



GFI Informatique

2008 results



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Review of 2008

Impact of the crisis as from the fourth quarter



2008 – Highlights



- ▶ GFI anticipated the period of instability by rolling out its Plan for Sustainable and Profitable development as from April 2008
 - Optimisation of major investments in sales dynamics
 - Tighter cost structure
 - Action plan to increase staff loyalty and protect jobs

- ▶ The global crisis affected business in the fourth quarter but organic growth nonetheless remained positive



Review of 2008 – France



- ▶ A mixed year with the last quarter marked by the crisis and an economic slowdown in several sectors
 - Software: sales of licences down by €1.2 million in Q4 2008 compared with Q4 2007
 - Services in Banking/Finance and Industry: margin impact of 2% on the revenue concerned
 - Casashore: customer delays in implementing the contracts signed
 - Revenue down by 1.5% in Q4

- ▶ Major cost-savings measures managed to preserve earnings
 - Personnel expense down by €1.5m in H2
 - General and administrative expense down by €1m in H2



Review of 2008 - Spain and Portugal



- ▶ Spain: a successful turn around
 - Revenue virtually stable relative to 2007 despite the loss of the Telefónica contract with a margin of 6.6%, down slightly versus 2007
 - Successful diversification following development of the following activities
 - ERP integration (SAP)
 - Technical assistance in the Basque region
 - e.Government
- ▶ Portugal: stable performance
 - Significant synergies with newly acquired payment systems subsidiary
 - Continuation of telecom activities (Vodafone, PT SI) despite the reorganisation of subcontracting
 - Savings achieved at the level of back office and premises



Review of 2008 – Italy



- Improved performance thanks to selective approach to contracts and development of the Security offer
 - The Security offer represents around 10% of revenue
 - Penetration continued to grow in the utilities sector
- Cost savings
 - Restructuring plan has been completed: 55 people have left the company
 - Management has been streamlined and several managers have left the company
 - Strong efforts to reduce subcontracting costs are under way with a view to cutting costs by between 4% and 5%, i.e. more than €400,000
- €10m reduction in client accounts
 - €4.6m improvement in WCR



Review of 2008 – Rest of the world



▶ Canada

- Strong overall growth: integration of acquisitions proceeding according to plan
- 60% of business generated in software

▶ Morocco

- Good growth in the local market

▶ Belgium – Germany – Switzerland

- Improvement in Germany
- Slight contraction in Belgium and Switzerland





2008 results



Income statement - 2008



Year ended 31 December (€m)	2008	2007
Revenue	768.1	688.5
Operating profit on ordinary activities	44.9	44.8
Operating margin	5.8%	6.5%
Other operating income and expenses	-12.9	-18.2
Operating profit	32.0	26.6
Finance costs and other financial expenses	-7.3	-5.6
Income tax expense	-9.9	-6.2
Profit attributable to equity holders of the parent	14.3	14.0
Diluted earnings per share (in euros)	0.26	0.26



2008 results – Other income and expenses



- ▶ Other operating expenses = €12.9m
 - €5m of net restructuring expenses
 - France : €2.9m
 - International : €2.1m
 - Dilution gain of €0.9m following the sale of minority interests in Canada
 - €6m write-off of goodwill in Italy
 - €2.8m of other operating expenses:
 - Provisions for risk (trade and labour disputes)
- ▶ Impairment of goodwill in Italy
 - Value of goodwill after impairment = €20m



2008 results – Net financial charge and tax



- ▶ Net financial charge = €7.3m
 - Net cost of debt: €1.9m more than in 2007
 - Increase in average net debt (+€25m)
 - Increase in average spreads
- ▶ Tax
 - €2.8m in tax losses carried forward not utilised for the sake of prudence
 - In 2007, utilisation of tax losses amounting to €4m following the merger of Algoriel with GFI



2008 results - Balance sheet



Year ended 31 December (€m)	2007	2008
Goodwill	238.4	221.2
Other intangible assets and tangible assets	39.4	28.8
Other non-current assets	5.1	10.9
Current assets	356.4	345.5
Cash and cash equivalents	22.2	29.4
Total assets	661.5	635.8
Total equity	231.2	237.1
Non-current and current borrowings	114.5	94.8
Non-current liabilities	17.6	20.6
Current liabilities	298.2	283.8
Total equity and liabilities	661.5	635.8

