisis, the results reported by GFI Informatique Group underscored its strengths in many markets, notably France, with commercial success at large corporates that justified the strategic plan announced in July.

Of note was the good resistance displayed by recurrent activities, whereas services and software activities were affected more markedly.

The implementation of the strategic plan aimed at improving the Group's margins by concentrating its operations in Southern Europe and adopting an integrated sector approach will therefore continue at a brisk pace in the second half. Combined with an improvement in the economic environment, this plan should start to yield perceptible results towards the end of the year.

The Group is delighted at the appointment of Cyril Malher as Chief Financial Officer of GFI Informatique. His past experience at international companies will contribute significantly to the efficient application of the strategic plan and to the achievement of the ambitious financial objectives which the Group has set itself,



bearing in mind further recruitments are planned to strengthen the management team.

## Revenue

**Consolidated revenue** of €367.0m was reported by the Group for the first half of 2009, down 2.9% year-on-year (-7% organic) Broadly speaking domestic activities were brisk whereas international activities posted contrasted performances.

## Review of activity

**France** recorded a good performance, with revenue just about holding steady at €248.4m compared with €256.9m, bearing in mind there was an unfavourable 1.6% calendar effect for second quarter (two working days less). Commercial successes at EDF, Caisse d'Epargne, Société Générale, CNAV, EADS and the French Foreign Affairs Ministry support the commercial approach defined by the Group and will ensure a ramping up of activities at the Casablanca nearshore centre. In partnership with Infosys, GFI Informatique signed a major framework agreement with EDF for SAP-related integration projects. This contract shows the strategic move of the Group through its partnerships on major international projects.

In these sharp economic conditions, operating profit on ordinary activities came to €10, 3 m giving an operating margin of 4,1%.

**Spain and Portugal** contributed revenue of respectively €36.8m and €13.2m. In Spain, negative organic growth was recorded, but this was contained at 3.8% thanks notably to the ERP integration activities developed with Oracle in the industrial, services and public sectors. In Portugal, negative organic growth of 13.0% was recorded because of a sharp downturn in projects in new technologies, electronic transactions and payment systems. Cumulated operating margin in these two countries was 3,2%.

**Italy** recorded a sharp 22.5% decrease in revenue due on the one hand to the Group's decision to discontinue the hardware and software reselling activity and, on the other hand, to the sharp economic slowdown, notably in the public sector. An important cost-cutting plan has been launched and the Group keeps up reinforcing its financial control of the subsidiary with the objective of improving the working capital and the level of trade receivables.

**Germany Belgium and Switzerland.** In a severe economic climate namely in automobile and finance sectors, the German branch contributed revenue of €11.3m showing a limited negative organic growth of -6,3%. In Belgium, the revenues were affected by the sharp slowdown of the automobile sector, which is the main source of business for the Group's local subsidiary. The Swiss branch achieved its objectives in the first half, which were to stabilise revenue and turn around results.

**Canada** contributed revenue of €23.2m in the first half of 2009, which includes Fortsum that is consolidated since 21 May 2009. Activities slowed sharply in software (ERP) and electronic transactions because the significant volume of business generated by the rollout of the EMV interoperability standard has dried up, affecting GFI Conseil.





Acquired in July 2008, the Bell Group contributed first-half revenue of €12.6m, in line with the Group's expectations.

**Morocco** enjoyed stronger growth in the second quarter, with revenue up nearly 30% at constant exchange rates, so that the local subsidiary posted very satisfactory results.

### Comments on the first-half accounts

Operating profit on ordinary activities came to €11m, equivalent to 3% of revenue. This reflects once again the relatively good performances of France, Spain and Portugal in the context of an economic crisis, whereas Canada and especially Italy did not fare as well.

Other non-current operating charges reached €17.6m in the first half of 2009 out of which €13.7m concerned Italy, with mainly a €10m impairment loss in respect of the goodwill recognised for the local subsidiary.

Net finance costs declined sharply to €1.8m in the first half of 2009 from €3.2m in the first half of 2008, reflecting mainly the easing of short-term interest rates since the end of 2008.

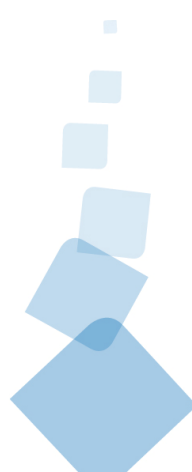
The loss attributable to equity holders of the parent came to €11.0m in the first half of 2009 compared with a profit of €10.6m in the first half of 2008. But for the non-recurrent charges recorded in respect of Italy, the Group would have reported a profit. Diluted earnings per share amounted to a loss of €0.20 in the first half of 2009 compared with a profit of €0.19 in the first half of 2008.

### Financial situation

There was a significant improvement in net cash from operating activities to €16.2m from €2.6m in the first half of 2008, despite a decline in operating cash flow because of the first-half loss. There was a substantial reduction in working capital requirements, with €9.8m of resources generated compared with a use of €15.4m in the first half of 2008. This performance deserves to be underlined since there is normally an increase in working capital requirements during the first half of the year.

The Group invested a total of €24.0 million in the first half of 2009, of which:

- €18.5m (net of acquiree's cash position) to complete the acquisition of Fortsum;
- €2.2m of spending on intangible assets, consisting of capitalised development costs and spending on licences to develop proprietary software and other internal projects; and
- €1.8m of spending on tangible assets for equipment used in the operations.





