PRESS
RELEASE
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NEW CHALLENGES, NEW IDEAS

GFI INFORMATIQUE: RESULTS FOR FIRST SIX MONTHS OF 2014

GROWTH OF 4.9% INCLUDING 2.4% LIKE-FOR-LIKE
STRONG GROWTH IN OPERATING MARGIN IN FRANCE: +14.8%
RETURN TO LIKE-FOR-LIKE GROWTH INTERNATIONALLY: +2.7%

Saint-Ouen (France), 29 July 2014 – Meeting on 25 July 2014 under the chairmanship of Vincent Rouaix, the Board of Directors of Gfi Informatique reviewed the consolidated financial statements for the six months ended 30 June 2014.

Main profit and loss items in euro '000	30.06.14	30.06.13	∆	∆%
Revenues	386,8	368,6	18,1	4,9%
Operating margin	20,1	17,0	3,1	18,0%
As % of revenue	*5,2%*	*4,6%*	*0,6 bp*	
Operating profit	10,2	7,8	2,4	31%
Net profit attribuable to the Group	1,7	0,8	0,9	113%
Earnings per share, Group share (€)	*0,03*	*0,01*	*0,02*	112%
COMPREHENSIVE INCOME	1,6	0,9	0,6	70%
Main balance sheet items				
Operating Cash flows	16,5	12,5	4,0	32,4%
Net debt	81,9	62,8	19,1	30,4%
Net equity	195,7	186,7	9,0	4,8%
Net debt on Net equity	*42%*	*34%*	*8 bp*	

Audits were performed on the consolidated financial statements. The certification report is about to be issued.

Commenting on the results, Vincent Rouaix, **Chairman and Chief Executive Officer of Gfi Informatique**, stated: *"Despite an ongoing difficult environment in France, our robust business model helped us achieve even more improvement in domestic and international market share and improve our profitability. Momentum was underpinned by our active acquisition policy, focused on acquiring value-added skills, developing major accounts, and expanding our software offer. Gfi Informatique will continue to step up efforts to increase like-for-like growth and will further pursue the policy of making targeted acquisitions".*

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HIGHER REVENUE AND STRONG GROWTH IN OPERATING MARGIN

In the first six months of the year, the Group's revenue reached €386.8 million, up 4.9% from the same period of the prior year based on published figures. Like-for-like growth was +2.4%.
During the second quarter, Group revenue increased 5.6%, including like-for-like growth of +2.7%.

The Group's operating margin of €20.1 million reflects growth of 18.0%.

- **FRANCE**: **solid like-for-like growth and significant increase in operating margin**

Revenue in France amounted to €330.6 million, compared with €313.0 million at 30 June 2013, up +5.6% on a published basis and +2.4% on a like-for-like basis. In the second quarter, revenue in France grew +6.9%, including +3.0% on a like-for-like basis.

Commercial activity during the quarter was very intense. At 30 June, both the pipeline and weighted pipeline were higher than the prior year, respectively 9.2% and 7.7%. The sliding book-to-bill ratio was 1.17 compared with 1.13 at 30 June 2013.

The operating margin improved significantly to €19 million or 5.8%, compared with €16.6 million or 5.3% in the first half of last year. Although the calendar was as unfavourable as last year, the increase in the operating margin reflected the Group's efforts to improve its positioning, innovate and industrialise. In a difficult environment, the number of billable employees and the average daily rate were higher than in June 2013.
During the past 24 months, Gfi Informatique has considerably strengthened its capacity to offer high value-added services to clients through the Company HUB enterprise portal developed with Nokia, the cloud computing offer through the partnership with OBS, outsourcing, PLM[1] with Thales, testing and Business Intelligence with Cognitis. The Group will keep up its efforts in this area, as it is convinced that innovation is essential to growth and profitability.

- **INTERNATIONAL: improvement in profitability based on renewed like-for-like growth**

International business grew strongly: it represented 14.5% of sales and 5.3% of the operating margin in 2014 compared with respectively 15.1% and 2.7% during the first half of last year. International like-for-like growth was +2.7% compared with negative growth of -10.2% at 30 June 2013.

Iberian Peninsula (Spain and Portugal):
Revenue amounted to €39.9 million compared with €39.7 million, up 2.5% on a like-for-like basis, while the operating margin was flat at 0.2%. In Spain, the Group recently signed a significant outsourcing contract, which should represent around 10% of revenue on a full-year basis.