Gearing: 40%



2008 results - Cash flow



Year ended 31 December (€m)	2008	2007
Operating cash flow	45.2	42.4
Taxes paid	-6.8	-7.4
Change in working capital used in the operations	-3.2	-21.4
Net cash from operating activities	35.2	13.6
Net cash used in investing activities	-53.2	-46.6
<i>Of which operating investments</i>	-12.9	-8.3
<i>Of which acquisitions and disposals</i>	-40.3	-38.3
Net cash from (used in) financing activities	-1.4	41.4
Effect of changes in foreign exchange rates	-0.6	0.2
Change in cash and cash equivalents	-20.1	8.6



2008 results – Cash flow



Analysis of cash flow from investing activities

- **Financing:**

- Debt: +€23m
- FTQ ^{U1} capital contribution: €13m
- Operating cash flow: €4m

	Px d'acquisition	Restant dû	Trésor. des stes acquises	Cash net
Prise de participation complémentaire dans Accovia et GFI Logiciels	-13 125	2 106	1 207	-9 811
Prise de participation complémentaire dans GFI Conseils	-4 469	597		-3 872
979 - GFI Conseils : acquisition de GFI Solutions d'Affaires (959)	-18 745		0	-18 745
Investissements réalisés au Canada	-36 339	2 703	1 207	-32 428
Acquisition de VIVEO	-8 916		1 741	-7 175
Autres Divers	-550	-286	91	-745
				-40 348



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U1

ndt. FSTQ?

User: 19/03/2009

2008 results

Organic growth by geographical area



2008 revenue	€m	Overall growth	Organic growth
France	514.4	14.0%	5.0%
Spain / Portugal	107.0	1.5%	-0.7%
Italy	61.2	-5.7%	-5.7%
Northern Europe	45.1	-0.1%	-0.3%
Canada	36.3	95.1%	6.2%
Morocco	4.1	25.4%	26.8%
Total group	768.1	11.60%	2.90%



2008 results

Operating margin by geographic area



Operating profit on ordinary activities	2008 (€m)	2008 as % of revenue	2007 as % of revenue
France	32.3	6.30%	7.60%
Spain/Portugal	6.8	6.3%	7.90%
Italy	-0.1	-0.10%	-3.30%
Northern Europe	1.3	3.0%	3.80%
Canada	4.3	11.8%	13.80%
Morocco	0.3	7.5%	4.20%
Total group	44.9	5.9%	6.50%

- ▶ France: impact of crisis visible in Q4
- ▶ Spain and Portugal: slight contraction (Telecom impact)
- ▶ Italy: significant improvement relative to 2007
2007(+€2m)



2008 results - Headcount



Country	30/12/2008	30/12/2007
France	6,079	5,892
Northern Europe	373	399
Spain - Portugal	2,007	2,052
Italy	666	800
Rest of the world	768	341
Total group	9,893	9,484

More than 10,000 people including subcontracted staff





Le succès de nos clients est le moteur de notre avenir

Activity in the first part of 2009



- ▶ The crisis has had an impact on investment in software and services in all sectors
 - Banking, insurance and industry are the worst hit
 - Telecoms, utilities and the public sector are proving the most resilient
- ▶ Pressure on prices has increased significantly: more outsourcing deals
- ▶ Lower-cost practices will increase: offshore, industrialisation, mass treatment
- ▶ Software: arbitrage with regard to steering software (CRM, BI, HR management, etc.)