Given the investments made in the first half, which were debt financed for €11m, the Group had net debt of €109.0m at 30 June 2009 compared with €92.3m at 31 December 2008.

### **Outlook and objectives**

Given uncertainties about the economic outlook, therefore the low forward visibility for certain of its activities, the Group remains focused on its short-term priorities which are to:

- Press ahead with the implementation of the plan for improving margins through a reorganisation by market, focusing marketing actions on large corporates, and continuing technological investments in new applications at the Software division (public, tourism and healthcare sectors), the goal being to move back onto the fast track in 2010.
- Manage very tightly trade receivables and cash positions and maintain very stringent permanent controls at all levels of the Group over the production capacity and cost structure, notably in Italy.

Short term, given the positive signals at certain customers resuming projects that had been halted temporarily, given also the substantial order book and the full impact of the cost-cutting measures initiated in the first half, the Group expects its overall performance to improve in the second half.

### **Publication of interim financial report for the 6 months end 30 June 2009**

The first-half financial report of GFI Informatique Group drawn up in accordance with Article 222-4 of the AMF general Regulation is available on the Company's website at <http://www.gfi.fr/fr/shareholders/rapport-annuel.php>. It can also be obtained on simple request addressed to the company's registered office at 15 rue Beaujon, 75008 Paris, France.

### **Financial communication calendar**

GFI Informatique will publish revenue for the third quarter of 2009 after trading hours on 9 November 2009.

### **About GFI Informatique**

GFI Informatique is a major player in the IT services sector in Southern Europe, providing five strategic offerings: Consulting, ERP integration, Engineering, infrastructures & Production and Software Solutions. As part of its industrialisation policy, the group has 11 skills centres, two national design and production service centres and three offshore centres. GFI Informatique recorded 2008 revenue of €768.1m and its workforce stood at close to 10,000 at the end of 2008.

GFI Informatique is listed on the Paris Euronext, NYSE Euronext (Compartment C)  
ISIN code: FR0004038099. For more information, go to [www.gfi.fr](http://www.gfi.fr)

### **Press relations**

Martine Canaque, Chief Communication Officer  
Tel: +33 (0)1 53 93 43 80 - [mcanaque@gfi.fr](mailto:mcanaque@gfi.fr)



## Appendices

### Summarised consolidated income statement

Six months ended 30 June (€m)	2009	2008
Revenue	367.0	377.9
<b>Operating profit on ordinary activities</b>	<b>11.0</b>	<b>22.5</b>
Margin	3.0%	6.0%
Other operating income and charges	(17.6)	(2.6)
<b>Operating (loss) profit</b>	<b>(6.6)</b>	<b>19.9</b>
Finance costs	(1.8)	(3.2)
Other financial expenses	(0.8)	0.4
Income tax expense	(1.7)	(6.4)
<b>(Loss) profit attributable to the equity holders of the parent</b>	<b>(11.0)</b>	<b>10.5</b>
Diluted earnings per share (€)	(0.20)	0.19

### Summarised consolidated balance sheet

(€m)	30 June 2009	31 December 2008
Goodwill	241.1	238.4
Other intangible assets and tangible assets	41.2	39.4
Other non-current assets	4.9	5.1
Current assets	314.1	356.4
Cash and cash equivalents	19.2	22.2
<b>Total assets</b>	<b>620.6</b>	<b>661.5</b>
Total equity	205.3	231.2
Non-current and current borrowings	128.2	114.5
Non-current liabilities	18.2	17.6
Current liabilities	268.8	298.2
<b>Total equity and liabilities</b>	<b>620.6</b>	<b>661.5</b>



### Summarised consolidated cash flow statement

Six months ended 30 June (€m)	2009	2008
Operating cash flow	7.9	22.1
Taxes paid	(1.6)	(4.0)
Change in working capital used in the operations	9.8	(15.4)
Net cash from operating activities	16.2	2.6
Net cash used in investing activities	(24.0)	(29.0)
<i>Of which operating investments</i>	(4.0)	(7.4)
<i>Of which acquisitions and disposals</i>	(20.2)	(21.7)
Net cash from financing activities	1.9	8.8
Effect of changes in foreign exchange rates	0.1	(0.3)
Change in cash and cash equivalents	(5.8)	(17.8)

### Analysis of revenue

(€m)	First half 2009	First half 2008	% change	Organic growth	First half 2009	First half 2008	% change	Organic growth
France	248.4	256.9	-3.3%	-3.9%	119.2	128.8	-7.5%	-6.9%
International	118.6	121.0	-1.9%	-13.7%	59.7	62.5	-4.4%	-18.9%
Total	367.0	377.9	-2.9%	-7.0%	178.9	191.3	-6.5%	-10.8%

### Analysis of operating profit by geographical area

(€m)	Group	France	Spain	Italy	Portuga l	Northern Europe	Canada	Morocco
Revenue	<b>367.0</b>	248.4	36.8	22.4	13.2	20.8	23.2	2.3
Operating profit on ordinary activities	<b>11.0</b>	10.3	1.2	(2.3)	0.4	0.1	0.7	0.6
As a % of revenue	<b>3.0%</b>	4.1%	3.3%	-10.3%	3.0%	0.5%	3.0%	26.1%

