Press Release
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4 March 2014
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GFI INFORMATIQUE: FULL-YEAR 2013 REVENUE

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STRONG GROWTH IN BUSINESS AND NEW MARGIN IMPROVEMENT

REVENUE: €742.7m (+11%)
OPERATING MARGIN[1] IN FRANCE: 6.7% (+0.4 bp)
NET PROFIT[2]: +54% - EPS DOUBLED IN 2 YEARS

Saint-Ouen (France), 4 March 2014 – The Board of Directors of Gfi Informatique meeting on 4 March 2014 under the chairmanship of Vincent Rouaix, reviewed the major consolidated financial statements (P/L, B/S and CF statements) for the year ended 31 December 2013[3].

Main items of profit & loss account	**31.12.13 [3]**	**31.12.12 restated[4]**	**Δ**	**Δ%**
Revenue	742.7	667.3	75.4	+11.3%
Operating margin	45.0	39.8	5.2	+13.0%
Operating margin as a %	*6.1%*	*6.0%*		
Operating profit	29.8	23.4	6.5	+27.7%
Result from continuing operations	13.5	8.8	4.8	+54.4%
EPS from continuing operations (in €)	0.25	0.16	0.09	+54.6%
Principal cash components				
Cash flow	40.9	34.9	+6.0	+17.1%
Net debt	46.9	53.3	-6.4	-12.1%
Net debt on equity (Group and minority shareholders)	*23%*	*28%*		

"By combining a determined strategy of niche acquisitions with an innovative strategy of ramping up its offering, Gfi Informatique has succeeded in creating a sustainable and profitable growth model in France despite the challenging economic environment. In 2013, France achieved the best performance over the last five years, and created the foundation to continue its profitable growth in 2014."

Vincent Rouaix, Chairman and Chief Executive Officer

1 Operating profit before one-time charges including goodwill impairments and before purchase price allocation.
2 Result from continuing operations
3 Audits were performed on the major consolidated financial statements. The certification report will be issued after completion of the required procedures for the publication of the annual financial report.
4 Restated following revised IAS 19 retrospectively

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GROUP ACTIVITY: REVENUE INCREASED BY 11.3% AND THE OPERATING MARGIN BY 13%

The Group's revenue for the full-year 2013 reached €742.7m, up 11.3% from the previous year. At constant scope and exchange rates, revenue increased by 0.4%.

The Group generated an operating margin of €45.0m, i.e. 6.1% of revenue, compared with €39.8m in 2012, an increase of 13%.

- **In France: A sales growth of 15.6% - An operational margin growth of +21.6%**

France is the Group's growth engine, representing 85% of consolidated revenue, and recorded growth for the fourth straight year, up 15.6% to €631.8m despite a challenging economic environment and an unfavourable calendar effect (-2 business days), which had an impact of -0.8%. This growth results from the combination of steady organic growth of +1.8%, due to winning major contracts, strengthening its position among the leading digital services companies in the market, and the contribution of acquisitions made in 2012 (Thales, Cognitis, Géosphère and Adix), also the acquisition in early September 2013 of Addstones, a company specialising in CIB.

The successful integration of acquisitions, ramping up of business and growing centralisation effects enabled the Group to record an increase of €19 in its average daily rate and of 40bp in its operating margin, which came to €42.2m (6.7% of revenue) in 2013 compared with €34.7m (6.3% of revenue) in 2012, an increase of 21.6%.
Over the last five years, since the implementation of the strategic plan launched in September 2009, the operating margin rose from 4.3% to 6.7% an increase of 2.4 bp.

- **International**

In full-year terms, revenue fell 6.1% on a like-for-like basis to €111.0m. The operating margin for international activities was €2.7m, i.e. 2.5% of revenue, compared with €5.1m and 4.2%, respectively, in 2012.
This decline is attributable mainly to the Iberian Peninsula, but the region's outlook for both organic growth and profitability has improved for 2014. Benelux, Switzerland and Morocco recorded virtually stable revenue and operating margins, also with a more upbeat outlook for 2014.