Northern Europe (Belux and Switzerland):
At €13.7 million during the first half of 2014 compared with €12.7 million at 30 June last year, like-for-like revenue also grew strongly (+7.6%). This growth was profitable, increasing the operating margin to 5.2% from 2.5% at 30 June 2013.

1 PLM: Product Life Cycle Management

OPERATING INCOME GROWS STRONGLY

Operating income amounted to €10.2 million compared with €7.8 million during the first half of 2013, an increase of 31%. The integration process for acquisitions made at the end of last year continued, explaining part of the spending on restructuring during the first half (€5.8 million compared with €5.2 million in June 2013). As in 2013, the Group completed most of the restructurings for the financial year during the first six months. For the full year, it expects restructuring costs to be slightly above the €7 million of 2013.
Net income, Group share amounted to €1.7 million, compared with €0.8 million in the first half of 2013.

SOLID CASH GENERATION AND DEBT UNDER CONTROL AMID AN ACTIVE ACQUISITION PROGRAMME

Working capital generation came to €16.5 million compared with €12.5 million at 30 June 2013, a +32% increase. For the six-month period, working capital requirements were well controlled in view of the increase in activity: at €17.4, the amount was less than the €19.3 million of the prior year. These factors led to gearing of 42%, while the company made significant acquisitions including Awak'IT, Airial and ITN. These acquisitions plus capital expenditures represented €20.5 million in investment outlays during the first six months. In June, to top up acquisition financing, the Group issued a €15 million bond maturing 27 December 2019.
On 20 June 2014, Gfi Informatique signed an agreement with BG Master Fund to reduce the annual interest rate the Company pays on the OCEANEs (bonds convertible into new or existing shares) held by BG Master Fund (99.89% of the total) from 5.25% to 3.00%, effective at the date of signature of the agreement. Gfi Informatique agreed that for a period of nine months from that date, it would not make use of the early-redemption clause in the first paragraph of Article 4.1.8.1.3 of the transaction note.

ACTIVE POLICY OF TARGETED ACQUISITIONS

Gfi Informatique actively continued its policy of making targeted acquisitions. It made three purchases in line with the strategic plan to acquire skills, major accounts and recurring clients and/or products.

In January 2014, Gfi Informatique purchased Awak'IT, a consulting firm that specialises in global digital, corporate and human resources communication for large groups. Through this operation, Gfi Informatique aims to occupy a leading place on the French digital market, in both design and execution capacity. Awak'IT has revenues of around €6 million and a higher operating margin than the Group in France. It has been included in the Group's consolidated accounts since 1 February 2014.

In June 2014, the Group acquired ITN, a leading publisher of management software packages for the insurance sector. ITN designs, develops and markets life and non-life (property-casualty, healthcare, personal risks and savings) insurance solutions for insurance and bankinsurance companies, mutual insurance firms and insurance brokers in France and Europe.
With around 110 employees, ITN has annual revenue on the order of €15 million, more than half of it from licences and maintenance. The operating margin exceeds 15%. The acquisition boosts Gfi Informatique's software sales by nearly 20% on a full-year basis. It fits the IP 20 plan announced early in the year, which aims to increase the Group's Solutions revenue from 12% to 20% over a three-year time horizon. ITN has been consolidated since 1 June 2014.

In June 2014, the Group acquired IT services company Airial from Real Dolmen Group. Airial has annual revenue on the order of €30 million and close to 350 employees. It has a portfolio of prestigious clients: half of revenue comes from the public sector and more than 40% from Application Management. Airial's integration into Gfi Informatique Group is facilitated by the nature of its portfolio of activities and clients. Airial has been consolidated to Gfi Informatique's accounts as from 30 June 2014. Once integrated, the contribution to the Group's results will be at least equivalent to that of Gfi Informatique's other activities of the same type.

OUTLOOK

If the economy remains on track, the Group believes that the latter part of this year should confirm the growth trend of the first half and the operating margin should continue to improve compared with last year. The Group continues to be watchful for acquisition opportunities.

Next release: Q3 2014 revenue – 4 November 2014

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 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 revenue of €743 million in 2013.

