



## PRESS RELEASE

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### **GFI Informatique posted an operating margin of 5.6% for the first nine months of 2003**

#### **Third quarter margin stronger than second quarter**

(in EUR million)	3Q 2003	3Q 2002	9 months 2003	9 months 2002
<b>Turnover</b>	113.1	126.5	369.0	417.0
<b>EBITA</b>	5.9	9.7	20.8	34.0
<b>% Turnover</b>	5.2%	7.6%	5.6%	8.2%
<b>EBITDA</b>	6.5	9.6	21.7	35.5
<b>% Turnover</b>	5.8%	7.6%	5.9%	8.5%
<b>EBIT</b>	2.8	6.4	11.6	23.5

#### **Results for first nine months of 2003**

In the third quarter, which is traditionally the weakest quarter, GFI Informatique achieved an operating margin of 5.2% on turnover of EUR 113.1 million, a slight improvement on the previous quarter (5.0%). Turnover for the first nine months came to EUR 369.0 million, with an operating margin of 5.6%.

The receivables cycle was 14 days shorter than in the same period last year and now averages 140 days. Payment times will improve sharply in the fourth quarter, which is always more positive in terms of the receivables cycle.

Net cash flow from operations came to EUR 13.4 million compared with EUR 19.6 million for the same period in 2002. The fourth quarter is expected to make a positive contribution to the change in working capital requirements, thanks to the improvement in the receivables cycle at the end of the year.

Acquisitions of tangible and intangible fixed assets are down by 30% since the beginning of the year.

#### **Business activity by country**

##### **France (62% of turnover)**

Business in France remained satisfactory. The Software division has a solid order book and continues to post good results. Outsourcing performed well and remains a strong area of development for the Group. Only the Banking, Finance and Insurance activity continued to offer scant visibility.

For the first nine months, GFI Informatique achieved an operating margin of 8.8% in France.



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

Results in the Iberian Peninsula remain very strong and even progressed slightly relative to the second quarter. The Group recorded an operating margin of 11.7% in Spain and 23.9% in Portugal over the first nine months.

In Italy, GFI Informatique successfully completed the first phase of its restructuring plan on 15 October. Since then, the company has won several major contracts from the Italian government (Ministry of Justice) and has observed signs of a business recovery at several of its key customers (Telecom Italia and Pirelli). The results of the Italian subsidiary improved significantly in the third quarter and the company should break even in the fourth quarter as expected.

For the first nine months of 2003, GFI Informatique recorded an operating margin of 2.9% in Southern Europe.

### **Northern Europe (13% of turnover)**

The UK subsidiary posted a positive operating margin in the third quarter, with a further improvement expected in the last quarter.

In Germany, the major restructuring carried out in the first half together with strong signs of a recovery have enabled this subsidiary to be six months ahead in terms of its recovery plan. Germany posted an operating margin of 1.5% in the third quarter.

Over the nine-month period, GFI Informatique posted a negative operating margin of 4.2% on its Northern Europe activities.

## **Outlook**

GFI Informatique has observed undeniable signs of a business recovery both in France and abroad. The number of between-contract days has fallen sharply in recent months, down by 25%, which would seem to confirm that business activity in the IT services sector has reached a turning point. A good many of the Group's key indicators (utilisation rate, order book, order intake, prices, etc.) have improved, which should enable GFI Informatique to increase its operating profitability in the fourth quarter.

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