Outsourcing will benefit from the crisis



Structure of the activity in France (1/2)



- ▶ Significant portion of locked-in revenue
 - 40% of forecast 2009 revenue in France

- ▶ Recurrent business is growing in all sectors and in all GFI 's activities
 - Top 11 clients = 50% of revenue in France

- ▶ Setting in place of strategic partnerships to complete our outsourcing offer
 - Wipro, Infosys and Cognizant for major operations



Structure of the activity in France (2/2)



- Sales and marketing efforts concentrated on major contracts and the top 25 clients
- Significantly reinforced career management to better serve our clients and create value
- Strengthening the sector-specific business approach



Structure of the activity at international level



- › Continuing to expand our offers at international level
- › Market trends are globally the same as in France
- › 2009 has got off to a good start in Spain, Portugal, Canada and Morocco





Objectives for 2009



Objectives for 2009



- Improve cash flows
- Preserve earnings
- Achieve a stable year in terms of organic growth
- The Plan for Sustainable and Profitable Development: a tool for adapting to the crisis
 - Defensive
 - Pro-active
 - Employee-oriented





Appendix 1

Analysis of revenue by client



Top ten clients by revenue



	Client	Total invoiced in 2008	
		(€000)	As a % of Group revenue
1	FRANCE TELECOM	55,265	7%
2	BNP PARIBAS	39,631	5%
3	IBM	21,000	3%
4	EDF GDF	19,085	2%
5	TELEFONICA	17,877	2%
6	SNCF	16,410	2%
7	SOCIETE GENERALE	13,282	2%
8	CAISSE D'EPARGNE	12,610	2%
9	MINISTERO DELLA GIUSTIZIA	11,698	2%
10	CREDIT AGRICOLE INDOSUEZ	10,879	1%
		217,736	28%





