

GFI INFORMATIQUE: FIRST-HALF 2012 RESULTS

ONGOING GROWTH IN REVENUES (up 3.8%)
OPERATING MARGIN HOLDING UP WELL
LOWER GROUP DEBT AND CONTROLLED WORKING CAPITAL
ACQUISITIONS IN THE SOFTWARE INDUSTRY
SIGNING OF THALES BUSINESS SOLUTIONS DIVISION

Saint-Ouen (France), 30 July 2012 – At its 30 July 2012 meeting chaired by Vincent Rouaix, the Gfi Informatique board of directors considered the condensed consolidated financial statements for the first six months of 2012.

Main profit and loss items	30.06.12 (1)	30.06.11 Restated (2)	Δ	Δ%
Revenue	320.9	309.3	11.6	3.8%
Operating margin	15.9	15.7	0.2	1.1%
<i>As a % of revenue</i>	<i>5.0%</i>	<i>5.1%</i>	<i>-0.1 pt</i>	
Operating profit	10.8	11.4	-0.6	-5.4%
Profit before income (loss) from discontinued operations	2.3	7.0	-4.7	-67.3%
Net profit	5.6	9.1	-3.5	-38.1%
Net profit attributable to Group	4.9	8.4	-3.5	-41.5%
Earnings per share	0.09	0.16	-0.1	-41.3%
Main balance sheet items				
Cash flow	13.8	15.2	-1.4	-9.1%
Net debt	63.7	107.7	-43.9	-40.8%
Equity (Group share)	187.2	187.6	-0.4	0.2%
<i>Restated net debt to equity (Group and minority interests)</i>	<i>34%</i>	<i>55%</i>	<i>-21 pt</i>	

(1) Audit work on the consolidated financial statements is in progress

(2) In the income statement, all income and expenses of the discontinued activities are combined under a single line: "Profit (loss) from discontinued operations"

Commenting on these results Vincent Rouaix said: "Gfi Informatique has shown drive and its strong business model backed by 2.4% like-for-like revenue growth over the first half year despite a more depressed economy and more public holidays than in 2011. We expect the operating margin to improve further in the second half and that the completed or pending acquisitions will help to bolster the Company both operationally and in terms of profitability."

GROUP REVENUES: HIGHER GROUP REVENUES AND OPERATING MARGIN HOLDING UP WELL

First half 2012 Group revenues came in at €320.9 million, up 3.8% on published data and up 2.4% like for like compared to first half 2011. Despite two fewer working days in France (2 days) and Spain (1 day) and a more depressed economy, second quarter revenues advanced by 0.2% like for like.

The Group operating margin amounted to €15.9 million and is line with 2011.

- **FRANCE:** revenue growth – stable operating margin

First half 2012 revenues were €258.8 million, compared to first half 2011 revenues of €247.7 million), up 4.5% on published data and up 3.0% like for like despite more public holidays.

The operating margin amounted to 5.3% vs. 5.4% in 2011 and matches expectations. Apart from the negative impact of the extra public holidays compared to last year, the growth reflects the Company's success stories in terms of new business. Indeed, the first half operating margin includes start-up costs of major Infrastructure services projects and an increase in software R&D costs whereas royalty income is not booked until after the period for bringing the product to market.

The average daily rate rose by €31 and the activity rate is in line with 2011 despite the more sluggish economy.

- **INTERNATIONAL:** stable revenues – improvement in the Iberian Peninsular

Iberian Peninsula (Spain and Portugal):

Revenues amounted to €46.2 million versus €47.3 million, down 2.4% like for like while the operating margin improved by 3.4% to 4.1%. This improvement comes from Portugal where the operating margin rose by 1.2% to 5.1%.

Northern Europe (Belux and Switzerland)

Revenues came in at €13.0 million, up 11.7% (published data) and up 7.3% (like for like). Belux accounts for nearly 95% of the region's sales, where the operating margin edged down to 5.1% due to a lower activity rate than 2011 early in the period; however this is expected to return to last year's level in the second half.

OPERATING PROFIT AND NET PROFIT

Operating profit amounted to €10.8 million, down from €11.4 million in 2011 due to marginally higher restructuring costs.

Net profit amounted to €5.6 million and includes the earnings of the discontinued activities in Canada of €3.3 million. The corporation tax charge rose by over €3 million compared to 2011 given that the 2011 Group tax included tax income on the capitalisation of tax losses. Adjusting for the 2011 tax income, net profit for the period would have been nearly identical to 2011.

FINANCIAL STRUCTURE: CONTROLLED WORKING CAPITAL AND LOWER GROUP DEBT

The Group financial structure was boosted during the first half following the sale of the Group's business in Canada which resulted in proceeds of €47.2 million and then €10 million in september 2013. Furthermore, the group maintained tight control over working capital with consumption reduced to €15.9 million from €22.2 million in 2011.

Net debt as at 30 June 2012 amounted to €63.7 million, down from €84.9 million at 31 December and €107.7 million at 30 June 2011, after a €4.8 million dividend payout and €5.8 million of acquisitions (see below).

TARGETED ACQUISITIONS IN THE SOFTWARE INDUSTRY

Late June 2012, Gfi Informatique acquired two software companies, Géosphère and Adix. These acquisitions bolstered the Group's leadership with the French public sector, specifically local authorities and public organisations, and boosted the development of a promising Geographic Information Systems offer for Géosphère and a financial management system for Adix. Following these acquisitions Gfi Software's revenues in France exceed €80 million. Combined 2011 revenues for the two companies amounted to €5.4 million earning a double digit operating margin, in line with that of the Gfi Informatique Software division.