OPERATING PROFIT GROWTH: +27.7% - NET PROFIT GROWTH: +54.4%

The increase in operating profit to €29.8m in 2013 from €23.4m in 2012 is due mainly to the improved profitability, with no goodwill impairment. Restructuring expenses in the second half amounted to €1.9m, a significant decrease compared with the first half (€5.2m), as expected.
Net profit before discontinued operations (in 2012, a €3.3m gain on disposal was recorded in Canada) amounted to €13.5m, up from €8.8m the previous year, i.e. net earnings per share of €0.25, a 54.6% increase from the previous year and a twofold increase from 2011.

A 17.1% INCREASE IN CASH FLOW AND LOWER GEARING

Cash flow increased by 17.1%, from €34.9m to €40.9m, in line with the growth in profitability. The change in working capital requirement is consumption of €2.5m due to taxes related to the CIR (research tax credit) and CICE (French Competitiveness and Employment Tax Credit).
Capex remained well reined in at €9.8m compared with €8.2m in 2012, this rise being attributable mainly to changes in scope. The Group recorded gains of close to €11.3m, the main part from the vendor loan on the disposal of the Canadian business completed in 2012. Conversely, the acquisition of Addstones and various vendor loans represented an investment of €9.8m over the year.

STAFF

At 31 December 2013, the Group had about 10,000 employees, of which 8,000 in France. 1,450 people work in the Service Centres, an increase of 64% in the past three years. This change reflects the Group's determination to offer an answer adapted to the centralisation and specialisation anticipated by its clients.

GFI INFORMATIQUE PRESSES ON WITH ITS INNOVATION STRATEGY WITH THE ACQUISITION OF DIGITAL AGENCY AWAK'IT

At the end of January, Gfi Informatique acquired 100% of the capital of Awak'IT, a consultancy specialising in Global Digital, Corporate and HR communication for major groups. Awak'IT has built up recognised expertise in the new digital channels (Web TV, intranet, mobile tablets, collaborative and social networks, e-learning, etc.) and has many prestigious groups among its clients, notably several CAC 40 companies. With this deal, Gfi Informatique aims to acquire a leading position in the (French) digital market and is looking to develop significant commercial synergies in a fast growing sector.

More generally, in the last 24 months, Gfi has considerably increased its ability to offer high value-added services to its clients with the Company Hub developed with Nokia, the cloud computing offer through the partnership with OBS, outsourcing, PLM with Thales, testing and BI with Cognitis. The Group will keep up its efforts in this area, as it is convinced that innovation is essential to growth and profitability.

OUTLOOK

As 2014 started with a significant backlog and commercial activity remains robust, Gfi Informatique aims to achieve further growth in business and a continued improvement in profitability in 2014, despite the still-fragile economic environment in France.

Next release: 29 April 2014, Q1 2014 revenue

Disclaimer

Other than historical facts, the items in this press release 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 Informatique is a major player in value-added IT services and software in Europe, and occupies a strategic position in its differentiated approach to global firms and niche entities. With its multi-specialist profile, the Group services its clients with a unique combination of proximity, sector organisation and quality industrial solutions. The Group has around 10,000 employees and generated pro-forma revenue of €743 million in 2013.

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

For more details: www.gfi.fr

For information, please contact

GFI INFORMATIQUE
Administrative and Financial Director
Cyril MALHER
Phone :+33 1 44 O4 50 64
cyril.malher@gfi.fr

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

AGENCE YUCATAN
Press relations
Caroline Prince
Phone :+33 1 53 63 27 53
cprince@yucatan.fr

APPENDICES

Consolidated statement of financial position in euro '000	2013	2012 restated (1)	2011
Revenue	742,7	667,3	618,1
EBITDA	52,3	46,7	40,4
Depreciation and amortization (net)	7,3	6,9	6,1
Operating margin	**45,0**	**39,8**	**34,3**
Operating margin %	6,1%	6,0%	5,6%
Amortization of assigned intangible assets	-1,8	-1,5	-1,5
Goodwill impairment losses	0,0	-3,3	-4,5
Other operating products and expenses	-13,3	-11,6	-8,8
Operating profit	**29,8**	**23,4**	**19,6**
Financial result	-7,0	-6,6	-6,1
Income tax expense	-9,3	-8,0	-6,9
Net income from continuing operations	**13,5**	**8,8**	**6,6**
Net income of discontinued operations	0,0	3,3	6,3
Net income attributable to the Group	13,5	11,6	10,5
Diluted earnings per share (in euros)	*0,25*	*0,16*	*0,12*

