



## PRESS RELEASE

Paris, 12 September 2006

**GFI Informatique posted organic growth of 6.8% and an operating margin of 6.0% in the first half of 2006. Ordinary operating profit was up 32% on the first half of 2005**

(€ million)	First half 2006	First half 2005
Revenues	319.8	272.3
Ordinary Operating Profit	19.2	14.5
<i>as a % of turnover</i>	<i>6.0%</i>	<i>5.3%</i>
Operating Profit	15.2	13.3
Net profit	6.4	6.6

### Message from Jacques Tordjman, Chairman and CEO:

Over the first half of the year, GFI Informatique confirmed its transformation into a group with a high value added product and service offering and new-found momentum. Growth in business and earnings reflected this. Countries that, for us, hold the greatest potential – France, Spain, Portugal, Morocco, Canada – are generating levels of turnover and margin growth that place GFI Informatique among the best performing groups in the sector. Our Northern European subsidiaries have now been turned around in a sustainable manner, and we are pursuing our efforts to revive our Italian subsidiary, which accounts for less than 9% of group turnover.

We are confident in our ability to continue generating organic growth and improve margins over the second half of the year.



## Comments on the first half activity

### International

The group's Spanish and Portuguese subsidiaries again recorded excellent performances with 23% growth in turnover and an operating margin of 8.1% in the first half. The biometrics activity enjoyed significant commercial success with €3 million of orders and this will contribute to improving margins in the second half of the year.

The Italian subsidiary suffered from public spending cutbacks and delays with some contracts. The 9.2% drop in turnover resulted in an operating loss of €1.7 million in the first half. The subsidiary's new management team is now operational. GFI Informatique is actively prospecting among the group's main clients to find new business for the subsidiary. GFI Informatique believes it is in a position to improve the subsidiary's performance in the second half

Business continued to develop in Canada and Morocco. In particular, our electronic payment systems offer enjoyed significant commercial success in Canada.

The group's Northern European activities are now all profitable, having been turned around in a sustainable manner. In September, the group finalised the sale of property in the United Kingdom with a capital gain of around €2 million.

### France

The group posted organic growth of 5.1% in the first half of the year, and an operating margin (excluding Adeliour Actif) of 8.2%, compared with 7.7% in the same period the previous year. The total operating margin for France was 7.2% over the first six months.

Activity is robust in the telecommunications, banking and insurance, and public sectors, and the group continues to clinch important deals with, amongst others, France Telecom, PMU, La Mondiale and Airbus.

The group's transformation is continuing with the development of product offers based on the following principles:

- Setting up twelve specialised skills centres at group level;
- Setting up five service centres in France and three near- and off-shore service centres;
- Developing sector expertise at operational levels;
- Capitalising on our expertise (payment card systems, time management, production, offshore).



## **Comments on the first half accounts**

### **Profit and loss account**

On the first half of the year, the revenues are up 17.4% including 6.8% of organic growth. The ordinary operating profit is up 32% compared to the first half 2005.

The group has recorded 2M€ of restructuring costs in France and Italy related to the on going restructuring plans. The group has also recorded 1.4M€ of goodwill depreciation in Italy. Despite these costs, the operating profit is up 14%.

The net group profit is in the same range as last year.

### **Net Debt**

The net debt has increased in the first half due to the combined effect of the acquisitions and the seasonal variation of the working capital requirements. An opposite seasonal effect will be recorded in the second half.

### **Headcount**

The group headcount is 7 792 staff on the 30<sup>th</sup> June 2006 up by 1 171 staff since the 31<sup>st</sup> December 2005. The increase is due to the acquisition of the Adeliior Actif group (1 000 staff) and the on going recruitment in France and abroad.

## **Financial communications calendar**

GFI Informatique will publish Q3 2006 turnover after close of market on 8 November 2006.

### **About GFI Informatique**

GFI Informatique is an international IT services group employing over 7,000 people. The Group recorded turnover of €543.8 million in 2005. The acquisition of Adeliior and Actif in 2006 brought the group around 1,000 new staff and added €75 million to turnover. GFI Informatique provides its customers with expertise in consulting, systems integration, and outsourcing. The company covers all stages of the information system life cycle and caters mainly for large corporates, public bodies and local authorities. GFI Informatique has over 40 branches in France and 9 international agencies in Southern and Northern Europe, Morocco and Canada.

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## Appendices

### Half year profit and loss account

in Euro millions	2006	2005
Revenues	319,8	272,3
Ordinary operating profit	19,2	14,5
Margin	6,0%	5,3%
Other operating items	-4,0	-1,2
Operating profit	15,2	13,3
Net financial debt	-1,6	-1,5
Other financial income and expenses	-1,0	0,2
Tax charge	-6,0	-5,2
Net group result	6,4	6,6
Earning per share	0,14	0,15

### Summarised balance sheet

in Euro millions	30/06/2006	30/06/2005
Goodwill on acquisition	188,2	157,8
Fixed assets	20,7	17,2
Other non current assets	9,5	5,2
Current assets	293,4	231,4
Cash	14,1	10,6
Total assets	525,9	422,2
Net Equity	177,4	149,2
Borrowings (current and long term)	97,8	72,9
Non current liabilities	20,1	19,2
Current liabilities	230,6	181,0
Total liabilities	525,9	422,2



## Half year cash flows

<b>in Euro millions</b>	<b>2006</b>	<b>2005</b>
Net result excluding non cash items	12,1	9,5
Change in working capital requirement	-21,8	-17,5
Net cash from operating activities	-9,7	-8,1
Net cash from investing activities	-11,8	-5,2
<i>including operating investments</i>	-3,9	-3,1
<i>including acquisitions</i>	-7,9	-2,1
Net cash flow from financing	-2,3	-8,6
Exchange rate impact	-0,1	0,3
Change in cash	-23,9	-21,6