



PRESS RELEASE

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GFI Informatique posted an improvement in the operating margin in the second quarter 2004

(€ million)	Q1 2004	Q2 2004	H1 2004	H1 2003
Turnover	130.3	131.0	261.3	255.9
EBITA	6.8	7.2	14.0	14.9
<i>% of turnover</i>	<i>5.2%</i>	<i>5.5%</i>	<i>5.4%</i>	<i>5.8%</i>
EBITDA	8.0	7.5	15.5	15.2
<i>% of turnover</i>	<i>6.2%</i>	<i>5.7%</i>	<i>5.9%</i>	<i>5.9%</i>
EBIT	3.4	4.2	7.6	8.8

* EBITA: Operating profit

EBITDA: Earnings before interest, taxes, depreciation and amortisation

EBIT: Profit from ordinary operations before net financial result and taxes

2004 first half results

GFI Informatique has returned to growth with a 2.1% increase in turnover in the first half. At the same time, the operating margin improved by 0.3 percentage point in the second quarter compared with the previous quarter, corresponding to an operating margin of 5.5% in the second quarter.

GFI Informatique posted EBITA of €14.0 million for the first six months of the year, corresponding to an operating margin of 5.4%.

GFI Informatique pursued its sales efforts at every level and managed to increase its market share with customers, notably with its largest customers (up 28% at France Télécom compared with 30 June 2003, and up 11% at Telefonica, 9% at Renault, 27% at EDF GDF, 164% at Airtel (Vodafone group), and 20% at Crédit Lyonnais).

At financial level, GFI Informatique continued to improve its financial ratios:

- The trade receivables cycle was shortened by another 15 days in relation to the same period last year and stood at 121 days at end June 2004,
- Gearing was down to 36.3% at 30 June 2004, from 49.6% at 30 June 2003,
- Net financial charges declined by 30% compared with 30 June 2003.



Business activity by geographic region

France (64% of turnover)

The French activities continued to record good results. The order book at the Industry, Retail and Services and Administration and Public Sector divisions is more than encouraging and activity rates rose slightly in the first half. The Software division continued to perform well thanks to strong penetration of the medium-sized company segment. The Time Management activity has benefited fully from the synergies generated by the acquisition of Chronotique and achieved excellent first-half results.

The operating margin in France in the first half came to 7.9%.

Southern Europe (24% of turnover)

The operating results were very satisfactory in Spain and Portugal where the operating margin progressed significantly in the second quarter, coming to, respectively, 11.8% and 15.9% in the first half. Management considers it will be able to maintain the operating margin at a similar level in the second half.

The difficulties continued in Italy. Management has taken further drastic measures to restructure the subsidiary. A plan to reduce the workforce by 12% is being negotiated with trade union and government representatives and is expected to come into effect at the end of September. This radical streamlining together with the setting in place of a new sales team should enable the subsidiary to return to break even in the fourth quarter and then to generate profit.

The operating margin in Southern Europe in the first half came to 2.8%.

Northern Europe (11% of turnover)

The situation in Germany improved in the second quarter following the restructuring and cost streamlining carried out by management. The company is expected to break even as from the fourth quarter of 2004.

In Northern Europe, GFI Informatique recorded a negative operating margin of 3.6% in the first half.

Outlook

GFI Informatique has maintained its growth target for 2004, which is still seen as a transition year. The second half is expected to be in line with the first, with a traditionally weak third quarter and a better operating margin level in the fourth quarter. The economic situation is improving gradually and this allows GFI Informatique to view 2005 with confidence.

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