(1) restated revised IAS 19

Consolidated cash flow statement in euro '000	2013	2012 restated (1)	2011
Cash from operating activities	**40,9**	**34,9**	**32,3**
Tax paid	-10,3	-8,3	-8,5
Change in WC requirement (except payment of VAT litigation)	-2,5	1,2	-3,2
Net cash from operating activities before payment of VAT litigation	**28,1**	**27,8**	**20,6**
Payment of VAT litigation	-4,8	0,0	0,0
Net cash from operating activities	**23,3**	**27,8**	**20,6**
Net cash from investing activities off perimeter	-9,8	-8,2	-9,6
Net cash linked to perimeter investment : Canada	9,8	46,0	0,0
Net cash linked to perimeter investment : Other	-8,2	-14,3	-5,6
Net cash from investing activities	**-8,2**	**23,5**	**-15,2**
Dividends	-3,2	-4,8	0,0
New borrowings	0,0	37,7	43,4
Repayment of borrowings	-8,0	-44,5	-16,1
Interests paid	-4,7	-4,5	-5,3
Change in factoring drawdowns and other	-4,7	-10,8	-2,8
Net cash from financing activities	**-20,6**	**-26,9**	**19,1**
Change in cash and cash equivalents of continued activities	**-5,5**	**24,3**	**24,5**
Net cash from discontinued operations	0,0	-16,3	-3,9
Effect of changes in foreign exchange rate	0,0	0,0	0,0
Change in cash and cash equivalents	**-5,5**	**8,0**	**20,5**

(1) restated revised IAS 19

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2013		France	Spain	Portugal	Belux	Switzerland	Morocco
Revenue	742,7	631,8	63,2	16,5	23,8	1,7	5,8
OPERATING MARGIN	**45,0**	**42,2**	**1,3**	**0,2**	**1,1**	**-0,3**	**0,5**
Operating Margin %	6,1%	6,7%	2,0%	1,0%	4,6%	NS	8,1%

	2012	France	Spain	Portugal	Belux	Switzerland	Morocco
Revenue	667,3	546,6	67,4	21,5	24,2	1,7	5,9
OPERATING MARGIN	**39,8**	**34,7**	**3,1**	**0,5**	**1,3**	**-0,3**	**0,5**
Operating Margin %	6,0%	6,3%	4,6%	2,3%	5,2%	NS	9,1%

	2011	France	Spain	Portugal	Belux	Switzerland	Morocco
Revenue	618,1	496,7	67,3	24,4	23,0	1,3	5,3
OPERATING MARGIN	**34,3**	**28,7**	**4,1**	**0,2**	**1,3**	**-0,5**	**0,5**
Operating Margin %	5,6%	5,8%	6,0%	0,9%	5,8%	NS	8,8%

Balance sheet in euro '000	**2013**	**2012** restated (1)	**2011**
Goodwill	200,5	192,1	165,3
Fixed assets	44,0	41,2	33,2
Current and non current assets	323,6	320,4	265,2
Cash and equivalent cash	48,2	40,2	19,4
Assets hold for sale	0,0	0,0	108,0
Total assets	**616,4**	**593,8**	**591,1**
Net equity - Group share	202,6	189,6	192,6
Minority interest	-1,8	-1,6	15,9
Borrowings	95,1	93,5	104,3
Current and non current liabilities	301,7	294,2	239,3
Financial liabilities and current provisions	18,7	18,3	4,8
Liabilities hold for sale	0,0	0,0	34,2
Total liabilities and shareholders equity	**616,4**	**593,8**	**591,1**

(1) restated revised IAS 19

Net debt	46,9	53,3	84,9
Gearing	*23%*	*28%*	*41%*
Working capital (excludind Income tax debt)	29,4	29,8	34,5