



PRESS RELEASE

Paris, 11 September 2003

GFI Informatique releases first-half results Good financial performance in France Recovery continues in Germany and Italy

(€m)	H1 2003	H1 2002	2002
Turnover	255.9	290.4	554.2
EBITA*	14.9	24.4	43.2
<i>EBITA margin</i>	<i>5.8%</i>	<i>8.4%</i>	<i>7.8%</i>
EBITDA*	15.2	25.8	46.6
<i>EBITDA margin</i>	<i>5.9%</i>	<i>8.9%</i>	<i>8.4%</i>
EBIT*	8.8	17.1	25.1

* EBITA: Operating profit
EBITDA: Gross operating profit
EBIT: Operating profit – Goodwill amortisation

2003 first-half results

The various measures taken by the Group, both defensive and offensive, have produced tangible results, although these remain mixed. In France, GFI Informatique managed to maintain its operating margin at a good level. At international level, Portugal and Spain made a strong contribution to Group operating profit, while Italy and Germany weighed heavily on the results.

In the first half of 2003, GFI Informatique posted an operating profit of €14.9m (operating margin of 5.8%).

On the financial front, GFI Informatique focussed on further improving its ratios:

- The customer receivables cycle was shortened by a further 10 days compared with the same period in the previous year (136 days at end-June),
- Working capital requirements (WCR) were reduced by €9.9m in the first half,
- The gearing ratio fell below the 50% mark, to reach 49.6%, compared with 50% at 31 March 2003 and 73.5% at 30 June 2002.

Business activity by country

France (63% of turnover)

In France, GFI Informatique continued the successful migration of its offer to flat-rate and recurring projects. It gained market share in outsourcing by winning several contracts (Biorga, Equant, Scet, Jet Services, Bourdon-Haenni, etc.) in the first half. The Group also focused on the development of service centres to enable customers to reduce the development and maintenance costs of their applications. These offensive measures, which have been in place for several quarters, enabled the Group to maintain the operating margin at a good level despite the absence of any improvement in the economic environment in the first half of 2003.

In France, the Group operating margin was 9.3%.



Southern Europe (24% of turnover)

In Spain and Portugal, operating margins remained at high levels, 11.0% and 24.6% respectively. However, management continues to monitor the order book carefully and manages the utilization rate pragmatically. GFI Informatique expects to maintain this level of operating margin in these two countries in the second half.

Faced with the economic situation in Italy, GFI Informatique decided to merge all the operational entities in Italy so as to harmonise the Group's commercial presence in the country. In the first half, GFI Informatique also negotiated a redundancy plan covering 80 to 90 staff, at no cost, which will result in a €3.5m reduction in fixed costs in a full year. This far-reaching restructuring (7% of total staff), which will take effect on 15 October, should enable the subsidiary to return to profit in the first quarter of 2004.

Given the weight of the Italian subsidiary, GFI Informatique posted an operating margin of 2.2% in Southern Europe.

Northern Europe (12% of turnover)

Against the backdrop of a particularly bad economic situation in Germany, the restructuring plan for the German subsidiary (staff cuts and cost reductions) is expected to result in a return to break-even from the fourth quarter of 2003.

GFI Informatique posted a negative operating margin of 4.8 % in Northern Europe.

Outlook

The third quarter is showing similar to the second. However, it does suggest a slight upturn for the year end and the fourth quarter could show encouraging signs of improvement.

The Group's priorities for the second half are to:

- resolve the situation in Germany and Italy before the year end,
- maintain the Group's profitability in 2003,
- follow a rigorous management policy in France,
- increase market share, notably in outsourcing,
- make further improvements in its financial ratios.

As a reminder, the success of the 47.4 million euros OBSAR issue has enabled GFI Informatique to extend its average debt maturity from 2 to 4.5 years and reduce its financial charges.

For further information, please contact:

Investor Relations: Anthony Pallier – E-mail: apallier@gfi.fr – Phone: +33 (0)1 44 85 88 97

Press Relations: Martine Canaque – E-mail: mcanaque@gfi.fr – Phone: +33 (0)1 44 85 88 56