Furthermore, on 30 July 2012 Gfi Informatique made the signing of Thales Business Solutions Division.

The transaction is expected to be completed in September 2012 subject to the lifting of the last conditions precedent, notably concerning the approbation of the competition authorities.

OUTLOOK

In view of the reduced market visibility, Gfi Informatique is cautious about the second half year. However, in a constant economy, management considers that growth will continue in the second half and that the operating margin will improve.

Next release: Q3 2012 revenues - Thursday 25 October 2012

Disclaimer

The items in this press release other than historical facts are estimates. They do not constitute guarantees because of the inherent difficulties in forecasting results. Actual results may differ considerably from explicit or implicit forecasts.

About Gfi Informatique

Gfi is a major European player in the high value-added IT services and software sector, and occupies a strategic position in its differentiated approach to global firms and niche entities. With its multi-specialist profile, the Group serves its clients with a unique combination of proximity, sector organisation and quality industrial solutions. The Group has almost 8,700 employees and posted 2011 revenues of €618 million.

Gfi Informatique is listed on the Paris Euronext NYSE Euronext (Compartment B) - ISIN Code: FR0004038099.

Please see our website: www.gfi.fr.

For further information, contact:

GFI INFORMATIQUE
Chief Financial Officer
Cyril MALHER
Tel: +33 1 44 04 50 64
cyril.malher@gfi.fr

KEIMA COMMUNICATION
Investor Relations
Emmanuel DOVERGNE
Tel: +33 1 56 43 44 63
emmanuel.dovergne@keima.fr

PRESS RELATIONS
Alix HERIARD
Tel: +33 1 56 43 44 62
alix.heriard@keima.fr

ATTACHMENTS

Revenues

Sales (in euros '000)	2012 (1)	2011 restated (2)	Reported growth	Like-for- like growth
France	258.8	247.7	4.5%	3.0%
Spain	35.0	34.2	2.4%	2.4%
Portugal	11.2	13.2	-14.9%	-14.9%
Northern Europe	13.0	11.7	11.7%	7.3%
Morocco	2.9	2.6	9.6%	8.1%
IFRS 5 Group	320.9	309.3	3.8%	2.4%

Sales (in euros '000)	2012 (1)	2011 restated (2)	Reported growth	Like-for- like growth
1 st quarter	165.2	153.8	7.4%	4.6%
2 nd quarter	155.7	155.5	0.2%	0.2%
Sales Group	320.9	309.3	3.8%	2.4%

Sales (in euros '000)	2012 (1)	2011 restated (2)	Reported growth	Like-for- like growth
1 st quarter	134.1	123.4	8.6%	5.6%
2 nd quarter	124.7	124.3	0.4%	0.4%
Sales France	258.8	247.7	4.5%	3.0%

Sales (in euros '000)	2012 (1)	2011 restated (2)	Reported growth	Like-for- like growth
1 st quarter	31.1	30.4	2.3%	0.5%
2 nd quarter	31.0	31.2	-0.7%	-0.8%
Sales international	62.1	61.6	0.8%	-0.1%

Income statement

Profit and loss account (in euros '000)	30.06.12 (1)	30.06.11 Restated (2)
Revenues	320.9	309.3
EBITDA	19.8	20.0
Amortisations and depreciations, net	3.9	4.3
Operating margin	15.9	15.7
Operating margin %	5.0%	5.1%
Amortisation of intangibles identified on acquisitions	-0.8	-0.7
Goodwill impairment	0.0	0.0
Other operating income (expenses)	-4.3	-3.5
Operating profit	10.8	11.4
Financial result	-3.2	-2.2
Tax charge	-5.4	-2.2
Net income before discontinued activities	2.3	7.0
Discontinued activities	3.3	2.1
Net income	4.9	8.4
<i>Net income by share (in €)</i>	<i>0.09</i>	<i>0.16</i>

(1) Audit work on the consolidated financial statements is on process

(2) In the income statement, all income and expenses of the discontinued activities are combined under a single line: "Profit (loss) from discontinued operations"

Cash flow

Cash flow statement (in euros '000)	30.06.12 (1)	30.06.11 Restated (2)
Operating cash flow	13.8	15.2
Tax paid	-4.3	-3.9
Change in working capital	-15.9	-22.2
Net cash flow from operating activities	-6.3	-10.9
Net cash flow of investments except scope	-5.3	-4.7
Cash flow from operations of scope	41.5	-5.5
Net cash flow from investing activities	36.2	-10.2
Dividends	-4.8	0.0
Subscription of borrowings	0.0	49.0
Repayment of borrowings	-19.4	-7.7
Interest paid	-1.0	-2.0
Factor and other	21.0	18.1
Net cash flow from financing activities	-4.2	57.3
Impact of exchange rate	0.0	0.0
Net cash before discontinued activities	25.7	35.8

Balance sheet

Balance sheet (in euros '000)	30.06.12 (1)	30.06.11 Restated (2)
Goodwill on acquisition	171.7	165.3
Fixed assets	38.3	36.8
Other non current assets	17.4	8.7
Current assets	267.3	253.0
Cash and cash equivalent	46.1	19.4
Assets for sale	0.0	108.0
Total Assets	540.8	591.1
Net equity	187.2	208.5
Borrowings (current and non current)	109.8	104.3
Non current liabilities	22.9	21.9
Financial and provisions liabilities	2.6	4.8
Current liabilities	218.2	217.4
Liabilities for sale	0.0	34.2
Total Liabilities	540.8	591.1
Net debt	63.7	84.9
<i>Gearing</i>	<i>34%</i>	<i>41%</i>
Working capital	49.6	34.5

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