



## PRESS RELEASE

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### Operating margin of 5.2% in the first quarter of 2004

<i>(€ million)</i>	Q1 2004	Q1 2003
<b>Turnover</b>	130.3	135.6
<b>EBITA</b>	6.8	8.8
<i>% of turnover</i>	<i>5.2%</i>	<i>6.5%</i>
<b>EBITDA</b>	8.0	9.4
<i>% of turnover</i>	<i>6.2%</i>	<i>7.0%</i>

### First-quarter 2004 results

In the first quarter of 2004, GFI Informatique recorded an operating margin of 5.2% on turnover of €130.3m. The impact of the price negotiations for master contracts signed in 2003 having been largely compensated by the productivity increase of the company, the operating margin of the Group was essentially hit by the Italian subsidiary's results (nearly 1% of EBITA).

Robust business activity in France, Spain and Portugal has enabled management to confirm its forecast of organic growth as from the second quarter. In this respect, GFI Informatique has resumed recruitment in these countries.

Cash flow came to €4.3m in Q1 2004 compared with €3.8m in the same period in 2003.

Gearing dropped below 35% (34.6%) in Q1 2004, down from 50.2% in the same period last year.

### Business activity by geographic region

#### France (64% of turnover)

GFI Informatique continued to perform well in France, thanks to its Software and Outsourcing divisions and its activities in the Telecom, Industrial, Services, Retail and Administration sectors. The order book was added to significantly in the first quarter and the activity rate remained high. The Industry, Services and Retail division won some major new contracts (DHL, RATP). In addition to the success of its Software, TPM and Outsourcing offer, GFI Informatique noted an upturn in SAP projects, a field in which the Group has an active position.

GFI Informatique achieved an operating margin of 8.3% in France in the first quarter of 2004.



### **Southern Europe (24% of turnover)**

GFI Informatique continued to post very good performances in Spain and Portugal. Promising diversification in the Administration sector and a strong position with Vodafone and Telefonica should enable these subsidiaries to maintain these good results throughout 2004.

In Italy, economic conditions took an unexpected turn for the worse in the first quarter. GFI Informatique's subsidiary was severely affected in Turin and in the South of Italy. The situation deteriorated during the first quarter due to order cancellations and postponements in the public sector, in which GFI Informatique is very active. Management has set in place an action plan designed to adapt the subsidiary to the new economic conditions and expects a gradual return to profit before the end of the year.

The operating margin was 1.6% in Southern Europe.

### **Northern Europe (11% of turnover)**

GFI Informatique posted a slightly positive operating margin in the UK and is maintaining its objectives for 2004.

In Germany, the economic situation remains difficult and GFI Informatique essentially underwent the fall-off in demand from FISCUS (Ministry of Finance). However, thanks to the defensive measures taken so rapidly by management, and to a number of major new contracts (T-Systems, Lufthansa Systems), this subsidiary is expected to break even in the second quarter and improve steadily throughout the rest of 2004.

GFI Informatique posted a negative operating margin of 3.6% on its Northern Europe activities.

### **Outlook**

GFI Informatique is maintaining its objective of organic growth of between 2% and 4% in 2004 and expects to post a stronger operating margin in the second quarter.

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