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

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APPENDICES

Sales (in euros '000)	1st quarter 2014	1st quarter 2013	Reported growth	Like-for-like growth
France	168,1	161,0	4,4%	1,8%
Spain	16,2	15,1	7,1%	7,1%
Portugal	3,9	4,4	-11,8%	-6,3%
Northern Europe *	6,9	6,2	12,2%	12,2%
Morocco	1,3	1,6	-22,0%	-21,9%
Total	**196,4**	**188,4**	**4,3%**	**2,2%**
** Belux, Switzerland*				
France	168,1	161,0	4,4%	1,8%
International	28,3	27,3	3,5%	4,5%
Total	**196,4**	**188,4**	**4,3%**	**2,2%**

Sales (in euros '000)	2nd quarter 2014	2nd quarter 2013	Reported growth	Like-for-like growth
France	162,5	152,0	6,9%	3,0%
Spain	16,3	16,1	1,2%	1,2%
Portugal	3,5	4,1	-14,4%	-1,0%
Northern Europe *	6,7	6,5	3,4%	3,3%
Morocco	1,4	1,5	-9,1%	-7,4%
Total	**190,4**	**180,2**	**5,6%**	**2,7%**
** Belux, Switzerland*				
France	162,5	152,0	6,9%	3,0%
International	27,9	28,2	-1,1%	1,0%
Total	**190,4**	**180,2**	**5,6%**	**2,7%**

Sales (in euros '000)	6 months 2014	6 months 2013	Reported growth	Like-for-like growth
France	330,6	313,0	5,6%	2,4%
Spain	32,5	31,2	4,1%	4,1%
Portugal	7,4	8,5	-13,1%	-3,9%
Northern Europe *	13,7	12,7	7,7%	7,6%
Morocco	2,6	3,1	-15,7%	-14,9%
Total	**386,8**	**368,6**	**4,9%**	**2,4%**
** Belux, Switzerland*				
France	330,6	313,0	5,6%	2,4%
International	56,2	55,6	1,1%	2,7%
Total	**386,8**	**368,6**	**4,9%**	**2,4%**

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Income statement, Cash flow and Balance Sheet

Consolidated comprehensive income statement in euro '000	**30.06.14**	**30.06.13**
Revenues	386,8	368,6
EBITDA	24,0	20,8
Depreciation and amortization (net)	-3,9	-3,8
Operating margin	**20,1**	**17,0**
Operating margin %	5,2%	4,6%
Amortization of assigned intangible assets	-0,9	-0,9
Goodwill impairment losses	0,0	0,0
Other operating products and expenses	-8,9	-8,3
Operating profit	**10,2**	**7,8**
Financial result	-3,7	-3,5
Income tax expense	-4,8	-3,7
Net income attributable to the Group	**1,7**	**0,8**
Earnings per share (€)	*0,03*	*0,01*
Recognized comprehensive income	-0,1	0,3
Comprehensive income	**1,6**	**0,9**

Consolidated cash flow statement in euro '000	30.06.14	30.06.13
Operating Cash flow	16,5	12,5
Tax paid	-5,4	-5,3
Change in working capital requirement	-17,4	-19,3
Net cash from operating activities	**-6,3**	**-12,1**
Net cash non-linked to perimeter investment	-5,9	-5,6
Net cash linked to perimeter investment	-14,6	11,2
Net cash from investing activities	**-20,5**	**5,6**
Dividends	0,0	0,0
New borrowings	17,8	0,0
Repayment of borrowings	-4,8	-2,9
Interests paid	-1,0	-0,9
Change in factoring drawdowns and other	17,4	9,8
Net cash from financing activities	**29,4**	**5,9**
Effect of changes in foreign exchange rate	0,0	0,0
Change in cash and cash equivalents	**2,5**	**-0,5**

Balance sheet in euro '000	**30.06.14**	**31.12.13**
Goodwill	216,2	200,5
Fixed assets	46,4	44,0
Non current assets	39,7	36,5
Current assets	323,0	282,0
Cash and equivalent cash	39,8	48,2
Total assets	**665,1**	**611,3**
Net equity	195,7	200,8
Borrowings	121,7	95,1
Non current liabilities	30,6	26,2
Financial liabilities and current provisions	18,4	16,0
Current liabilities	298,8	273,1
Total liabilities and shareholders equity	**665,1**	**611,3**
	30.06.14	**30.06.13**
Net debt	81,9	62,8
Gearing	*42%*	*34%*
Working capital	51,5	52,1

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