Le succès de nos clients est le moteur de notre avenir

Appendix 2

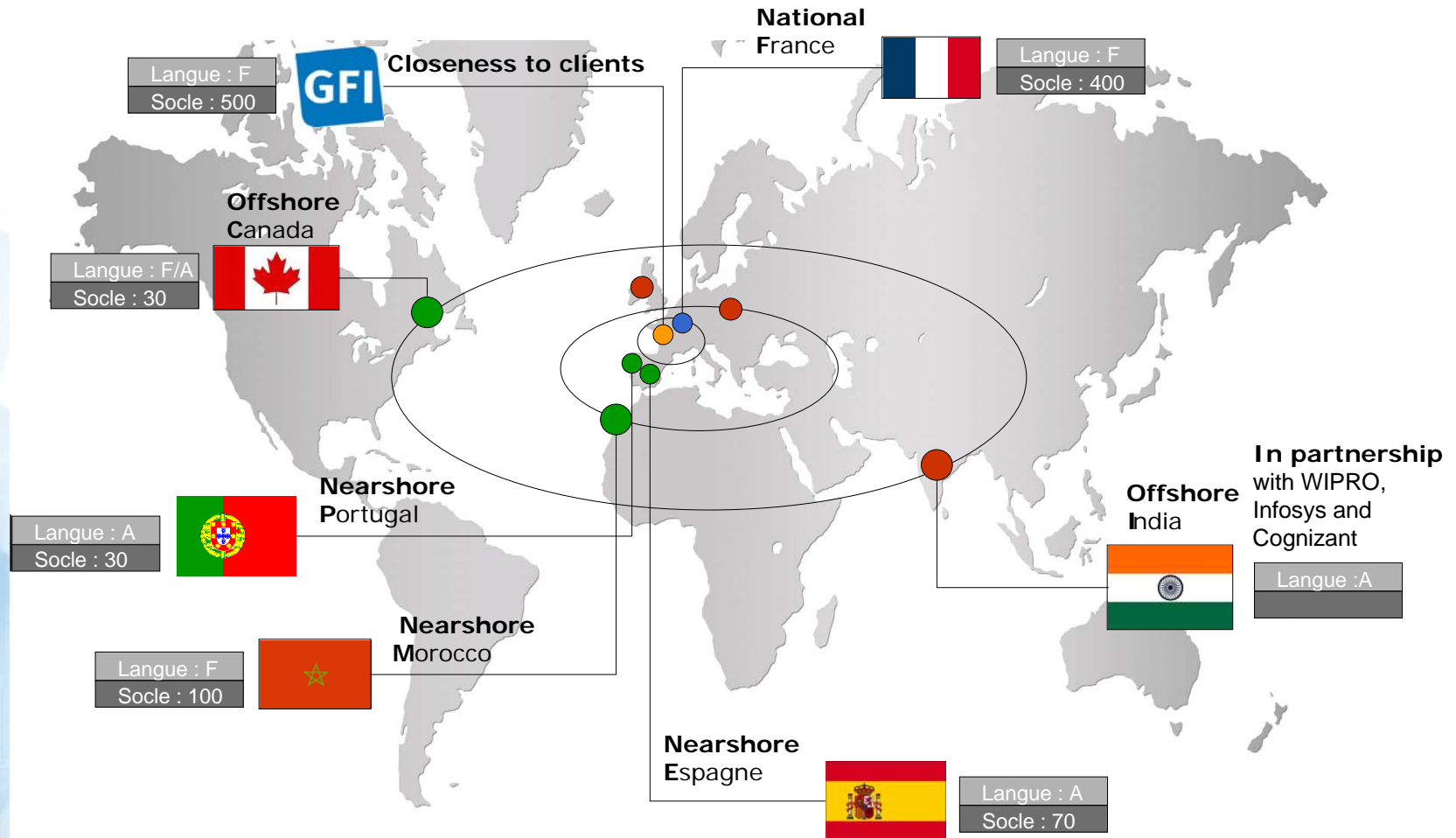
GFI's industrialisation



Global presence



Seeking the best combination of VFC (Volume/Flexibility/Cost/Compliance)



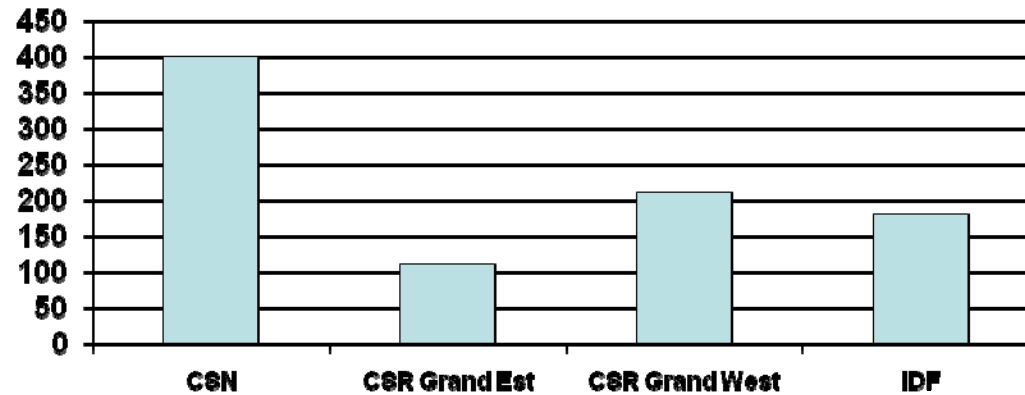
- › Language: F/French E/English
- › Base: Headcount of base team staff in January 2009



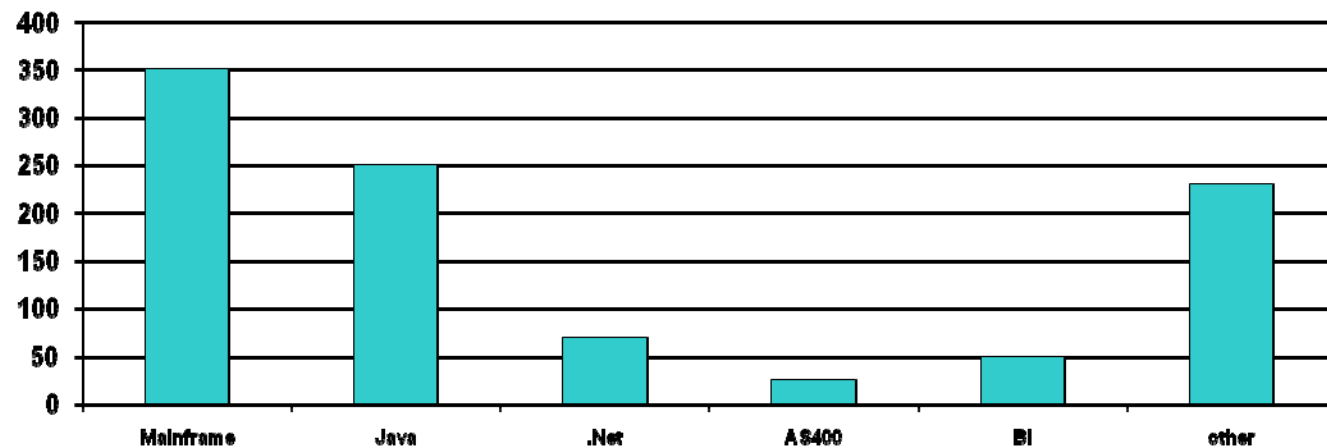
Service centres: Onshore activities



Breakdown of base staff by centre



Breakdown of base staff by technology

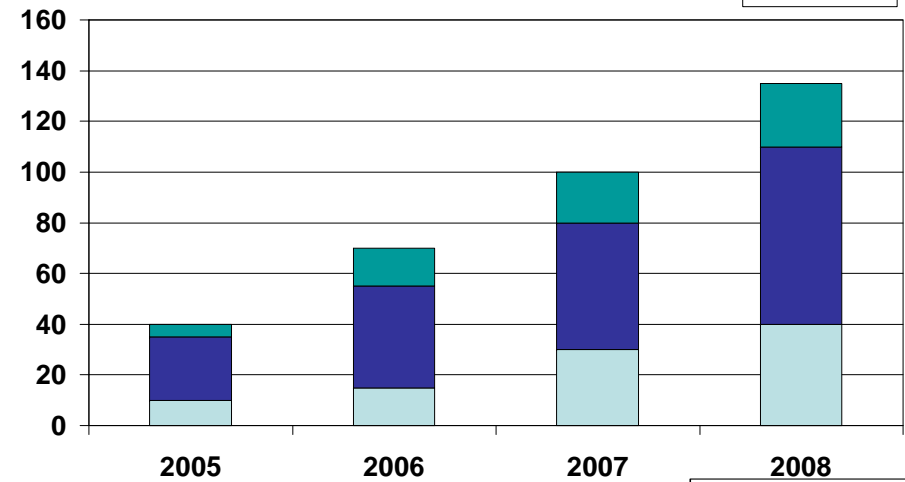


Service centres: a fast-growing model

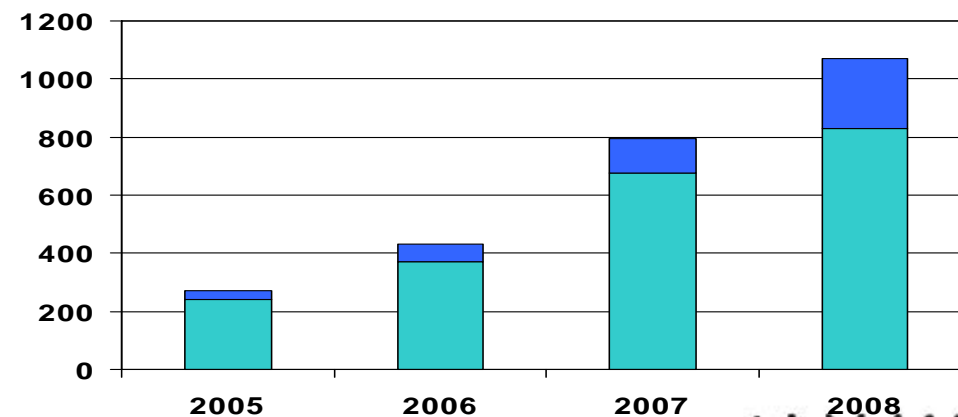


- Strong growth in service centres model
- Parallel development in France of service centres and nearshore centres

Evolution du CA en M€ des Projets en model Centre de Services (FO / BO)



Effectif en Nombre de personnes des équipes socles de CS



Services are moving towards an obligation of results mode



Growth in revenue from systems integration projects with obligation of results (€m)

